Rafael Andreu - Juan Baiget - Agustí Canals

Abstract: Firm specific, idiosyncratic knowledge is increasingly being recognized as a possible source of competitive advantage in today's business world, where more traditional sources seem to be becoming less effective, so that new approaches to strategy theory and even to the theory of the firm have been suggested. This is routinely confirmed by the preliminary results of an ongoing study of KM approaches and practices used in Spanish firms. In this study, several senior management respondents unambiguously consider firm specific knowledge very important for their firms' competitiveness, although they recognize, not surprisingly, that general purpose knowledge is also needed and in a higher proportion. However, when the specific knowledge management (KM) practices used are analyzed, it turns out that the majority of them do not seem to be particularly well geared to firm specific knowledge development and usage, while the associated learning activities and processes are not always effective. This suggests what could be a fundamental mismatch between the type of knowledge involved and appropriate KM practices. In this paper we present preliminary evidence stemming from the aforementioned study, make an attempt to characterize the kind of mismatches detected, and suggest ideas for further research on the practical and theoretical implications of the results obtained.

Javier Estrada

Abstract: In this article, we argue that one of the main sustainable competitive advantages of any company is the way it is managed. The performance of a company depends on many variables, including the external environment, the industry in which the company competes, its strategic positioning within the industry, etc. These factors are not company-specific, however, so they cannot account for differences in performance across companies. What is specific to a company is its management and its managerial decision-making process. Addressing this fact, Bartlett and Ghoshal (1994) have proposed that academia should rebuild the bridge between managerial action and the quality of an organization. Our purpose here is to establish the relationship between the actual decision-making process, on the one hand, and the quality of an organization and its long-term performance, on the other. We present a managerial decision-making model that establishes the characteristics a decision must have in order to be effective. These characteristics are: operationality, instrumentality and validity. Effective decision making, however, does not guarantee long-term organizational effectiveness. For long-term effectiveness, management must take into account the organizational learning that decisions bring about in the organization's members. We argue that such learning can be either operational or relational.

Miguel A. Ariño - Roberto García

Abstract: Just as fundamental indexation is novel and controversial, international diversification is traditional and widely accepted. In this article, the author links both issues and evaluates a fundamental strategy of international diversification. Considering 16 country benchmarks that make up over 93% of world market capitalization and a 32-year
(1974-2005) sample period, the results show that a dividend-weighted fundamental index outperforms a cap-weighted index by the substantial margin of 190 bps a year. If, however, investors are willing to abandon cap-weighted portfolios, the results also show that a simple value strategy which weights the same country benchmarks by dividend yield outperforms the dividend-weighted fundamental index by 170 bps a year over the same period. All the strategies evaluated by the authors can be easily implemented with widely available low-cost country index funds and exchange-traded funds.

David Pastoriza - Miguel A. Ariño - Joan E. Ricart


Abstract: There is a need for further research to understand how social capital can be fostered in organizations. Existing literature focuses on the design of reciprocity norms, procedures and stability employment practices as the main levers of social capital in the workplace. Complementary to these mechanisms, this paper explores the impact of ethical managerial behavior on the development of social capital. We argue that managerial behavior based on a genuine concern not only for employees' well-being but also for their motivational and ethical development can be particularly important for generating social capital in the organization. We suggest that managers' behavior should be based on three principles: showing exemplary behavior, helping employees to assess the consequences of their actions for other people, and not betraying employees' trust. When a manager adheres to these principles, he can ease the process through which employees develop associability and identification-based trust with the firm, the two main components of "Organizational Social Capital". Bringing ethics into the debate on social capital creation seems to us fundamental, as social capital in the firm is likely to be influenced by the ethical and motivational development of the firm's members.

Steven Poelmans - Rena Chenoy


Abstract: In most countries in North America, Europe and Oceania, and increasingly in Asia and Latin America, dual-earner families have become the norm. This major shift in the global labor market and the realities of a global economy have brought about important changes in the lives of many individuals and families. The conflict between working and caring responsibilities has intensified and both men and women have to come to terms with changing gender role expectations. A new field of inquiry has emerged, under the broad umbrella of work-family research, drawing on scholars from a wide range of disciplines. Testimonies of this growing, multi-disciplinary field are the many work and family special issues published in journals like Human Resource Management (Lobel, 1992), Qualitative Sociology (Gerstel & Clawson, 2000), International Journal of Cross-Cultural Management (Poelmans, 2003), Public Finance and Management (Amuedo-Dorantes & Kimmel, 2005), and Career Development International (de Janasz, 2007). In 1999, Community, Work & Family became the first journal to create a dedicated forum for this multi-disciplinary field. This special issue, "Investigating Workplace Flexibility Using a Multi-organization Database: A Collaboration of Academics and Practitioners", is unique and offers an important landmark in this growing domain of scholarship.

Juliana Mutis – Joan E. Ricart


Abstract: Business models in low income markets give us big opportunities to develop innovative solutions that effectively cooperate to reduce poverty and generate capabilities, knowledge and products which improve companies' competitiveness. Serving the majority of the world population requires radical technological and business model innovations. Firms need to re-evaluate their value proposition. Moreover, it will demand a new level of capital efficiency and new ways of measuring financial success.

Joaquim Vilà – J. Ignacio Canales


Abstract: This paper illustrates that the way a company approaches strategic planning has major implications for strategy development. Lessons are inductively derived from the evolution of strategic planning at RACC automobile club. This case shows that the planning process is a powerful tool in the hands of management. Active participation in the process can contribute to middle managers' awareness of key principles, issues and goals. It also helps them make strategy relevant and prepares them mentally for the necessary adaptations during the implementation stage. Conceived as a shared framework in the minds of all strategists, strategy is a strong glue that can align the organization around a chief purpose. The case study shows that an upfront, clear definition of the purpose of the planning process has a major influence on the ultimate outcomes that the firm achieves.
In order to reconcile work and family, governments and legislators must be involved. There must also be flexible entrepreneurial practices and an effort on the part of the individual. Most of all, however, it is our own will to improve the world we live in and become the masters of our destiny that will allow us to achieve a harmonious balance between what we give and what we receive from society.

Replete with in-depth reflections and practical examples, this book offers a comprehensive practical vision of the subject and can inspire multiple methods of solving the conflicts we encounter in our hectic daily lives.

Jordi Canals

Abstract: Durante décadas, la preocupación de la alta dirección de las empresas se centró en la eficacia de la fabricación y la mejora de la productividad. En la década de los setenta llegó el movimiento de la calidad total y el esfuerzo por lograr los mejores productos y la mayor preocupación por los clientes. Estos fines expresan diversas dimensiones y objetivos de la empresa. El buen gobierno de la empresa pretende presentar un hilo conductor que conecte e integre objetivos, tareas y funciones de la organización. Este libro examina algunas de las dimensiones del buen gobierno. Su punto de partida es la misión de la empresa, institución que tiene una esencia económica, pero que, como realidad humana que es, va más allá de la pura dimensión económica. El autor examina el concepto buen gobierno, e introduce una noción más completa de lo que, en ocasiones, se entiende como buenas prácticas de gobierno corporativo. En este contexto, se examina a fondo el papel que tanto el consejo de administración como la alta dirección tienen en este proceso, y la necesidad de que exista un adecuado equilibrio entre ambos órganos de gobierno. Finalmente, destaca que el buen gobierno tiene por finalidad el progreso y la proyección a largo plazo de la empresa, como el fin de convertirla en una institución respetada por la sociedad.

Pablo Fernández

Abstract: Se pueden cometer distintas clases de errores en la valoración de empresas. Desde fallos en tasas de descuento, en los flujos y en el valor terminal, en inconsistencias y faltas conceptuales, hasta errores de interpretación, organizativos o estatuarios. Las posibles causas: la precipitación, copiar otras valoraciones, la falta de reflexión o generalizar teorías sobre casos particulares. Por eso, en este libro Pablo Fernández desarrolla y analiza los factores clave que le impedirán caer dos veces con la misma piedra.

"201 errores en la valoración de empresas" demuestra que la valoración de las acciones de una empresa requiere de “oficio”, esto es, de sensatez, de experiencia y de algunos conocimientos técnicos. Por ello, los errores aquí presentados permiten constatar que el “oficio” es propio de las personas y no de las organizaciones, donde hasta los más experimentados y reputados consultores financieros cometen, en ocasiones, errores memorables.

Xavier Vives

Abstract: The ways in which financial analysts, traders and other specialists use information and learn from each other are of fundamental importance to understanding how markets work and prices are set. This graduate-level textbook analyzes how markets aggregate information and examines the impacts of specific market arrangements (or microstructure) on the aggregation process and the overall performance of financial markets. Xavier Vives bridges the gap between the two primary views of markets—informational efficiency and herding—and uses a coherent game-theoretic framework to bring together the latest results from the rational expectations and herding literatures.

The author emphasizes the consequences of market interaction and social learning for informational and economic efficiency. He looks closely at information aggregation mechanisms, progressing from simple to complex environments; from static to dynamic models; from competitive to strategic agents; and from simple market strategies, such as noncontingent orders or quantities, to complex ones, such as price contingent orders or demand
schedules. Vives finds that contending theories such as informational efficiency and herding build on the same principles of Bayesian decision making and that “irrational” agents are not needed to explain herding behavior, booms and crashes. As this book shows, the microstructure of a market is the crucial factor in the informational efficiency of prices.

Palgrave MacMillan, has published "Family values and value creation. The fostering of enduring values within family-owned businesses", edited by Josep Tàpies and John L. Ward, and with a prologue by Jordi Canals. June 2008, 275 pages, which contains the following chapters:

Miguel A. Gallo
"Power as service in family business", pages 55-70.

Abstract: The chapter describes two types of power: potestas and auctoritas. Potestas is the power an owner exercises over things he owns, or power obtained through the use of force. Auctoritas, by contrast, is the power granted to a person or group on account of his or their professional ability and expertise. The power that prevails in a family business should be auctoritas, but such power is not easy to exercise. To achieve it, a person must maintain a high standard of professionalism while at the same time voluntarily moderating his use of the potestas that belongs to him by law.

Heinrich Liechtenstein – Raffi Amit – Julia Prats – Todd Millay

Abstract: The chapter discusses the challenges and advantages for a wealthy family of having its fortune administered by a Family Office. Multimillionaires who continue to run their business need to manage their growing wealth and make plans for future generations. Other important wealth-related issues discussed include the family education, custodianship services and philanthropy.

Erica Salvaj – Fabrizio Ferraro – Josep Tàpies

Abstract: The chapter presents an exploratory study of board interlocks in family businesses. The authors conclude that board interlocks are less common in family businesses than in non-family firms, except in the case of family firms that have included non-family members in their boards of directors. The authors analyze the role of board interlocks in family businesses and how they relate to the performance and importance of family firms in Spain.

Contributions to books

Antonio Argandoña

Abstract: The ever more frequent and forceful criticisms of management sciences suggest that we need a new model. In fact, the number of proposed alternatives has multiplied, with some suggesting that the range of economic points of departure be extended, while others turn to other sciences (sociology, psychology, neuroeconomics, political sciences, philosophy) for their inspiration. This article suggests returning to the origins of economic science, action theory, with a broader approach that takes in the contributions of realist philosophy (Aristotle, Thomas Aquinas), with a view to laying the foundations for a richer organizational theory in which ethics plays a clearer role.


Abstract: La responsabilitat social de l’empresa és en un moment ascendent, però somés a nombroses critiques i, sobretot que pateix d’una debilitat fonamental: encara li manca un concepte generalment acceptat, el que la converteix en una amalgama de propostes basades en teories ètiques, sociològiques i econòmiques, sovint incompatibles entre elles. Aquest article parteix inicialment de diferents models d’organització o d’empresa i de la idea de responsabilitat implícita en aquests; analitza seguidament el concepte de responsabilitat com a categoria moral i discuteix finalment el significat i el contingut de la responsabilitat social de l’empresa.

Gabriel Giordano

Abstract: With the increasing use of technology in the workplace, more organizational communication is electronic and more group tasks are conducted in computer-mediated settings than ever before. This includes negotiations, which are an important part of most organizations. Researchers are beginning to realize that the increased use of computer-mediated communication in negotiations can change individuals’ behavior, including their negotiation style and ability to detect deception. However, there is
limited research in this area, so many organizations are likely not aware of the problems associated with deception in computer-mediated negotiations. This chapter reviews past research, a current study and future research directions related to computer-mediated negotiations and deception.

José R. Pin

Abstract: El autor prologa por segunda vez un libro de David Ulrich y Norm Smallwood en sus versiones españolas. En él indica que el nuevo concepto de marca de liderazgo es un instrumento muy útil para añadir valor a la empresa desde los recursos humanos y cómo las seis fases que describe el libro ayudan a su construcción. Las guías prácticas contenidas en el texto proporcionan un elemento inspirador para esa construcción, y los ejemplos comentados inspirarán a los lectores sobre cómo actuar.


The book includes the following chapters:

Pascual Berrone – Jordan Otten

Abstract: This chapter looks at internal and external determinants of executive pay worldwide. More specifically, we discuss influences at three levels. First, we investigate influences at the individual level (or the impact of managerial discretion on pay). We argue that managerial discretion plays an important role in pay-setting practices. Second, we describe influences at the organizational level (or the definition of the organizational goals and the role of the board of directors in setting pay policies). In this sense, we argue that the setting of organizational goals may go well beyond the maximization of shareholder value (which is the sole corporate purpose under the agency perspective) since the interests of all stakeholders should be taken into account to achieve the long-term success of the firm. Moreover, we question the altruistic role of the board of directors as a trustworthy representative of shareholders' interests. Just as managers have discretion, board members enjoy leeway to pursue goals other than those of shareholders and so the board of directors may influence the pay-setting process. Third, we account for the influences at the institutional level (or the importance of national context in the pay-setting process). We take up the issue of the observable variance in pay levels and structures that exist not only between firms in the same national context, but also across these contexts. We show that executive pay levels and structures differ greatly within and across countries. These differences do not seem to disappear over time and still exist when controlling for known firm-level indicators of executive pay, such as firm size, performance and executives’ human capital.

Pascual Berrone – Luis Gómez-Mejía

Abstract: This chapter explores how the incentive packages of global CEOs can be designed to be more beneficial for society. We argue that the excessive emphasis on financial measures of performance in awarding incentives could have negative consequences for the firm. We then analyze the basic underpinnings of stakeholder theory and, after revisiting some empirical studies, present some of our ideas regarding the link between executive pay and corporate social responsibility. Specifically, we offer the stakeholder view of the firm as an alternative approach to the neoclassical model of the firm. Under this alternative approach, we argue that, in order to achieve sustainable development, firms should design executive compensation schemes to include criteria that take the interests of other constituencies into account in addition to financial objectives. We conclude with a discussion of the chapter's main ideas and their limitations and the challenges for future research.

IESE – Working Papers

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No 751 – May 2008
Sandalio Gómez – Carlos Martí – Magdalena Opazo
THE STRUCTURAL CHARACTERISTICS OF SPORT ORGANIZATIONS: DIFFERENTIATION WITHIN SPANISH PROFESSIONAL ELITE FOOTBALL CLUBS

Abstract: The principal task of a professional football (soccer) club is to form a competitive team that participates in official competitions and achieves the sporting successes expected by its members and fans. This fundamental task constitutes the system which, in relation with its environment, defines subsystems in order to respond efficiently to the contextual challenges faced by the organization. Among these, the processes of professionalization and commercialization have particularly affected sports organizations. The most important subsystems distinguished by a club in Spanish professional football are: sport, communication, external relations, commerce, finance, wealth management, marketing, facilities, and legal and social affairs. All these areas are related to the accomplishment of the above-mentioned main task and some of them can be associated with the organizations’ structural response to the challenges of professionalization and commercialization.

(Also available in Spanish.)
No 752 - May 2008
Francisco Prieto - Javier Santomá
THE USE OF PREPAID CARDS FOR BANKING THE POOR. COMPARATIVE STUDY ANALYZING THE DEVELOPMENT OF PREPAID SYSTEMS IN THE USA AND EUROPE

Abstract: Prepaid products can become an effective instrument for banking the poor, as they can be used for collecting microdeposits and so operate as a low-cost account. Prepaid platforms have characteristics that make them especially useful for developing low-cost microfinance business models. Indeed, customers using prepaid systems do not need bank accounts or debit or credit cards. Prepaid issuers do not need to develop or invest in new technologies, as this mechanism can be used on a range of platforms, including PCs, mobile phones, hand-held and set-top boxes. Furthermore, prepaid products are specially designed for offering services demanded by the poor, such as micropayments, microdeposits and even microcredits. Lastly, they allow users to monitor their cash flow by receiving statements (some providers offer this feature online, others provide physical statements) or accessing balances through PCs, mobile phones, hand-held and set-top boxes.

Besides collecting microdeposits, prepaid products (or SVCs as they are called in the United States) offer other services that can be very valuable for serving the unbanked population. As explained in this paper, prepaid products generally lack the identification and credit requirements that effectively bar millions of individuals from opening traditional bank accounts, especially in the United States. Moreover, prepaid products can be purchased and reloaded at a growing number of locations other than bank branches, such as check cashers, convenience stores and other retailers. Prepaid instruments can also provide immediate availability of funds at a cost that, in some cases, is lower than other alternatives for unbanked consumers. Also, prepaid products are difficult to overdraw, thus reducing the likelihood of unexpected fees. Lastly, many prepaid issuers offer some sort of bill pay option, especially branded cards that enable signature-based transactions, and a significant number of them offer remittances.

No 753 - May 2008
Pilar García Lombardía – Guido Stein – José Ramón Pin
POLÍTICAS PARA DIRIGIR A LOS NUEVOS PROFESIONALES: MOTIVACIONES Y VALORES DE LA GENERACION Y

Abstract: Por primera vez en la historia del mercado laboral, las organizaciones acogen profesionales cuyas edades cubren un rango de más de cuarenta años. Por tanto, en un contexto en el que la gestión de la diversidad empieza a calar con fuerza dados los imperativos de negocio, nos encontramos con otro factor diferencial entre los trabajadores: la necesaria convivencia de generaciones de empleados. Para gestionar de manera adecuada y eficiente la convivencia de estas generaciones resulta imprescindible saber más acerca de las motivaciones y valores que predominan en ellas, especialmente en los recién llegados, es decir, en el grupo que podríamos denominar como recién licenciados en sentido amplio: la Generación Y.

No 754 - May 2008
Judith L. Walls – Phillip H. Phan – Pascual Berro
AN ASSESSMENT OF THE CONSTRUCT VALIDITY OF ENVIRONMENTAL STRATEGY MEASURES

Abstract: The natural resource-based view of the company is emerging as a dominant paradigm for understanding the intersection of strategic management and the natural environment. Companies that proactively incorporate a natural environment perspective into their enterprise strategies are said to have sustainable competitive advantages. However, defining and measuring environmental strategy has been challenging, with different approaches yielding inconsistent results. Many studies ignore the empirical difficulties of marrying the theoretical connection between the company’s resource base and environmental strategy, and its impact on environmental company performance. In this paper, we apply an inductive approach to derive a measure of environmental strategy theoretically congruent with the natural resource-based-view of the firm. We assess its reliability and, using a multi-trait multi-method matrix, confirm the convergent and discriminant validities of this measure against other measures often used by researchers. We also establish predictive validity of our environmental strategy measure for environmental performance. We discuss the implications of the measure for future research and practice.

No 755 - June 2008
Pablo Fernández – Vicente J. Bermejo
DESCENSOS DE LAS COTIZACIONES DE 154 EMPRESAS ESPAÑOLAS. 1991-2008

Abstract: Entre diciembre de 1990 y marzo de 2008, 61 empresas españolas (entre 154 analizadas) sufrieron un descenso en su cotización superior al 70%. El promedio del mayor descenso fue del 64%. El mayor descenso del IBEX 35 en este periodo fue del 58%. Este documento muestra la evolución de la cotización diaria de 154 empresas y de sus descensos. El IGBM (Indice General de la Bolsa de Madrid) descendió un 72,9% entre abril de 1973 y abril de 1980. El IGBM deflactado descendió un 92,6% y todavía no ha vuelto a alcanzar el nivel de abril de 1973. El ITBM (IGBM + dividendos) descendió en el mismo periodo un 87%, y el ITBM deflactado descendió un 87% y tardó 23 años en recuperar el nivel de abril de 1973. También se muestran los descensos del S&P 500 y de otros índices internacionales. Es cierto que invertir en acciones –a largo plazo, en promedio y diversificando– ha sido más rentable que muchas alternativas. Pero, como muestra este documento, conviene tener en cuenta...
que: a) no siempre; b) el inversor debe soportar descensos importantes y duraderos, y c) es peligroso no diversificar.

Working Papers

NOTE: Working papers may be consulted on the Internet at http://wwwapp.iese.edu/research/res_search_adv.asp?lang=en

Anil Akpinar – Yiyi Jiang – Luis Gómez-Mejía – Pascual Berrone – Judith Walls

Abstract: More than thirty years of research exploring the link between corporate social responsibility (CSR) and corporate financial performance (CFP) has been unable to provide a satisfying resolution to the tension between economic and social objectives. In this paper, we contribute to the CSR literature both theoretically and empirically. On the theoretical side, we challenge the assumption that managers consider all stakeholders equally important and contend that managers give some stakeholders priority over others. We also extend agency theory by suggesting that CSR may actually reduce monitoring costs since it has informative value about the quality of management.

IESE - Studies and Monographs

NOTE: Studies may be consulted on the Internet at http://wwwapp.iese.edu/research/res_search_adv.asp?lang=en

No 64 - May 2008
Alvaro San Martín – Guido Stein
CONVERTIRSE EN CEO: INTERNAL LABOUR MARKET

Abstract: La viabilidad de las empresas aconseja atraer, formar y retener a la mejor gente disponible para ocupar los puestos clave de liderazgo, de modo particular el CEO. El largo proceso de encaje entre el CEO y su nuevo puesto sugiere la puesta en práctica de un plan que promueva el liderazgo a todos los niveles de la organización y que sirva, en último término, como plan de sucesión del CEO. Este plan consiste en la identificación, determinación de la involucración de sus miembros en las esferas laboral y familiar, el papel de la familia en la conciliación entre trabajo y familia, y el papel de la familia en la determinación de la involucración de sus miembros en las esferas laboral y familiar.

Other publications

Lluis G. Renart – Carles Cabré

Abstract: The concept of relationship marketing has led to a paradigm change in marketing. Over the last few decades, numerous studies have analyzed the impact of customer relationship management (CRM) programs on customer satisfaction and loyalty. Quite a few CRM programs have been found to have little or no impact. Having already published several articles and cases on the subject, in this paper we set out to answer the following question: assuming a company already has a reasonably successful CRM strategy in place, how can it continuously adapt and improve that strategy? Our recommendation is that such companies implement a continuous improvement process at four different but complementary levels: first, review and reinforce the company’s mission, culture and values; second, reconsider and, if necessary, redesign the CRM strategy; third, manage the various relationship-building activities more effectively; and lastly, review and, if necessary, improve the quality of material and human resources, program execution and process governance. A systematic review of these four levels or “paths” of improvement should help generate and maintain high quality relationships over time.

Carlos Sánchez-Runde – Estibaliz Ortiz

Abstract: Ante los cambios actuales que afectan al trabajo, la familia y las relaciones entre trabajo y familia, es necesario definir criterios de conciliación entre las esferas familiar y profesional. Esta nota técnica repasa las tendencias del cambio social, los efectos del cambio en el trabajo y la familia, las posibilidades y criterios de concierto entre trabajo y familia, y el papel de la familia en la determinación de la involucración de sus miembros en las esferas laboral y familiar.
Guido Stein
"Peter F. Drucker, el "gurú" por excelencia", Capital Humano, No 221, May 2008.

Abstract: Con motivo de su centenario, el artículo describe las principales aportaciones de Peter Drucker como una de las figuras principales del management moderno. Haciendo especial hincapié en la dirección de personas y de su trabajo, y en las cualidades que ha de desarrollar un directivo para simultáneamente dirigir un negocio rentable y construir una organización eficaz.

Joaquim Vilà

Abstract: En els darrers anys s’ha fet una tasca important de sensibilització a favor de la innovació i ara hem de dedicar els nostres millors esforços en posar en pràctica la innovació de forma efectiva. L’article comenta el paper dels valors, dels principis i de les pràctiques de direcció, específics de la innovació, i diferenciat dels que corresponen a la gestió quotidiana, com a full de ruta per avançar en la construcció d’una cultura que sigui progressivament més innovadora. Es fa menció especial a la conveniència de posar en pràctica una sistemàtica d’alta direcció de la innovació, però que cada empresa haurà d’adequar a les seves pròpies característiques.

Conferences and Seminars

Antonio Argandoña
On June 19–21, attended the EBEN Research Conference 2008, "Power relations in and around corporations", in Lille, where he presented the paper "Corporate social responsibility in a Spanish Savings Bank", co-authored with Carlos M. Moreno and Joan M. Solà.

Abstract: La creación en 1905 de la Caja de Pensiones para la Vejez y de Ahorros (“la Caixa”) en Barcelona es una muestra del ejercicio de una verdadera responsabilidad social por parte de sus fundadores. En un trabajo anterior, los autores pusieron de manifiesto las razones para esa afirmación: el hondo sentido de responsabilidad social y ética de su fundador, Francesc Moragas; el ser una respuesta específica a un problema entonces ampliamente sentido en la sociedad española, que una entidad privada asumió como propio, independentemente de posibles respuestas públicas al mismo (respuestas que se dieron poco después, en buena parte también por el impulso del propio Moragas), y la avanzada concepción que éste tenía de la colaboración entre el sector público y el sector privado, en la solución de los problemas sociales. Este trabajo se centra en los años que van desde el inicio de las actividades de la nueva entidad, en 1905, hasta 1923, año en que el entorno social y político de España experimenta un cambio radical, con la instauración de la dictadura del general Primo de Rivera.

Miguel A. Ariño
On June 22–25, attended the International Symposium for Forecasting in Nice, where he presented the paper "Forecasting real estate prices in Spain", co-authored with Miguel A. Canela and Franz Heukamp.

Abstract: The purpose of this communication is to present an ongoing research project aimed at forecasting prices in the real estate market in Spain. Our data come from a commercial website, in which about 200,000 apartments are offered monthly for sale by private owners at given prices. Some of the apartments on offer have been advertised in previous months, while others are new on the market. From these ads we can build a monthly price index for apartments.

Based on information such as: a) the number and price of new apartments advertised each month; b) the current month variations (increases or decreases) in the prices of apartments that have been advertised previously, and c) the change in the mean time it takes for an apartment to be sold.

By this means we are able to obtain forecasts of future prices for apartments and insights into the future development of the real estate market.

Guillermo Armelini
On June 12–14, attended the Marketing Science Conference organized by Informs in Vancouver, where he presented the paper "How the interplay between advertising, media coverage and word of mouth affect supply and demand of motion pictures", co-authored with Jorge González and Julián Villanueva.

Abstract: Rooted in the Integrated Marketing Perspective, in this paper we check how the interplay between advertising, media coverage (publicity) and pre-release word of mouth (WOM) affects demand and supply in the motion picture industry. Specifically, we check whether WOM and publicity are significant drivers of demand and supply of motion pictures during the opening week and whether the level of advertising expenditure affects the amount of WOM and publicity that a movie is likely to generate.

We focus the analysis on the first week due to the high correlation between total and opening box office and because marketing actions can be observed mostly during the first week.

We conducted the analysis by developing an econometric model that estimates the effect of publicity and WOM on supply and demand across different levels of advertising. We checked the robustness of our findings by conducting a rolling window analysis.

On the demand side, our results indicate that publicity is a significant predictor of revenues only in heavily-advertised movies, whereas WOM was found to be a significant driver of box offices in movies with low and medium advertising budgets. Hence we conclude that WOM and publicity play a complementary role,
depending on the level of advertising expenditure. On the supply side, our findings suggest that WOM is a significant predictor in movies with low advertising budget, meaning that its influence on revenues is indirect, through its impact on exhibitors’ screen allocation. In heavily advertised movies, however, neither publicity nor WOM were found to be significant antecedents of the number of screens.

Pascual Berrone
On May 28–30, attended the GRONEN 2008 Conference in Cyprus, where he presented the paper "Governance and environmental performance in family-controlled public corporations", co-authored with Cristina Cruz, Luis Gómez-Mejía and Martin Larraza.

Abstract: This paper compares the environmental performance of family-controlled public corporations with that of non-family-controlled companies, using a sample of 194 U.S. companies required to report their emissions in the “Toxic Release Inventory” (TRI) program of the EPA. We find that family firms have higher environmental performance than non-family firms and that this relative sensitivity toward the environment increases with the degree of local embeddedness and family ownership. However, we also find that family firms’ advantage in environmental performance is not increased either by long-term CEO pay incentives or by having a family member as CEO.

Valeria Corna (PhD Student)
On May 25–30, attended the EMAC Annual Conference and the EMAC 21st Doctoral Colloquium, in Brighton, where she presented the following papers:

"The social construction of new product concepts: Extending the socio-cognitive perspective to the emergence of new product ideas".

Abstract: In recent years, the socio-cognitive approach has emerged as a useful theoretical framework for investigating market dynamics. In this paper we suggest an extension of this approach and attempt to provide a more complete framework for the investigation of market emergence. Two main issues are addressed. First, we argue that the socio-cognitive approach needs to be extended to acknowledge the strategic role firms can play in shaping market evolution. Second, we argue that the analysis of the interplay between producers and consumers should go beyond the study of market stabilization to include research into how new product concepts and ideas emerge.

"Conflicting logics and marketing practices: How professional groups affect practices’ emergence and evolution".

Abstract: In recent years there has been an increasing research interest in the study of marketing practices and the shaping of markets. To understand how marketing practices shape markets we must understand the role that professional groups play in defining and shaping those practices. In this paper we address this issue by investigating the development of ethnographic research practices in marketing settings. Drawing on recent developments in the neo-institutional literature and conducting an in-depth analysis of a practitioners’ conference, we show that the evolution of marketing practices is driven by the interplay among the various conflicting logics that guide professionals’ cognition and behavior.

Javier Estrada
On June 4–7, attended the FMA Conference in Prague, where he presented the following papers:

"Black swans and market timing: How not to generate alpha".

Abstract: Do investors obtain their long-term returns smoothly and steadily over time or is their long-term performance largely determined by the return of just a few outliers? How likely are investors to successfully predict the best days to be in and out of the market? The evidence from 15 international equity markets and over 160,000 daily returns indicates that a few outliers have a massive impact on long-term performance. On average across all 15 markets, missing the best 10 days resulted in portfolios 50.8% less valuable than a passive investment; and avoiding the worst 10 days resulted in portfolios 150.4% more valuable than a passive investment. Given that 10 days represent less than 0.1% of the days considered in the average market, the odds against successful market timing are staggering.

"Mean-semivariance optimization: A heuristic approach".

Abstract: Academics and practitioners optimize portfolios far more often using the mean-variance approach than using the mean-semivariance approach, despite the fact that semivariance is often considered a more plausible measure of risk than variance. The popularity of the mean-variance approach is partly due to the fact that mean-variance problems have well-known closed-form solutions, whereas mean-semivariance optimal portfolios cannot be determined without resorting to obscure numerical algorithms. This is because unlike the exogenous covariance matrix, the semicovariance matrix is endogenous. In this article we propose a heuristic approach that yields a symmetric, exogenous semicovariance matrix, which makes it possible to determine mean-semivariance optimal portfolios using the well-known closed-form solutions of mean-variance problems. The heuristic proposed is shown to be both simple and accurate.

He also acted as discussant of the paper “The economic value of predicting correlation for asset allocation” by He Huang, Georg Keienburg, and Duane Stock.

On June 24-27, attended the EFMA (European Financial Management Association) Annual Conference in Athens, where he
Wasserman, managed to substantially improve its standing in the Corporation of America, led by a very entrepreneurial CEO, Lew the movie theatre. In both of these cases, one company, Music diffusion as a channel for the exhibition of movies alternative to integrated movie studios to divest their theaters, and the explosion United States. In this paper we focused on two major disruptive evolution. To understand how one firm can shape the advantage” and proposing a model of endogenous industry architecture by focusing on the emergence of “architectural capacity as a consultant in company acquisitions, sales, mergers and arbitrage processes. The errors are classified in six main categories: 1) errors in the discount rate calculation and concerning the riskiness of the company; 2) errors when calculating or forecasting the expected cash flows; 3) errors in the calculation of the residual value; 4) inconsistencies and conceptual errors; 5) errors when interpreting the valuation, and 6) organizational errors.

Abstract: This paper contains a collection and classification of 96 errors seen in company valuations performed by financial analysts, investment banks and financial consultants. The author had access to most of the valuations referred to in this paper in his capacity as a consultant in company acquisitions, sales, mergers and arbitrage processes.

He also acted as discussant of the paper "Optimal dynamic hedging in commodity futures markets with a stochastic convenience yield" by Mellios Constantin and Six Pierre and acted as chair of the session "Portfolio management and performance evaluation”.

Pablo Fernández
On June 25–28, attended the 17th European Financial Management Association Conference in Athens, where he presented the paper “96 errors in company valuations”.

Abstract: This paper contributes to the literature on industry architecture by focusing on the emergence of “architectural advantage” and proposing a model of endogenous industry evolution. To understand how one firm can shape the industry architecture in its favor, we studied a historical case study on the role of Lew Wasserman and the Music Corporation of America in the evolution of the motion picture industry in the United States. In this paper we focused on two major disruptive events: the 1948 Paramount Decree, which forced vertically integrated movie studios to divest their theaters, and the explosion of television as a novel form of entertainment in the 1950s and its diffusion as a channel for the exhibition of movies alternative to the movie theatre. In both of these cases, one company, Music Corporation of America, led by a very entrepreneurial CEO, Lew Wasserman, managed to substantially improve its standing in the industry by occupying and consolidating a position of advantage in the industry, in other words, an architectural advantage. We show how in both of these cases this was the result of the interaction of the actions of the Studios, constrained by the institutional logic of the industry and the regulatory framework, and Lew Wassermann's introduction of novel industry practices (profit-sharing and packaging) which both consolidated his grip on talents and facilitated the growth of independent production and TV production.

Joan Fontrodona
On May 29–June 1, attended the 12th International Conference on Corporate Reputation, Brand, Identity and Competitiveness, organized by The Reputation Institute, in Beijing, where he presented the paper “FC Barcelona and Unicef: An innovative sponsorship alliance in favour of the development millennium goals”, co-authored with Alejo J. Sison.

Abstract: In 2003, after the election of a new management team and in a very delicate financial situation, FC Barcelona’s membership, who owned and ran the club, authorized the management to actively seek and sign a sponsorship deal for the football team’s shirt. In this paper we present the history of FC Barcelona, the recent events that brought in a new management team and the strategic plan that was implemented to improve both sporting and financial performance. We focus on the decision to establish a sponsorship contract for the football team’s shirt and the selection of the partner. The paper illustrates the reputational risk involved in the choice of a partner for a strategic alliance and the innovative approach of the agreement between FC Barcelona and Unicef.

Fabrizio Ferraro
On May 18–19, attended the "Sumantra Ghoshal Strategy Conference on Managerially Relevant Research", organized by the London Business School, where he presented the paper “Building Architectural Advantage in the US Motion Picture Industry: Lew Wasserman and the Music Corporation of America”.

Abstract: This paper presents a theoretical framework that helps to conceptualize ethics and clarify the characteristics and limits of different ethical theories. A summary of the framework, which has been developed in a previous publication, is presented and three teaching experiences in which this framework has been used are described. The proposed framework offers a sound and solid philosophical foundation and allows students to engage with different business ethics traditions, mapping the territory with a critical approach and showing the strengths and weaknesses of the most common ethical theories in management.

Roberto Galang (PhD Student)
On May 14–17, attended the EURAM Annual Conference in Ljubljana, where he presented the paper "State governance and market development: How controlling corruption, defining property rights, reducing uncertainty and enforcing contracts enables markets".
Abstract: This paper extends arguments on why markets develop in certain countries but not in others by analyzing how state regulation moderates the impact of transaction costs on market development. I argue that by controlling corruption, defining property rights, enforcing contracts and reducing uncertainty, efficient state institutions change the relative governance costs of markets versus hierarchies and increase the likelihood that parties will undertake transactions in the market, thus facilitating market development. However, this relationship is only relevant for goods that have substantial transaction costs. Using a 40-country panel dataset on financial card circulation, I find statistical evidence supporting this premise.

Gabriel Giordano
On June 9–11, attended the European Conference on Information Systems, organized by the Association of Information Systems, in Galway, where he presented the paper “Detecting Deception in Computer–Mediated Interviewing”.

Abstract: Deception in résumés and job applications is common and being able to detect deceptive information early is worthwhile for many recruiters. Yet recent studies have revealed that people are not very good at detecting deception successfully, particularly when they are communicating using computer-based communication, as is increasingly the case in interviews. In many computer-mediated settings, however, communication records are created, so other people are able to review the communication that took place. We conducted an experiment to determine how successful individuals are at detecting deception in résumés when they are reviewing recorded interviews. We varied communication mode for the recorded interview, comparing text transcripts to audio recordings, and we varied warnings about the presence of deception, which manipulated the level of suspicion in subjects. We found that reviewers were more accurate at detecting deceptive information than participant interviewers in past studies and that reviewers’ detection accuracy was higher when they received a warning about possible deception than when they did not. We also found that receiving a warning had no effect on reviewers’ number of false alarms. We found no differences in reviewers’ deception detection success or number of false alarms between text and audio media.

Javier Gómez Biscarri

Abstract: We suggest that accounting homogeneity is a necessary step in the process of financial market integration. Specifically, we analyze the effect that the integration of accounting standards has on the correct analysis of international investments and fund allocation by estimating several pricing and valuation models in a cross-country context. We design our analysis in such a way that we can control for differences in the accounting standards used by the firms in the sample. Our results show that the accounting dimension is relevant for cross-country pricing and valuation: the use of homogeneous accounting leads to higher goodness-of-fit of international versions of the models, at levels similar to those of domestic versions and superior to those of non-homogeneous versions. Our results imply that accounting integration is an additional, and important, dimension of financial integration and that progress toward greater accounting homogeneity would lead to more accurate pricing of international assets and to an improvement of the efficiency of international fund allocation.

Alexander Groh
On June 9–10, attended the 6th INFINITI Conference on International Financial Integration in Dublin, where he presented the paper “The attractiveness of Central Eastern European countries for venture capital and private equity investors”, co-authored with Heinrich Liechtenstein and Karsten Lieser.

Abstract: We address the attractiveness of Central Eastern European countries for VC/PE investors by constructing a composite index. For the index composition we refer to the results of numerous prior research papers that investigate relevant parameters determining entrepreneurial activity and/or the engagements of institutional investors. We aggregate the index via five different methods and receive country rankings that vary only slightly, signaling a robust index calculation. We clearly identify six tier groups of attractiveness for all of our sample countries. We compare our index with actual fundraising activities in each country and find a reasonable correlation of both figures. The results highlight the strengths and weaknesses of each economy and provide guidelines for political improvements and institutional investors’ country allocations.

Heinrich Liechtenstein
On June 25–28, attended the EFMA Annual Meeting in Athens, where he presented the paper “International allocation determinants of institutional investments in venture capital and private equity limited partnerships”, co-authored with Alexander Groh and Miguel A. Canela.

Abstract: We examine the criteria used by institutional investors when allocating capital internationally in venture capital and private equity limited partnerships. We do this through a questionnaire addressed to (potential) limited partners worldwide. The respondents provide information about their criteria for international asset allocation. Protection of property rights is the dominant concern, followed by the need to find high quality local general partners and local entrepreneurs with the necessary management skills. The expected deal flow plays an important role in the allocation process, while investors fear bribery and corruption. Public funding and subsidies do not play a role at all in the international allocation process, indicating that private money does not, in fact, follow public money. IPO activity and the size of
local public equity markets are not as relevant as other researchers have suggested. Our results may help policymakers make their countries more attractive to institutional investors and so receive more risk capital for innovation, entrepreneurship, employment and growth.

Karsten Lieser

Abstract: (See page 11).

Markus Maedler
On June 18-20, attended the Workshop on Accounting and Economics organized by EIASM in Milan, where he presented the paper “Congruity, performance measurement and task assignment”.

Abstract: This paper studies congruity in a principal-agent model with multiple tasks and performance metrics in which the principal chooses to assign the tasks to either one or two agents. I develop a measure of congruity that generalizes and combines the measures of Datar, Kulp and Lambert (2001) and Baker (2002) and that highlights how the intensity and the allocation of hidden efforts determine congruity. Consistent with prior literature, I find that for a given task assignment, congruity increases with a greater intensity and a less distorted allocation. However, when the principal maximizes congruity between two task assignments, she may need to trade off greater intensity against a less distorted allocation, or vice versa. Both the developed specification of the measure and the identified intensity-allocation tradeoff are new to the literature and extend our understanding of congruity.

Kandarp Mehta (PhD Student)
On May 14-17, attended the EURAM Annual Conference in Ljubljana, where he presented the following papers:

“Organizational creativity: Situation, system and sensemaking – a review”.

Abstract: This paper looks at all major theoretical approaches that address the question of how organizational creativity happens. The social-psychology approach emphasizes the impact of different contextual variables on individual creativity within an organization or a group. The system view and multi-domain creative action theory focus on how perception about receptivity of a field to new ideas influences an individual to take a creative action or a routine action. Sensemaking multi-level theory addresses the question of how periods of crisis change the frames of reference of different groups and individuals and eventually motivate them to engage in or refrain from a creative problem-solving process. More recent approaches develop new taxonomies of creative behavior, link social network theory with individual creativity and differentiate collective creativity from individual creativity.

“Actions & disruptions: Studying organizational creativity through sensemaking & structured role systems (An ethnographic study of film projects).

Abstract: Based on on-site ethnography carried out across fourteen different shooting sites of film projects, this paper is aimed at understanding the process of creativity from an organizational perspective. Creativity has been defined as involvement of individuals in creative acts. Film projects are temporary organizations but are organized around structured role systems negotiated in situ. Crisis in a project disrupts the structured role systems when the project’s pre-negotiated role system is violated. Disruption in the structured role system leads to re-negotiation, until eventually an alternative structured role system emerges. This phenomenon is exemplified by the emergence of informal leadership, which replaces or surpasses the formal leadership. We argue that individuals whose roles are demoted in the above-mentioned “restructuring” have less motivation to engage in creative acts, while those whose roles are promoted show a greater tendency to do so.

Pinar Ozcan
On June 22-26, attended the McGill–Cornell Conference on Institutions and Entrepreneurship organized by McGill University in Montreal, where she presented the paper “Origin of portfolios: Entrepreneurial firms and strategic action”.

Abstract: Portfolios of alliances are both ubiquitous and influential for firm performance. Extant research indicates the attributes of high-performing portfolios and offers a descriptive account of what ties are formed and with whom. But it does not address how executives originate high-performing portfolios. We address this gap with an inductive case study of how six entrepreneurial rivals in the wireless gaming industry originate high (and low) performing portfolios. Our emergent theoretical framework emphasizes the role of strategic action, i.e., the fact that executives who visualize their portfolios in the context of the entire industry (and not as a series of single ties) and form multiple ties at once are more likely to originate high-performing portfolios. In contrast, executives who follow the well-known deterministic account of dyadic interdependence and social embeddedness build mediocre portfolios. We also note insights into key concepts of resource dependence and social network theories. We conclude that portfolios are not just the result of deterministic evolution. Rather, they are grounded in the strategic choices that firms make to form ties with one another.

Fernando Peñalva
On May 21-23, attended the Journal of Business Finance and Accounting Annual Conference in Lancaster, where he presented
the paper “The economic determinants of conditional conservatism”, co-authored with Beatriz García Osma and Juan M. García Lara.

Abstract: We study the economic determinants of conditional conservatism. Consistent with prior literature, we find that contracting induces only conditional conservatism, while litigation induces both conditional and unconditional conservatism. We extend prior evidence by Qiang (2007) by showing that taxation and regulation induces not only unconditional conservatism, but conditional conservatism as well. We show that in certain scenarios taxation and regulation create incentives to shift income from periods with high taxation pressure and high public scrutiny to periods with lower taxation pressure and lower public scrutiny. These income shifting strategies are implemented by recognising current economic losses which, given their incentives to report aggressively, managers would not otherwise have recognised, or by delaying the recognition of current economic gains that they would have recognised earlier had circumstances been different.

Niccolò Pisani (PhD Student)
On May 14-17, attended the EURAM Annual Conference in Ljubljana, where he presented the paper “Offshoring and the global sourcing of talent: Understanding the new frontier of internationalization”, co-authored with Joan E. Ricart.

Abstract: Companies in high-cost developed economies are increasingly migrating white-collar activities to offshore low-wage locations. Recent research confirms that firms are gradually sourcing more higher-skilled technical, engineering and scientific jobs abroad. The purpose of this study is to investigate why and how companies currently offshore product development activities. We formulate hypotheses about the motivations behind this higher-skilled offshoring and the special internationalization process adopted. We test our hypotheses on a fine-grained database containing 262 offshore implementations initiated by 71 Western European companies. Our results confirm that the product development offshoring process displays remarkable theoretical novelties that differentiate it from previous waves of internationalization.

Joan E. Ricart
On May 14-17, attended the EURAM Annual Conference in Ljubljana, where he organized the track on “Corporate governance” and chaired the session “Board processes and behavior”.

On May 16-17, the 15th International Symposium on Ethics, Business and Society, with the theme "Business and Management: Towards more human models and practices", was held at IESE in Barcelona. The following presentations were given:

David Pastoriza – Miguel A. Ariño – Joan E. Ricart
"Ethical managerial behavior: Does it generate social capital? An empirical study".

Abstract: Ethics has recently gained presence in the debate on social capital creation. Scholars in the field have started to analyze the influence of humanizing cultures and ethical managerial behavior on the generation of organizational social capital. Despite this progress in the theoretical domain, the field still lacks well founded empirical research. The goal of this paper is precisely to test some of the propositions derived from previous conceptual work in the field, arguing the importance of ethical managerial behavior as an antecedent of organizational social capital. Using data collected from 317 executives, we examine the influence of managers’ ethical behavior on the structural, relational and cognitive dimensions of social capital. Results indicate that ethical managerial behavior has a significant and positive influence on the three dimensions of social capital. We also explore the associations among the three dimensions of social capital at the intra-organizational level of analysis. Significant associations were found, shedding new light on the results found by Tsai and Ghoshal (1998) at the inter-organizational level.

"Creating a work ethic environment: A pathway to generate social capital in the firm”.

Abstract: There is a need for further research to understand how social capital can be promoted in the workplace. Current literature centers on human resource practices, humanizing cultures and upright managerial behavior as mechanisms to generate social capital. In this paper we complement the existing approaches by focusing on how to generate social capital from a comprehensive general management perspective. We borrow the concept of “organizational context” (also known as the “work ethic environment”) from the strategy process literature to propose a theoretical framework that allows a broader comprehension of the specific management practices and organizational dynamics that generate social capital in the firm. This work ethic environment is very much aligned with the “humanizing cultures” approach proposed by Melé (2007). We argue that creating this work ethic environment puts ethics and social capital on the general manager’s agenda.

Alberto Ribera
"Character development of MBA students: Learning from a psychometric study”.

Abstract: Scholars in the field of management education are currently engaged in a serious debate about certain crucial issues concerning the scope, content and methodology of their MBA programs. Among the major topics under discussion are a number of ambiguous concepts frequently referred to using expressions such as “leadership”, “self-management”, “soft-skills development” and other similar terms. In this paper we contribute to this debate by presenting some results from a psychometric study of personality
traits in MBA students. Our research was based on a population of 950 MBA students, who performed the Minnesota Multiphasic Personality Inventory (MMPI). The scales from this large questionnaire that we studied for this paper were the ones that indicate traits related to personality disorders and traits indicating self-awareness and acceptance of one's personality traits. These scales offer information about prevalent habits of character (strengths, or virtues, and weaknesses, or vices). Our results show the prevalence of traits indicating a certain lack of emotional integration or maturity in a significant percentage of the MBA population. Based on these results we offer some suggestions about personality issues that could be tackled in order to help MBA students improve their habits and maturity. We also make some recommendations for improving MBA programs in terms of character building and virtue development.

Josep M. Rosanas

"Integrating ethics in management: Learning, motives and the development of virtue“.

Abstract: The interest in business ethics has grown rapidly over the last two or three decades, but the foundations of business ethics and the relationship between business ethics and management theory, business strategy and decision-making in business organizations remain unclear. Economics, which has come to be the source discipline for many management areas, makes no assumptions about ethics: values are incorporated in individuals’ utility functions as mere preferences, if at all.

In this paper, I attempt to show how the employment relationship needs to be analyzed differently, explicitly considering the learning that takes place between employer and employee, based on the work of Pérez López (1993), Rosanas and Velilla (2003) and Rosanas (2007), which goes back to the classical notions of Barnard (1938) about satisfying people’s motives. The satisfaction of real (as opposed to merely perceived) motives provides a link between ethics and management. Moreover, there is abundant evidence that human beings are at times incapable of doing what they believe is in their best interest, e.g., Schelling (1978) or Bazerman et al. (1998). Doing what one thinks one should do, or dominion of the ‘should self’ over the ‘want self’ is what Aristotle called moral virtue, which is acquired through practice.

Finally, I show how this analysis can be extended to other stakeholders: suppliers, customers, financiers, the public at large, the community and government.

Gabriel Giordano

“Detecting Deception in Computer-Mediated Interviewing”.

Abstract: (See page 11).

Evgeny Kaganer

“Building Legitimacy for IT Innovations: The Case of Computerized Physician Order Entry Systems”.

Awards

Pankaj Ghemawat

In April, received the 2008 Irwin Outstanding Educator Award, given by the Business Policy and Strategy Division of the Academy of Management. The award is given in recognition of long-term commitment to and expertise in educating strategy students and, specifically this year, for contributions to teaching students in undergraduate, MBA or Executive Education programs.

On May 29, received the Economics for Management Lecture Series IESE-Fundación BBVA award. The purpose of this annual award is to recognize and support the research work of a respected international expert in the field of Economics who has made a particularly significant contribution to business.

Doctoral theses

Dror Etzion

“Environmental performance: What matters, who decides and how can we know?”

(IESE), thesis director: Joan E. Ricart

Abstract: This dissertation focuses on metrics for environmental performance: the way they are formulated, the extent to which they are useful and the credibility of the information they carry. Utilizing a three-essay format, I first study the origins of environmental metrics and the means by which they become institutionalized. Then, I examine the effectiveness of metrics, focusing on the relationship between environmental management processes employed by businesses and actual corporate environmental performance. Finally, I conduct a longitudinal analysis of signals of environmental performance, analyzing how signals emerge, evolve and diffuse.

Caterina Moschieri

“Essays on divestitures as proactive tools for corporate strategy”

(IESE), thesis director: Johanna Mair

On June 12-13, the 4th International Business and Information Technologies (BIT) Conference was held at IESE in Barcelona, where the following presentations were given:
Abstract: Diversitures, understood as the parent company’s disposal and sale of divisions and units, are emerging as a central topic in several fields of research, such as strategic management, finance and organizational behavior. Existing work in strategy has portrayed diversitures as a correction to previous mistakes or a way to readjust business focus or make up for an unsuccessful acquisition. In line with this view, previous studies have claimed that companies tend to divest underperforming or non-valuable units. Yet empirical evidence shows that companies often divest a valuable unit, retain a connection with it and may eventually reacquire it. In this dissertation, I tackle this puzzle by analyzing diversitures mainly from a strategic management perspective. This dissertation focuses on diversitures in order to examine organizational design and corporate reconfiguration. It contributes to the existing literature with three empirical essays. The first essay is an exploratory multiple case study examining the divesting process and what makes a divested unit successful. Its main contribution is a conceptual framework that offers a granular detailed view of the process factors that may affect the performance of a divested unit. The second essay, also adopting the multiple case method, explores structural changes at the unit level to understand how companies actively enhance their value over time by reconfiguring and recombining their units. It offers a view of organizations as dynamic corporate systems, in which corporate modules coevolve, and of the broader organizational form that may result from these changes at unit level. The third essay tests the insights of the qualitative study – value creation through corporate design – on a longitudinal sample. Results suggest that divested valuable units are more likely to be loosely connected to their parents. However, parents benefit from retaining a higher ownership over - and hence a tight relationship with - their divested units.

Niccolò Pisaní
"Offshoring and the global sourcing of talent: Three essays on the frontier of international management"

(IESE), thesis director: Joan E. Ricart

Abstract: The purpose of this dissertation is to gain a greater understanding of business process outsourcing (BPO), tackling the current paucity of rigorous studies that explicitly address this rising wave of international expansion. In particular, the main objective is to shed light on the rationale behind offshoring, formally describe the features that are new and discuss the theoretical challenges it poses to established concepts in international management (IM). One of the primary concerns of IM research has always been to investigate firms’ motives for expanding internationally. The purpose of this dissertation, organized in three essays, is therefore to understand why firms are currently pursuing BPO initiatives and how their motives differ from those of companies that invested abroad in the past.

The first essay is a review that introduces the reader to the IM literature. It presents an updated, comprehensive map of the IM field, focusing on the evolution of IM research over time and the IM publication criteria of top management journals. Because of the rapid changes in the global competitive landscape, IM scholars are quickly modifying their research to focus on the new business scenarios and anticipate future outcomes. This first essay analyzes current IM trends by investigating the amount and type of IM publications that have appeared in top management journals over the last five years. As an introductory piece, it presents a comprehensive, original overview of the IM field, providing insightful information on which IM topics are currently the focus of researchers’ attention.

The second and third essays address the BPO phenomenon and the focal question of this dissertation: why do firms decide to relocate selected business processes offshore? IM researchers have always tried to model the rationale behind firms’ international investment. Starting from a review of the existing IM contributions on the possible motivations for overseas expansion, these two essays contribute to the IM literature by focusing on the current wave of BPO, the ways in which it differs from previous waves and the key theoretical challenges it poses to established IM concepts.

IESSE - Research Seminars

Economics
June 3
Speaker: Jeromin Zettelmeyer, International Monetary Fund
"Crisis lending, moral hazard and IMF conditionality"

Abstract: We present a framework that clarifies the financial role of the IMF, the rationale for conditionality, and the conditions under which IMF-induced moral hazard can arise. In the model, countries undertake crisis prevention efforts before and crisis resolution efforts after an adverse shock. Traditional conditionality commits country authorities to undertake crisis resolution efforts, facilitating the return of private capital and ensuring repayment to the IMF. Nonetheless, moral hazard can arise if country authorities discount crisis resolution costs too much relative to the social optimum. Moral hazard can be avoided by making IMF lending conditional on crisis prevention efforts.

"What makes growth sustained?"

Abstract: We identify structural breaks in economic growth in 140 countries and use these to define “growth spells”: periods of high growth preceded by an up break and ending either with a down break or with the end of the sample. Growth spells tend to be shorter in African and Latin American countries than elsewhere. We find that growth duration is positively related to: the degree of equality of income distribution; democratic institutions; export orientation (with higher propensities to export manufactures, greater openness to FDI and avoidance of exchange rate overvaluation favorable for duration); and macroeconomic stability (with even moderate instability curtailing growth duration).
Entrepreneurship
June 19
Speaker: Duane Ireland, Mays Business School, Texas A&M University
"Conceptualizing corporate entrepreneurship strategy"

Abstract: Our knowledge of corporate entrepreneurship (CE) continues to expand. However, this knowledge remains quite fragmented and non-cumulative. Herein, we conceptualize CE strategy as a useful focal point for integrating and synthesizing key elements within CE's intellectual domain. The components of our CE strategy model include: 1) the antecedents of CE strategy (i.e., individual entrepreneurial cognitions of the organization's members and external environmental conditions that invite entrepreneurial activity); 2) the elements of CE strategy (i.e., top management's entrepreneurial strategic vision for the firm, organizational architectures that encourage entrepreneurial processes and behavior, and the generic forms of entrepreneurial process that are reflected in entrepreneurial behavior), and 3) the outcomes of CE strategy (i.e., organizational outcomes resulting from entrepreneurial actions, including the development of competitive capability and strategic repositioning). We discuss how our model contributes to the CE literature, distinguish our model from prior models and identify challenges future CE research should address.

"You say illegal, I say legitimate: Entrepreneurship in the informal economy"

Abstract: The entrepreneurial process drives economic activities in the formal economy; however, little is known theoretically about how the entrepreneurial process works in the informal economy. To address this theoretical gap, we employ a multi-level perspective integrating entrepreneurship theory (micro-level) with institutional (macro-level) and collective identity (meso-level) theories to examine the role institutions and collective identity play in the recognition and exploitation of opportunities in the informal economy. Additionally, we explore factors that influence transition to the formal economy.

Finance
May 19
Speaker: Clas Wihlborg, Argyros School of Business and Economics, Chapman University
"Non-credibility of non-insurance of bank creditors, banks’ risk-taking and banking crises"

Abstract: We develop and test the hypothesis that there exists a partial level of explicit deposit insurance coverage that minimizes risk-taking induced by moral hazard incentives. Explicit coverage is a two-edged sword with respect to effects of market discipline on risk-taking. On the one hand, high explicit coverage is associated with incentives to shift risk to a deposit insurance fund or tax payers. On the other, little or no explicit coverage may be associated with strong implicit insurance and, thereby, weak market discipline and high risk-taking. Implicit insurance is the consequence of lack of credibility of non-insurance. Alternative measures of banks’ risk-taking are discussed and used to test the hypothesis, expressed as a U-shaped relationship between explicit coverage and risk-taking. The hypothesis is strongly supported when the occurrence of banking crises and country data for non-performing loans are proxies for risk-taking. The support on the country level is weaker for Z-scores and a market-based measure of implicit protection. Institutional factors affecting the credibility of non-insurance also affect the level of explicit insurance that maximizes market discipline.

Managerial Decision Sciences
May 21
Speaker: Scott Armstrong, Wharton School
"Barriers to the advancement of science: Statistical significance testing, flawed citations, lack of replications, spurious fairness requirements, and more"

Abstract: Adam Smith asked why a small number of under-funded Scottish researchers where able to discover so many useful things while a large number of well-funded English researchers discovered so little. We have learned little from Adam Smith. The increasingly bureaucratic approach to management research has retarded the advancement of science. Attention is paid to the rituals of science at the expense of progress. The concern currently is with the advancement of scientists, rather than the advancement of science. I describe some of the barriers such as tests of statistical significance; improper citations; the failure to replicate important studies; the focus on trivial but safe topics; a concern over “fairness” in hiring, promotion and peer review; and a lack of concern for communicating important findings, especially when they conflict with commonly held beliefs. Our profession has become lucrative, but we are producing more useless research. I will present some suggestions, none of which will make you rich (probably the opposite). If this doesn’t appeal, I will tell you how to become rich by following “The Author’s Formula”.

June 3
Speaker: Jörg Breitung, University of Bonn
"Testing for cointegration in high-dimensional systems"

Abstract: This paper considers cointegration tests for dynamic systems where the number of variables is large relative to the sample size. Typical examples include tests for cointegration in panels of a large number of countries. It is well known that conventional cointegration tests based on a parametric (vector autoregressive) representation of the system break down if the number of variables approaches the number of time periods. To sidestep this difficulty we propose nonparametric cointegration tests based on eigenvalue problems that are asymptotically free of...
nuisance parameters. We distinguish two different alternatives. A system is said to be weakly cointegrated if the number of cointegration relationships is small relative to the dimension of the system, whereas strong cointegration refers to a system where the variables are driven by a small number of common trends. It turns out that the nonparametric tests outperform the parametric (likelihood-ratio) tests by a clear margin, in particular, if the system is strongly cointegrated. Since uncovered interest parity suggests that all cross-country differences of interest rates are stationary (strong cointegration), the proposed tests are applied to a panel of short-term interest rates from various countries.

June 3
Speaker: Enrique Sentana, CEMFI
"Multivariate location-scale mixtures of normals and mean-variance-skewness portfolio allocation"

Abstract: We show that the distribution of any portfolio whose components jointly follow a location-scale mixture of normals can be characterised solely by its mean, variance and skewness. Under this distributional assumption, we derive the mean-variance-skewness frontier in closed form and show that it can be spanned by three funds. For practical purposes, we derive a standardised distribution, provide analytical expressions for the log-likelihood score and explain how to evaluate the information matrix. Finally, we present an empirical application in which we obtain the mean-variance-skewness frontier generated by the ten Datastream US sectoral indices, and conduct spanning tests.

Managing People in Organizations
June 6
Speaker: Carol D. Hansen, The Andrew Young School of Policy Studies, Georgia State University
"The Village Funeral: Culture, change and privatization in the Côte d’Ivoire"

Abstract: This article addresses the cultural side of organizational change in newly privatized companies in the Côte d’Ivoire, a Francophone West African country. An ethnographic study of productivity as a construct was conducted to identify norms embedded in the societal culture that are likely to influence new economic policies and models of organizational behavior. Using the village funeral as a symbolic example of family and kinship loyalty, the research findings suggest that obligations external to one’s work offer a powerful lens for understanding barriers to new management styles and worker productivity. The article concludes by locating the challenges of the Côte d’Ivoire’s privatization. Finally, recommendations are made for facilitating organizational change of business and industry in the Côte d’Ivoire.

Marketing
May 13
Speaker: Demetrios Vakratas, McGill University
"Dynamic market-level effects of highly regulated advertising messages"

Abstract: In this paper, we examine the dynamic effectiveness of Direct-to-Consumer Advertising (DTCA) in a market where regulations impose requirements on the type and content of prescription pharmaceutical advertising. We identify three issues that should be of great managerial interest: Whether DTCA is a reasonable option to choose under these regulations. If so, which type of DTCA is more effective, and when? We empirically pursue these issues by examining data on new and refill prescriptions for a novel prescription pharmaceutical. We employ an Augmented Kalman Filter with continuous state and discrete observations [AKF (C-D)], a combination of Extended Kalman Filter (EKF) and adaptive filter, for the estimation of dynamic DTCA effects. The findings suggest the presence of strong advertising dynamics as well as differences in the effects on new and refill prescriptions for two types of regulation-induced advertising messages.

Production, Technology and Operations Management
May 19
Speaker: Nicole DeHoratius, Pamplin School of Business, University of Portland
"Do upstream stockouts matter? A natural experiment at fashion manufacturer Costis Moros"

Abstract: We observe a natural experiment at fashion manufacturer Costis Moros that entails changing the frequency with which orders are placed from monthly to weekly. This change results in a 30% increase in sales across its retail customers, without controlling for other factors. We explore what operational advantages arose from this change in order frequency and, with the introduction of controls, assess whether this order change alone accounts for the dramatic increase in sales. In so doing, we identify the value of being in-stock among upstream parties and provide evidence contrary to classic multi-echelon inventory models that assume stockout costs are incurred only at the lowest echelon.

Strategic Management
May 13
Speaker: Jeffrey J. Reuer, Kenan-Flagler Business School, University of North Carolina
"The choice between joint ventures and acquisitions: Insights from signaling theory"

Abstract: This paper extends information economics in corporate strategy and organizational governance research by using signaling theory to explain firms’ market entry modes. We exploit
features of the IPO context to investigate how the signals on newly-public firms shape other companies’ governance choices to joint venture with them versus acquire them. We also develop theoretical arguments on how the value of these signals will vary across partners and will be context dependent. The results reveal that companies are more apt to acquire IPO firms taken public by reputable investment banks, compared to IPO firms associated with less prominent underwriters. Venture capitalist backing also appears to be a valuable signal for prospective acquirers, particularly in ‘colder’ IPO markets and when the acquirer and target reside in different industries and possess dissimilar knowledge bases.

May 29
Speaker: Fabio Fonti, Boston College
"Why the ‘war for talent’ is not the only answer: Team stability and relational intensity as determinants of team performance"

Abstract: Organizations and teams invest heavily in the ‘war for talents’, i.e. in trying to secure the services of the best people available in a given industry. In doing so, they overlook the fact that, in addition to human capital, social capital (i.e. relations among their members) strongly affects organizational performance. In this paper, we bring together the social networks and organizational routines literatures to argue that social capital, in the form of teams’ stability and relational intensity, positively affects team performance. Results from a study using longitudinal data on basketball teams provide strong support for our hypotheses.

June 3
Speaker: Michael D. Ryall, Melbourne Business School
"Causal ambiguity as a source of sustained capability-based advantage"

Abstract: This paper presents the first formal examination of the role of causal ambiguity as a barrier to imitation. Here, the aspiring imitator faces a knowledge (i.e., “capabilities-based”) barrier to imitation that is both causal and ambiguous in a precise sense of both words. Imitation conforms to a well-explicated process of learning-by-observing. I provide a precise distinction between the intrinsic causal ambiguity associated with a particular strategy and the subjective ambiguity perceived by a challenger. I find that intrinsic ambiguity is a necessary but insufficient condition for a sustained capability-based advantage. I also demonstrate that combinatorial complexity, a phenomenon that has recently attracted the attention of strategy theorists, and causal ambiguity are distinct barriers to imitation. The former acts as a barrier to explorative/active learning and the latter as a barrier to absorptive/passive learning. One implication of this is that learning-by-doing and learning-by-observing are complementary strategic activities, not substitutes. In most cases, we should expect firm strategies to seek performance enhancement using efforts of both types.

June 5
Speaker: Michael L. Barnett, University of South Florida
"Assessing the business case for corporate social responsibility: A mystery novel"

Abstract: Why do for-profit firms “do good”? The business case for corporate social responsibility offers an obvious answer: for profit. The business case is not particularly interesting then, unless there’s some mystery about how firms profit from social responsibility. And indeed, there remains much mystery despite decades of research. In this seminar, I review the literature on the link between corporate social and financial performance, offer theoretical and empirical insights from my ongoing research program and suggest directions for future research. The basic plot: a firm’s returns to doing good are history dependent and so vary across firms and over time; the link is through stakeholder relations and can be conceptualized as reputation; reputation exists beyond the firm level and the threat of damaging shared reputations drives firms to cooperate in industry self-regulation; and the frontier is in finer-grained exploration of the cognitive underpinnings of firm-stakeholder relations. Hope that doesn’t ruin the suspense. See you there.

Research Seminars

Manel Bauccells
On May 15 at University of California, Irvine, and on May 23 at UCLA, presented the paper “The mathematics of happiness”, co-authored with Rakesh Sarin.

Abstract: Happiness is as much about making reality better as about how our mind represents this reality. We propose modifications of the discounted utility model to capture how a flow of consumption is translated into a flow of well-being or happiness. The basic model seeks to capture two important effects: habit formation and satiation. We show that our model addresses the trade-off between maintaining habits and seeking variety. We discuss the optimal consumption path of our model under several constraints. The optimal program usually requires suprarational agents who correctly anticipate changes in habitual levels of consumption and satiation levels. Actual agents may be best described as operating under projection bias. We argue that our model, in the presence of projection bias, successfully explains the hedonic treadmill in the research area of happiness and life satisfaction. Finally, we propose a utility model for the consumption of goods that yield meaning and purpose.
**Miscellaneous**

**Antonio Argandoña**
On May 7, attended the II Congreso sobre Responsabilidad Social Empresarial, organized by the Foro Alava de Responsabilidad Social Empresarial, in Vitoria, where he gave the lecture “Responsabilidad social empresarial en un mundo globalizado”.

On June 7, attended the conference on “Colaboración sector público e iniciativa privada”, organized by Edad&Vida in Barcelona, where he moderated a roundtable on “Rol de la iniciativa privada del sector de servicios de atención de la dependencia”.

On June 26, attended the Jornada Salud Responsable in Barcelona, where he moderated a roundtable on “La situación de la responsabilidad social en el sector de la salud según los principales grupos de interés”.

**Franz Heukamp**
On May 12-13, organized an international workshop on Decisions and Uncertainty, with 25 participants from Germany, France, Italy, Switzerland, Netherlands and United Kingdom.

**Pedro Nueno**
On May 22, attended the XII Asamblea General ADIME in Barcelona, where he gave the lecture “¿Cómo abordar el futuro en 2008?”.

On June 20, attended the EFPIA (European Federation of Pharmaceutical Industries and Associations) Conference in Paris, where he gave the lecture “Où en est l’Europe? Où va l’Europe?”.

**Teaching materials**

**Analysis of Business Problems**

**Textiles del Hogar, S.L. (B)**
(ASN-42-E - 0.307.034)

Things have changed a little in the 12 months since the estate agent’s offer, when the business seemed about to close down: results have continued to be good but the future of the business remains highly uncertain and the property business is in a slump.

(Also available in Spanish.)

Ormazabal G.; Vázquez-Dodero J.C.; 5 pages.

**Human Decisions: The Role of the Will**
(ASNN-10-E - 0.308.013)

The purpose of this note is to explain why the ability to make good management decisions depends not only on the decision maker’s intellect, but above all on his will. To decide well we must think well and, above all, want well. Current theoretical discourse on the importance of feelings and their influence on the intellect, often referred to as “emotional intelligence”, has led to a certain neglect of the anthropological foundations on which management competencies are built. Emotions and feelings are crucial; but without a strong will to drive them, they produce incomplete people with no character, managers who may be intelligent but who are also immature: people who “know what they ought to do, but do not do it”.

(Also available in Spanish.)

Stein G.; Vázquez-Dodero J.C.; 9 pages.

**Business Ethics**

**IMSA (B)**
(BE-166 - 0.308.011)

Caso simulación de un nuevo escenario decisorio a comparar con el descrito en el caso (A) (TD-82).

Vázquez-Dodero J.C.; 3 pages.

**Financial Management**

**Air Berlin’s IPO**
(F-811-E - 0.207.006)

The CEO of Air Berlin must decide whether to delay Air Berlin’s IPO and/or lower the price range in response to tepid reactions from the investment community. The case gives students an opportunity to discuss the value of Air Berlin, the rationale for the IPO and the IPO strategy and timing.

(Also available in Spanish.)

Mitchell J.; Rahnema A.; 24 pages.

**Public Works Ibérica, S.A.**
(F-814 - 0.207.009)

El caso tiene como finalidad que el alumno pueda ver las diferencias existentes entre el leasing financiero y el leasing operativo a través de las condiciones que marcan las NIIF, en concreto la norma 17, que se refiere a los arrendamientos. Introduce una serie de preguntas que el alumno debe contestar:
¿Se puede hacer leasing operativo de todo tipo de maquinarias?
¿Qué tipo de entidades pueden hacer leasing operativo y, por tanto, asumir altos niveles de riesgo de valor residual? ¿Qué papel juegan los auditores en la interpretación de las NIIF? ¿Qué posición adoptan los bancos?

Astorga J.A.; Cortina J.M.; Soley J.; 7 pages.

GAM
(F-817-E - 0.207.012)
At the end of fiscal year 2005, given its position as market leader and its profitable growth over the previous years, GAM (General de Alquiler de Maquinaria) was pondering the following changes: seeking a stock market listing, selling the company to an international group or selling it to a venture capital company that was interested in broadening its business with a second phase of company acquisitions.

(Also available in Spanish.)

Campa J.M.; Oleaga M.; 18 pages.

Warehouse Industries: Acquisition of a competitor
(F-818-E - 0.207.013)

(Also available in Spanish.)

Martínez Abascal E.; 11 pages.

LogisWare: In search of financing
(F-823-E - 0.208.010)
LogisWare, the main manufacturers of storage systems in the United Kingdom and the United States, has acquired its main competitor for £90 million. Now it needs to decide between the two financing options offered by banks: a syndicated loan or a capital increase.

(Also available in Spanish.)

Martínez Abascal E.; 11 pages.

Information Systems
Equipos Eléctricos Pallarés
(SI-157 - 0.106.041)
Este caso presenta la problemática con que se enfrenta la empresa Equipos Eléctricos Pallarés cuando aflora un sistema de información desarrollado por una de las fábricas del grupo a espaldas del departamento corporativo de sistemas de información. La exposición permite analizar las razones que han abocado a esta situación y discutir las medidas que podrían haberse tomado para evitarla, así como posibles soluciones.

Valor J.; 9 pages.

Apple's iPhone: Calling Europe or Europe Calling
(SI-167-E - 0.108.006)
Apple needs little introduction. After the launch of the highly successful iPod in 2001, Apple has been on an aggressive growth path (revenues have increased by a compound annual growth rate [CAGR] of 31% and net income surged ahead at a CAGR of 128%). In 2007, Apple declared that they would once again transform yet another industry –mobile telephony– with the iPhone. The iPhone was heralded as an immediate success in the United States, selling one million units in a record 74 days (the iPod took two years to reach the million unit mark). Apart from the high sales and the positive technological reviews, what surprised many was the revenue sharing model that Apple had negotiated with mobile carriers, who traditionally had not given up part of their subscription revenues to handset manufacturers. The case is set as of November 9, 2007 on the morning the iPhone is released in the United Kingdom with Telefonica's O2. Students must determine whether the deal will prove advantageous to Telefonica's O2 and the longer-term effects on the industry structure.

(Also available in Spanish.)

Mitchell J.; Sieber S.; Valor J.; 26 pages.

Managing People in Organizations
Makonsa's Mission Statement (A)
(DPOE-2-E - 0.408.029)
This exercise is useful for learning how to use mission statements in management as a methodology for setting up a mission in a company. The participants divide into four teams, representing the company's four main departments. Each team has to develop the shared missions, the indicators and the objectives, so as to contribute to the company's mission statement.

(Also available in Spanish.)

Cardona P.; Rey C.; 9 pages.
The Dialectic: Business Journalism  
(DPON-3-E - 0.403.016)

Just as political life is not a choice between Rousseau and Locke but a synthesis between individualism and society, the business press is not a choice between extremes either. This synthesis is usually expressed in a publication’s editorial policy, which is often determined by who the publication is aimed at.

Leggett B.; 3 pages.

From Power to Influence  
(DPON-70-E - 0.408.011)

This technical note discusses the distance there is between power and using it effectively. It does not aim to produce a theory based on logic, nor systematize a reality, but instead to give a brief description of the phenomenon of power among business people and executives, so as to focus on some strategic thoughts. The authors have tried to condense their own accumulated experience from working as management professors, executives and business consultants.

(Also available in Spanish.)

Pin J.R.; Stein G.; 9 pages.

Marketing  
Deodar  
(M-1209-E - 0.508.007)

Jim Heisser, CEO and founder of Deodar Co., was reflecting on the excellent results his company had achieved over the last fifteen years. The increase in sales and profitability was something to be proud of, and yet Jim felt that what had started as a small business with modest ambitions was getting very big. Big was not bad, but Jim was wondering whether he ought to change his strategy and the way he ran his sales force. After all, successful companies tended to have more sophisticated management. What were the decisions to be made? Should he make changes or carry on as usual?

(Also available in Spanish.)

Vila V.; Villanueva J.; 10 pages.

Strategic Management  
Barona, S.A.  
(SM-1526 - 0.308.012)

Joaquín Machado, propietario de la empresa Barona, S.A., ante la entrada de un socio se ve obligado a activar el consejo de administración. En esta tesitura, Machado se plantea la posibilidad de dar una perspectiva más amplia al enfoque del consejo.

Fraguas R.; Tàpies J.; 10 pages.
Abstract: Cultura i competitivitat no són dos termes que associem habitualment. La competitivitat es refereix a la capacitat de competir de les empreses d’un país i està vinculada a la productivitat de l’economia. Els elements que determinen la competitivitat són diversos i entre ells podríem destacar la dotació d’infraestructures, les dotacions de capital, físic, humà, i tecnològic i, d’altres elements com la capacitat emprendedora del teixit productiu i social. Quan parlem de sectors culturals ens referim a les arts visuals (pintura, escultura, fotografia…), a les arts interpretatives (teatre, música, dansa…), i a les indústries com l’editorial, la musical o l’audiovisual. Les activitats culturals estan relacionades amb la creació de productes on el component estètic i simbòlic és important. El conjunt de les manifestacions culturals comprehen el patrimoni cultural d’un país que està composat tant d’un vessant material (construccions, obres d’art…) com immaterial (tradicions). En un sentit més ampli, la cultura d’un país es una manera de fer i un caràcter que en interacció amb el món dóna lloc a les activities culturals. En aquest breu article s’exploren les relacions de la cultura, en un sentit ampli, i les estratègies regionals en el món global. No es tracten, doncs, els sectors culturals de manera directa. S’exposen les maneres de competir de les regions i els factors de competitivitat incident en el paper potencial de la cultura. S’examinen després tres estratègies regionals fonamentals i s’acaba proposant unes conclusions.

OP-153 – May 2008
Pascual Berrone
PROS AND CONS OF REWARDING SOCIAL RESPONSIBILITY AT THE TOP

Abstract: Overemphasis on financial performance in incentive systems has been picked out as the principal culprit for recent corporate scandals. In response, some scholars and experts have suggested that social performance criteria should be included in top executive pay packages. To date, however, very little is known about the true benefits of this practice. This article critically discusses the implications of including this type of criteria in compensation schemes.