



University of Navarra

Newsletter Research Division

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In this issue

Page

- 1 Journals
- 2 Books
- 3 Contributions to books
- 5 Working Papers
- 8 Other publications
- 9 Conferences and seminars
- 10 Awards
- 11 Doctoral theses
- 12 IESE - Research Seminars
- 15 Miscellaneous
- 16 Book reviews
- 17 Teaching materials
- 21 Occasional Papers

Journals

Africa Ariño

"Measures of strategic alliance performance: An analysis of construct validity", *Journal of International Business Studies*, Vol. 34, No 1, January 2003, pages 66-79.

Abstract: This study evaluates the construct validity of measures of strategic alliance (SA) performance in two sub-samples of 34 equity SAs, and 45 contractual SAs respectively. We discuss the content validity of existing measures in light of current conceptualizations of SA performance. Empirical results show that strategic goal fulfillment and other organizational effectiveness measures of SA performance –such as overall performance satisfaction and net spillover effects– capture different underlying factors. The latter two present convergent validity as measures of SA performance. Results also support their discriminant validity with respect to contractual changes and survival, but not with respect to longevity. Building on our findings, we propose an expanded definition of SA performance that considers both outcome and process performance aspects.

José Manuel Campa

"An options-based analysis of emerging market exchange rate expectations: Brazil's Real Plan, 1994-1999", *Journal of Development Economics*, No 69, October 2002, pages 227-253.

Abstract: This paper uses currency option data from the BMF, the Commodities and Futures exchange in Sao Paulo, Brazil, to investigate

market expectations on the Brazilian Real-US dollar exchange rate from October 1994 through March 1999. Using options data, we derive implied probability density functions (PDF) for expected future exchange rates and thus measures of the credibility of the "crawling peg" and target zone ("maxiband") regimes governing the exchange rate. Since we do not impose an exchange rate model, our analysis is based on either the risk-neutral PDF or arbitrage-based tests of target zones. The paper, one of the first to use options data from an emerging market, finds that target zone credibility was poor prior to February 1996, improved afterwards through September 1997 and later started to worsen again. The market anticipated periodic band adjustments, and estimated distributions are very sensitive to political and economic news affecting the credibility of the regimen. We also test whether devaluation intensities estimated from these option prices can be explained by standard macroeconomic factors.

Nicolay Worren - Karl Moore - Pablo Cardona

"Modularity, strategic flexibility, and firm performance: A study of the home appliance industry", *Strategic Management Journal*, Vol. 23, No 12, December 2002, pages 276-294.

Abstract: Recent theorizing has proposed that modular product and process architectures are key enablers of strategic flexibility. We formulated an integrative conceptual model encompassing antecedents, contributing factors, and outcomes of modularity. We then tested this model on data from managers in USA and UK home appliance companies using



Newsletter

January - March 2003 - No 112

structural equations modeling. The results indicate a positive relationship between modular product architectures and performance, with product model variety as a mediating variable. The results also highlight linkages between perceptions of market context and the use of modular product architectures, and between complementary organizational capabilities and firm performance.

Ercilia García Álvarez - Jordi López-Sintas - Pilar Saldaña Gonzalvo

"Socialization patterns of successors in first- to second-generation family businesses", *Family Business Review*, Vol. XV, No 3, 2002, pages 189-203.

Abstract: This paper focuses on the socialization of potential successors in family business and attempts to relate this process to values that founders intend to convey to the next generation. We found that founders' values condition potential successors' socialization and that there are two different phases common to all socialization processes. The first stage, characterized by family socialization and common to all founders' descendants, comprises value transmission and training. The second stage is characterized by business socialization and is reserved only for the founder's potential successors. We also identified two models of socialization that pursue two different aims: a) the Founder Homosocial Reproduction Model, and b) the New Leader Development Model. These socialization models are consistent not only with values that the founder intends to convey to potential successors but also with the founder's own business perception. We present and explain the distribution of these two models according to each group of founders. Finally, we reveal the content of what we call the founder's dependence paradox and the effect on the next-generation socialization process.

Ivor Morgan - Jay Rao

"Aligning service strategy through Super-Measure management", *Academy of Management Executive*, November 2002, Vol. 16, No 4, pages 121-131.

Abstract: This paper focuses on the role of Super-Measures in management. The challenging process of aligning strategy and its implementation has long been supported by the use of performance measures. Many service enterprises, in particular, have clearly designed operating systems serving well-defined target markets. Some of these firms direct their strategy with one principal measure. We call it a Super-Measure or SM. A Super-Measure aligns the behaviors and actions of the various parts of a firm with its customers' needs. A Super-Measure focuses a firm more intensely on its chosen direction than would a complex set of measures. Using a number of examples, this paper discusses the uses and limitations of the Super-Measure approach.

Mike Hess - Joan E. Ricart

"Managing customer switching costs. A framework for competing in the networked environment", *Management Research*, Vol. 1, No 1, winter 2002-2003, pages 93-110.

Abstract: Previous research argues that customer switching costs play an important role in the firm's ability to retain customers and achieve competitive advantage. Research also indicates that in the increasingly networked environment, switching costs are changing in important ways. Despite switching costs' recognized role in contributing to competitive advantage and their growing strategic importance in the expanding networked environment, we find a lack of coherence and completeness in the conceptual tools and models developed to understand their role and help effectively to manage the phenomenon. In this paper we attempt to address these needs by expanding and refining the conceptualization of customer switching costs and developing a more useful and comprehensive framework for managers.

Books

Francisco Altarejos - Alfredo Rodríguez - Joan Fontrodona
"Retos educativos de la globalización. Hacia una sociedad solidaria", *EUNSA*, 208 pages.

Abstract: Las nuevas realidades sociales que se están configurando en torno a la idea de la globalización requieren un renovado planteamiento de la acción educativa. Los autores del libro pretenden reflexionar sobre algunas consideraciones éticas que educadores y educandos deben tener en cuenta. Aunque el libro está pensado desde la óptica de la educación, trata una serie de cuestiones que son importantes para cualquier persona que quiera reflexionar sobre la nueva sociedad del conocimiento y sobre la necesidad de que la globalización no pierda de vista la dimensión solidaria de la convivencia humana. Algunas de las cuestiones que se plantean son: cuál es el papel de las ciencias humanas en la sociedad del conocimiento, qué significa bienestar y calidad de vida, cómo entender la diversidad cultural y su apertura a la universalidad, cómo conseguir una sociedad más solidaria.

Jordi López Sintas - Ercilia García Álvarez

"El consumo de las artes escénicas y musicales en España. Comportamientos, valores y estilos de vida de los consumidores", *Fundación Autor*, Colección Datautor, Madrid, 2002, 320 pages.

Abstract: A partir de la información generada por la Encuesta de Hábitos de Consumo Cultural de la SGAE, este libro analiza los distintos patrones de participación y consumo referidos a las artes escénicas y musicales. Se han identificado cuatro clases de consumidores: esporádicos, populares, esnobs y omnívoros, que pertenecen mayoritariamente a diferentes clases sociales,

Newsletter

January - March 2003 - No 112



poniéndose así de manifiesto que el consumo cultural está estratificado socialmente. Las conclusiones interesarán a los propios consumidores, que podrán identificar su patrón de asistencia en comparación con el del resto de españoles; a las Administraciones públicas, que encontrarán unos resultados sólidos en los que basar sus políticas para promocionar el consumo de las artes; y a los responsables de las organizaciones artísticas tanto públicas como privadas, ya que podrán adquirir un conocimiento más preciso de los comportamientos de las audiencias, y con ello diseñar estrategias más eficaces y rentables.

Edward Elgar Publishing has published the book "The social dimensions of employment. Institutional reforms in labour markets", edited by **Antonio Argandoña** and **Jordi Gual**, 2003, 154 pages.

Abstract: This timely volume explores the social implications of labour market reforms and assesses the complex relationship between the economic and non-economic aspects of labour institutions. The authors emphasize that labour market systems have important social dimensions, including social benefits and effects on psychological well-being and social relationships. They go on to argue that the evaluation of reforms should take this social protection system into account. Reform policies are recommended.

It is argued that policy evaluations should consider whether social benefits are compatible with the increased flexibility demanded by the marketplace, taking into account the complex social and cultural rules which affect human behavior, and the fact that individuals are concerned with issues such as fairness, status and the well-being of their fellow citizens.

Policymakers involved in government, international institutions, professional associations for social work and labour relations, unions and employer federations will find this book fascinating reading.

The book contains, among others, the chapter "The social dimensions of labour market institutions", by **Antonio Argandoña**, pages 49-75.

Abstract: The labour market is both a market and a "social institution". But what do we mean by that? In the first part of this chapter we analyse different interpretations of the labour market's "social" dimension, starting with the versions postulated by economists and ending with those that invoke solidarity as a criterion. In the second part, we analyse the functions of the institutions that embody the labour market's social dimension, both from the positive viewpoint –correcting market failures– and the negative viewpoint –creating and capturing rents. Discussion of the factors that explain how these institutions come into being and evolve allows us to identify a number of institutions that perform a dual function: correcting market failures, and also correcting failures in other institutions.

AEDE (Asociación de Editores de Diarios Españoles) has published "Libro Blanco de la Prensa Diaria, 2003", a publication coordinated by IESE and Deloitte & Touche. The first five parts were researched and written by, among others, **Juan M. de Toro**, pages 18-168.

Abstract: Las cinco primeras partes del libro tratan los temas de difusión y número de lectores por diario, la audiencia y difusión controlada de los diarios, el análisis de todos estos datos por segmentos de tipo de información de los diarios, los suplementos dominicales y de otros días de la semana que acompañan a las cabeceras, la evolución de la prensa digital y la actividad comercial de los diarios, donde se analiza la publicidad, el precio, las promociones y la inversión publicitaria en la prensa diaria.

La sexta, séptima y octava partes, coordinadas por Deloitte & Touche, tratan la situación económico-financiera de la prensa en España, el panorama del sector y la composición de los distintos grupos editoriales.

Como novedad con respecto al libro del año pasado, se incluye una encuesta a los máximos responsables de los diarios, cuyo cuestionario elaboró conjuntamente el IESE con D&T, y que constituye (su análisis y respuestas) la séptima parte del libro.

Contributions to books

José Manuel Campa – Pablo Fernández

"¿Cómo se realizan las compraventas de empresas en España?", *Instituto de Estudios Económicos*, 2003, pages 143-243.

Abstract: Uno de los elementos clave en la realización de una compraventa empresarial es llegar a una valoración de las distintas empresas que participarán en la transacción. Para la realización de esta valoración existen muchos métodos propuestos que pueden dar lugar a distintas valoraciones y a distintas estrategias de gestión de la transacción. El objetivo de estas páginas es:

- Describir de una forma clara y exhaustiva los distintos métodos que existen para la valoración de empresas: se hace una revisión de los métodos más frecuentemente utilizados en la valoración de empresas, incluyendo métodos basados en información contable, métodos comparados por múltiplos y métodos de descuento de flujos.
- Mostrar las ventajas y desventajas que presentan cada método, así como una descripción de los métodos generalmente más usados a la hora de la realización de transacciones.
- Describir los distintos métodos por descuentos de flujos, resaltando las diferencias conceptuales y de aplicación más importantes entre ellos.
- Realizar un análisis crítico de los múltiplos más comunes en el análisis comparado de valoración entre empresas.
- Realizar un análisis crítico de la utilización de opciones reales en valoración y mostrar sus principales limitaciones como verdaderas fuentes de generación de valor de las empresas.



Newsletter

January - March 2003 - No 112

Pablo Cardona

"El coaching en el desarrollo de las competencias profesionales", in the book "Coaching directivo: Desarrollando el liderazgo", edited by Mariano Vilallonga, *Editorial Ariel*, Barcelona, pages 147-166.

Abstract: Las competencias profesionales son hábitos difíciles de desarrollar sin la ayuda eficaz de un *coach*. Este provee la información conveniente, los ejemplos oportunos y el entrenamiento adecuado para el desarrollo de cada competencia específica. Además, y sobre todo, el *coach* promueve y mantiene la actitud de aprendizaje del asesorado (la voluntad de formarse y escoger según su motivación racional), a través del fortalecimiento de la autoestima y la formación del carácter. Para ello, el *coach* necesita crear una relación de profunda confianza con la persona asesorada. Esta relación se va fraguando en el tiempo si el asesorado descubre en el *coach* una serie de aptitudes y actitudes críticas. Dado que las competencias profesionales se practican en el lugar de trabajo, el *coach* natural de estas competencias es el superior jerárquico. El *coaching* directivo es una necesidad competitiva de las empresas del presente y del futuro.

José R. Pin

"Estrategias para el cambio en las organizaciones humanas", in the book "La Gestión del Cambio", edited by J. Aguilar López, *Editorial Ariel*, Barcelona, 2003, pages 21-54.

Abstract: El autor repasa las condiciones generales para el éxito en el cambio en las organizaciones. Revisa las parábolas de Schein y la concepción holográfica de la organización, los mecanismos de resistencia y la teoría de la disonancia cognoscitiva de Festinger. Después analiza tres tipos de cambio: reactivo, proactivo e institucionalizado, y las condiciones para el éxito en cada uno de ellos. Por último, describe las condiciones para el cambio que nos viene a principios del siglo XXI.

José R. Pin - Esperanza Suárez

"Implementation of management by objectives and working motivation in the Spanish national police force", in the book "La motivation au travail dans les services publics", edited by Thibaut Duvillier, Jean-Louis Genard and Alexandre, *Piroux, Éditions L'Harmattan*, Paris, pages 287-302.

Abstract: The chapter considers the role that the motivation of public officials plays in attempts to change administrative structures. It does this by analyzing the case of the Spanish national police force and the changes it underwent as a result of the implementation of management by objectives, new training processes and performance appraisal. The aim is to identify the keys that facilitate the change process.

Lluís G. Renart

"Smith & Nephew - Innovex" (M-1092-E), in the book "Management of a Sales Force", 11th edition, edited by Rosann L.

Spiro (Indiana University), William J. Stanton (University of Colorado) and Gregory A. Rich (Bowling Green State University), *McGraw-Hill*, 2003, pages 492-506.

Abstract: Smith & Nephew S.A. sells health care products in Spain. In September 1999 it decided to conduct a trial that involved hiring from Innovex a team of two sales representatives to support the promotional work being done by the company's own full-time sales force. This promotional effort was aimed at doctors and, above all, nurses. In March 2000, Smith & Nephew's managers had to assess the results achieved to date and decide what to do next.

Círculo de Empresarios in Madrid has published its *Libro Marrón* for 2002 on the theme "Pacto de estabilidad y crecimiento: alternativas e implicaciones" ("Stability Pact and Growth: alternatives and implications"), which includes the following chapters:

Antonio Argandoña

"El pacto de estabilidad y crecimiento: una introducción", pages 15-33.

Abstract: El documento pretende ordenar el debate sobre la conveniencia de flexibilizar o no el pacto de estabilidad y crecimiento vigente en la Unión Económica y Monetaria europea. Para ello se distinguen cuatro niveles de discusión. El primero, sobre el volumen y composición del gasto público permanente. El segundo, sobre la financiación de dicho gasto y, consiguientemente, sobre el nivel deseable del déficit público. El tercero, sobre la financiación de ese déficit y sobre las relaciones de la política fiscal con la política monetaria del Banco Central Europeo. Y el cuarto, finalmente, sobre la variabilidad permisible en el nivel de déficit, que se relaciona con el uso coyuntural de la política fiscal.

Rafael Termes

"El debate sobre el PEC y la alternativa española", pages 351-380.

Abstract: Después de recordar las circunstancias en las que el Consejo Europeo de junio de 1997 instituyó el pacto de estabilidad y crecimiento (PEC), el autor expone las razones por las cuales la política fiscal constituye un elemento decisivo en orden al crecimiento de la economía. Analizado el debate sobre la conveniencia de mantener, suprimir o modificar el PEC, la tesis del artículo es que el equilibrio presupuestario es bueno en sí mismo, tanto si lo exige el PEC como si no lo exige, y que, por tanto, en ausencia de soberanía monetaria y teniendo en cuenta la inflación diferencial que padecemos, España hará bien en no acogerse al ofrecimiento, si se produce, de volver al déficit, so pretexto de fomentar el crecimiento. Esta decisión debe ir acompañada de la rebaja de impuestos y de la congruente reducción del gasto público, incluido el de inversión en capital fijo, que hay que confiar al sector privado, mediante los oportunos estímulos.

Newsletter

January - March 2003 - No 112



Working Papers

NOTE: Working papers may be consulted on the Internet at <http://www.fm.iese.edu/research/rp.html>

No 484 - January, 2003

Antonio Argandoña

LA TEORIA DE LA ACCION Y LA TEORIA ECONOMICA

Abstract: La economía convencional dispone de un poderoso instrumento explicativo de la conducta humana que, a lo largo de las décadas, ha mostrado una elevada capacidad predictiva y explicativa. Como es lógico, no siendo un instrumento perfecto, también se han puesto de manifiesto sus limitaciones, que han dado lugar a numerosas críticas, tanto desde fuera como desde dentro del propio paradigma. El objeto de este artículo es presentar una teoría de la acción humana basada en supuestos más amplios que los de la economía convencional, y que la contiene como un caso particular. La base de esa teoría son las aportaciones de Juan Antonio Pérez López, principalmente sus obras "Teoría de la acción humana en las organizaciones" (1991) y "Fundamentos de la dirección de empresas" (1993). Este artículo se limita al caso más elemental de toma de decisiones de un agente que no se relaciona con otros agentes, sino con un medio inerte. A pesar de todo, permite ampliar considerablemente el campo de acción de la teoría convencional.

No 485 - January, 2003

Pablo Fernández

SHAREHOLDER VALUE CREATORS AND SHAREHOLDER VALUE DESTROYERS IN USA. YEAR 2001

Abstract: In this paper, we quantify shareholder value creation for 276 US companies. We provide the created shareholder value for each and every company for years 1998, 1999, 2000 and 2001. The market value of the 276 companies was 8,716 billion dollars in 2001 and 9,729 billion dollars in 2000.

We define created shareholder value and provide the ranking of created shareholder value for the 276 companies. In 2001 Microsoft was the leading shareholder value creator and, on the other end of the spectrum, Cisco was the top shareholder value destroyer.

We also calculate the cumulative created shareholder value of selected US companies during the four-year period 1998-2001. Wal-Mart Stores was number one in created shareholder value during this period.

We also claim that EVA does not properly measure Wealth Creation. We have compared the EVA calculated by Stern Stewart and Co. with the created shareholder value of 269 companies. The correlation of EVA with created shareholder value was only 17.66%. Sixty companies had negative EVA and positive created shareholder value. 64 companies had positive EVA and negative created shareholder value. On average, the difference of shareholder value creation minus EVA was -434% of EVA. The

absolute value of the difference of shareholder value creation minus EVA was 8972% of EVA. With this evidence, we conclude that EVA does not properly measure Wealth Creation.

No 486 - January, 2003

Juan Palacios - Leticia Alvarez

RESULTADOS DE LOS FONDOS DE INVERSION ESPAÑOLES: 1992-2001

Abstract: Este trabajo compara los resultados de dos muestras de fondos con los del índice de la bolsa en el período indicado. Sus conclusiones principales son: 1) la bolsa española se ha comportado como un mercado eficiente para los gestores de los fondos de inversión. No hay ninguna evidencia de que los fondos hayan sido capaces de superar la rentabilidad del índice de bolsa en los últimos diez años. La rentabilidad anual obtenida por los partícipes ha sido muy inferior a la de la bolsa; 2) la media de las comisiones anuales de gestión y de depósito fue del 2,41% en los últimos cinco años. Estos gastos son altos después de ver los resultados obtenidos. Los fondos que cobran mayores comisiones no consiguieron mejores resultados antes de gastos que los que aplican comisiones más bajas; 3) aun después de tener en cuenta el ajuste por riesgo y los gastos de gestión, la diferencia entre el índice y los fondos fue de 4,10 puntos de rentabilidad anual en los cinco últimos años. Las comisiones de negociación y los desaciertos en la política de inversión parecen ser la causa. Este resultado es inesperado y sorprendente. En un mercado eficiente, esta diferencia debería ser próxima a cero y, por su naturaleza y magnitud, merece una investigación posterior, y 4) no se ha podido apreciar ninguna consistencia en los resultados de los fondos a lo largo del tiempo. Este resultado también es coherente con un mercado eficiente. Este trabajo es un ejemplo de la divergencia entre lo que se enseña en el mundo académico y la práctica en el mundo real. En este caso con un alto coste para los pequeños inversores. Se concluye con unas reflexiones dirigidas a profesores de finanzas, gestores de fondos, legisladores y periodistas, que son los que pueden contribuir a corregir esta situación.

No 487 - January, 2003

Pablo Fernández

THREE RESIDUAL INCOME VALUATION METHODS AND DISCOUNTED CASH FLOW VALUATION

Abstract: In this paper we show that the three residual Income models for equity valuation always yield the same value as the Discounted Cash Flow Valuation models.

We use **three residual income measures**: Economic Profit, Economic Value Added (EVA) and Cash Value Added. We also show that economic profit and EVA are different, although Copeland, Koller and Murrin (2000, page 55) say that economic profit is a synonym of EVA.

Specifically, we first show that the present value of the **Economic Profit** discounted at the required return to equity plus the equity book value equals the value of equity. The value of equity is the



Newsletter

January - March 2003 - No 112

present value of the Equity cash flow discounted at the required return to equity.

Then, we show that the present value of the **EVA** discounted at the WACC plus the enterprise book value (equity plus debt) is the enterprise market value. The enterprise market value is the present value of the Free cash flow discounted at the WACC.

Then, we show that the present value of the **Cash Value Added** discounted at the WACC plus the enterprise book value (equity plus debt) is the enterprise market value. The enterprise market value is the present value of the Free cash flow discounted at the WACC.

No 488 - January, 2003

Pablo Fernández

LEVERED AND UNLEVERED BETA

Abstract: We prove that in a world without leverage cost the relationship between the levered beta (β_L) and the unlevered beta (β_U) is the No-costs-of-leverage formula: $\beta_L = \beta_U + (\beta_U - \beta_D) D (1 - T) / E$. We also analyze 6 alternative valuation theories proposed in the literature to estimate the relationship between the levered beta and the unlevered beta: Harris and Pringle (1985), Modigliani and Miller (1963), Damodaran (1994), Myers (1974), Miles and Ezzell (1980), and practitioners and prove that all provide inconsistent results.

No 489 - January, 2003

Carlos García Pont - Fabrizio Noboa

FIGHTING FOR POWER: THE STRATEGY OF GLOBAL MNCs' SUBSIDIARIES

Abstract: The purpose of this paper is to examine the relational configurations of a subsidiary that belongs to a global industry such as auto components manufacture. As global integration pressures are high in this environment, there are pressures for centralization and some subsidiaries are losing resources and capabilities to the benefit of headquarters or other subsidiaries. Consequently, they may fight within the MNC to retain control over certain resources and capabilities, mainly by building strong relationships with local suppliers, providers, customers or other units of the MNC that may reach global relevance. While previous studies have identified the significance of networks as a metaphor for understanding MNC structure, in this paper we attempt to show how analysis of a subsidiary's networks of contacts can be a useful tool to identify the role the subsidiary is playing in the multinational as a whole. It shows how networks can be used by the subsidiary as a tool to proactively develop a formulated strategy.

No 490 - January, 2003

Jordi Canals

LA ESTRATEGIA DE LA EMPRESA EN LA ERA DE INTERNET

Abstract: El impacto de las nuevas tecnologías de la información e Internet en el mundo de la empresa ha sido enorme, y el estallido de la burbuja financiera no invalida algunos supuestos de la llamada nueva economía. Este trabajo analiza los efectos diferenciales de Internet en la dirección de empresas, así como su potencial de transformación de un sector. El análisis permite evaluar con mayor precisión las razones por las que la estrategia de muchas empresas de Internet se ha basado en fundamentos muy endeble. Asimismo, se formulan algunos principios de la estrategia empresarial orientados a asegurar la supervivencia a largo plazo de las organizaciones.

No 491 - February, 2003

Javier Estrada

THE COST OF EQUITY OF INTERNET STOCKS: A DOWNSIDE RISK APPROACH

Abstract: Beta as a measure of risk has been under fire for many years. Although practitioners still widely use the CAPM to estimate the cost of equity of companies, they are aware of its problems and are looking for alternatives. One possible alternative is to estimate the cost of equity based on the semideviation, a well-known and intuitively plausible measure of downside risk. Complementing evidence reported elsewhere about the ability of the semideviation to explain the cross-section of returns in emerging markets and that of industries in emerging markets, this article reports results showing that the semideviation also explains the cross-section of Internet stock returns.

No 492 - February, 2003

Javier Estrada

MEAN-SEMIVARIANCE BEHAVIOR: AN ALTERNATIVE BEHAVIORAL MODEL

Abstract: The most widely-used measure of an asset's risk, beta, stems from an equilibrium in which investors display mean-variance behavior. This behavioral criterion assumes that portfolio risk is measured by the variance (or standard deviation) of returns, which is a questionable measure of risk. The semivariance of returns is a more plausible measure of risk (as Markowitz himself admits) and is backed by theoretical, empirical, and practical considerations. It can also be used to implement an alternative behavioral criterion, mean-semivariance behavior, that is almost perfectly correlated to both expected utility and the utility of mean compound return.

Newsletter

January - March 2003 - No 112



No 493 - February, 2003

Javier Estrada

MEAN-SEMIVARIANCE BEHAVIOR (II): THE D-CAMP

Abstract: For over 30 years academics and practitioners have been debating the merits of the CAPM. One of the characteristics of this model is that it measures risk by beta, which follows from an equilibrium in which investors display mean-variance behavior. In that framework, risk is assessed by the variance of returns, a questionable and restrictive measure of risk. The semivariance of returns is a more plausible measure of risk and can be used to generate an alternative behavioral hypothesis (mean-semivariance behavior), an alternative measure of risk for diversified investors (the downside beta), and an alternative pricing model (the D-CAPM). The empirical evidence discussed in this article for the entire MSCI database of developed and emerging markets clearly supports the downside beta and the D-CAPM over beta and the CAPM.

No 494 - February, 2003

Raul Lagomarsino - Pablo Cardona

RELATIONSHIPS AMONG LEADERSHIP, ORGANIZATIONAL COMMITMENT, AND OCB IN URUGUAYAN HEALTH INSTITUTIONS

Abstract: We develop and test a model that relates leadership behaviors, organizational commitment, and organizational citizenship behaviors (OCBs). We test the model using structural equations with a sample of 116 doctors from Uruguay. Consistent with expectations, our results show that transactional leadership behaviors increase followers' continuance commitment and decrease their growth commitment, whereas transformational leadership behaviors increase followers' growth commitment and also their normative commitment. Besides, organizational commitment mediates in the relationship between leadership and OCB. The turbulent socio-economic context of hospitals in Uruguay make this sample of special interest, since almost all the research published in the field to date has been conducted in developed economies, and during times of macroeconomic prosperity or stability.

No 495 - February, 2003

Pablo Cardona - Barbara S. Lawrence - Alvaro Espejo

OUTCOME-BASED THEORY OF WORK MOTIVATION

Abstract: This paper introduces an outcome-based theory of work motivation. This theory focuses on the individual's expected consequences of his or her action. We identify four different types of expected consequences, or motives. These motives lead to four types of motivation: extrinsic, intrinsic, contributive, and relational. We categorize these outcomes using two criteria: the perceived locus of causality, which defines the origin of the motivation, and the perceived locus of consequence, which defines who receives the consequences of the action. Individuals generally act based on a combination of extrinsic, intrinsic, contributive, and relational motivations, each one having a particular weight. We use the term

motivational profile to refer to the particular combination of an individual's motivations in a certain context. Individuals may experience conflict when different alternatives convey different expected consequences (or motives). Resolution of conflicts among motives results in motivational learning. Specifically, the resolution of conflicts among motives of the same type results in calculative learning. On the other hand, the resolution of conflicts among motives of different types results in evaluative learning. Evaluative learning implies a change in the individual's motivational profile.

No 496 - February, 2003

Pablo Cardona - Aitziber Elola

TRUST IN MANAGEMENT: THE EFFECT OF MANAGERIAL TRUSTWORTHY BEHAVIOR AND RECIPROCITY

Abstract: In this paper we study the antecedents of subordinates' trust in their leaders (STL). In particular, we focus on the effects of managerial trustworthy behavior (MTB) and subordinates' perceptions of leaders' trust in them (LTS). We develop a scale of managerial trustworthy behavior following the typology proposed by Whitener, Brodt, Korsgaard and Werner (1998) that includes: behavioral consistency, behavioral integrity, sharing and delegation of control, communication, and demonstration of concern.

A sample of 109 Spanish middle managers provided data for our study. The results of the hierarchical regression analysis show that both MTB and LTS have a significant relationship with STL. Further, we study the effect of reciprocity in the trusting relationship. We find that there are significant differences between subordinates' trust in management and their perceptions about superiors' trust in them.

No 497 - March, 2003

Pablo Cardona - Barbara S. Lawrence - Peter M. Bentler

THE INFLUENCE OF SOCIAL AND WORK EXCHANGE RELATIONSHIPS ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR

Abstract: Previous studies explain situational antecedents of OCB using social exchange theory. However, the effects of factors such as perceptions of job characteristics on OCB seem to require a different explanatory mechanism. We propose that these effects can be explained through a new exchange relationship that we call work exchange. We develop a theory for the situational antecedents of OCB that includes economic, work, and social exchange relationships. The theory is tested using structural equations.

No 498 - March, 2003

Mª Nuria Chinchilla - Steven Poelmans - Consuelo León

POLITICAS DE CONCILIACION TRABAJO-FAMILIA EN 150 EMPRESAS ESPAÑOLAS

Abstract: Con la incorporación cada vez mayor de la mujer al mundo laboral, vivimos en un mundo compartido. Hombres y



Newsletter

January - March 2003 - No 112

mujeres integran, actúan y forman a la vez el mundo del trabajo y la familia. En el IESE tenemos una línea de investigación –conciliación trabajo/familia– que pretende detectar, analizar, evaluar y, en la medida de lo posible, sugerir, aquellas políticas que desde la empresa favorecen la armonía entre estos dos ámbitos. Nuestro estudio IFREI (IESE Family-Responsible Employer Index) y el Primer Premio a la Empresa Flexible concedido este año a la empresa de telefonía móvil Vodafone, son los primeros pasos de un camino que se adivina lleno de posibilidades y que puede ser una fuente de retribución para el empleado tan importante como la salarial.

No 499 - March, 2003

José L. Nuño - Jesús Viscarri - Carlos Mora
¿HAY BTC EN ESPAÑA?

Abstract: Nuestro propósito en este documento es el estudio del comercio electrónico a consumidor (BTC) y, en concreto, el desarrollo que está teniendo en España. Los resultados que obtenemos de nuestro análisis son más bien tímidos, todavía más si los comparamos con otros mercados, como el estadounidense o el noreuropeo. La limitación del BTC en España no sólo está sujeta a unos aspectos culturales a los que siempre se recurre para justificar su bajo desarrollo. Como veremos, quedan muchos temas por resolver (y tenemos dudas de que algunos de ellos puedan incluso solucionarse en el largo plazo). Por el lado de la oferta, se observan muchos problemas. Algunos de gestión, como las estrategias de producto, precio y promoción utilizadas, o un diseño de *sítes* poco atractivo y menos funcional. Otros problemas son estructurales, como la precaria estructura de mayoreo que no proporciona liquidez al sector, o la también carencia de líneas de conexión rápidas y fiables. Con este panorama, es razonable que únicamente algunos híbridos potentes en el mundo presencial puedan estar haciendo algo interesante en Internet. Por el lado de la demanda, las agencias de medición más optimistas cifran en algo más de tres millones el número de compradores a través de Internet en España, un 30% de un mercado potencial de nueve millones de usuarios. Este mercado potencial es a su vez una parte decepcionante (26%) de los 35 millones de personas que podrían dar vueltas por Internet. ¿Por qué compran tan poco? Y si lo hacen, ¿por qué con tan poca asiduidad? Trataremos de responder a ésta y otras preguntas. Para ello, en primer lugar, analizamos las cifras que nos ayudan a dimensionar el medio. Seguidamente, analizamos la situación del sector desde el punto de vista micro, recogiendo la situación y evolución de aquellas empresas que están operando en la red, colocándolas en un ranking de facturación, en un intento de solapar el desarrollo del sector a niveles macro y micro. En la segunda parte, profundizamos en aquellos aspectos que consideramos se han de tener en cuenta para garantizar el desarrollo del BTC en España. Continuamos nuestro análisis con la descripción de algunas estrategias que pueden ayudar a que el comercio electrónico a consumidor no sea en el futuro la anécdota que es hoy.

Other publications

Antonio Argandoña

"Ética y responsabilidad social de la empresa: ¿cuáles son los retos?", *Papeles de Ética, Economía y Dirección*, No 7, 2002, pages 21-31.

Abstract: Este artículo pretende explicar los retos actuales de la ética de la empresa para los estudiosos del tema, así como para los empresarios. A partir de los recientes escándalos en el mundo de los negocios, se explica el papel central de la ética, no sólo para prever esas situaciones, sino, sobre todo, para orientar la estrategia y la práctica diaria de las organizaciones, señalando los caracteres de la teoría ética que resulta aplicable y las tareas de los directivos en el diseño y puesta en práctica de esos planes.

Esteban Masifern

"Estrategia en tiempo real", *Iniciativa Emprendedora*, No 38, January-March, pages 71-81.

Abstract: La manera de entender el concepto de estrategia ha experimentado muchas "idas y vueltas" en los últimos cincuenta años. En general, el presupuesto y la organización ("el dentro") han primado sobre los factores de entorno ("el fuera"). Pero recientemente se ha retornado a las fuentes, entendiéndose la estrategia como un proceso en el cual ésta se interrelaciona con la organización y el "día a día". En este artículo se abunda en la tesis de que en una época de alta incertidumbre y de crisis como la actual, resulta perentorio ampliar la autonomía de los distintos niveles de la organización para que las personas, dentro de un contexto organizativo ágil, puedan formular una estrategia en tiempo real.

Domènec Melé

"Ethics in business. Some crucial aspects considered from the teachings of the Catholic church", *Disputationes Ethicae*. European Centre of Ethics. Czestochowa, No 1, 2002, pages 213-239.

Abstract: In spite of several ethical theories being used for developing Business Ethics, you can hardly find a Christian approach to introduce ethics in business in the current Business Ethics textbook. In an attempt to contribute to filling this vacuum, this paper presents some aspects of ethics in business considered from the Catholic Social Teaching perspectives. It pays attention to five crucial points: 1) Purpose of the business enterprise; 2) Nature of the business enterprise; 3) Work organization; 4) Commercial relationship, and 5) The environment.

Newsletter

January - March 2003 - No 112



José L. Bueno - Jesús Viscarri - Carlos Mora

"¿Hay BTC en España?", *Harvard Deusto Business Review*, No 112, January-February 2003, pages 54-63.

Abstract: (see page 8).

José R. Pin

"El ciclo de vida del directivo", *e-Deusto*, No 24, February-March 2003, pages 36-41.

Abstract: El conocimiento de los ciclos de vida y las regularidades de los directivos pueden ayudar a una mejor planificación de la estrategia de recursos humanos.

Lluís G. Renart

"Marketing relacional: ¿café para todos?", *Harvard Deusto Business Review*, No 111, November-December 2002, pages 68-76.

Abstract: Desde hace ya varios años, el marketing está cambiando de un enfoque "transaccional" a otro "relacional". Con este nuevo enfoque se aspira a que las relaciones con los mejores clientes y otros colectivos sean a largo plazo, interactivas y generadoras de valor añadido. Sin embargo, en el marketing relacional no es oro todo lo que reluce, ni todas las empresas que intentan aplicar este nuevo concepto alcanzan el éxito. En teoría, este nuevo tipo de marketing es muy interesante y atractivo, pero en la práctica se observan dificultades o, incluso, rechazo. Por ello, es conveniente preguntarse si el concepto y la práctica del marketing relacional son aconsejables para todo tipo de empresas o sólo en ciertos casos particulares. El marketing relacional... ¿es café para todos o sólo es recomendable para ciertas empresas?

Josep M^a Rosanas - Manuel Velilla

"Bases motivacionales de la identificación, la lealtad y la confianza en un modelo antropológico de las organizaciones", *Empresa y Humanismo*, Vol. VI, No 1/03, pages 163-178.

Abstract: El artículo trata de estudiar el valor de la lealtad en las organizaciones como fundamento de las mismas. Después de mostrar cómo, a la vez, ha sido un valor despreciado y echado de menos en los años finales del siglo XX, el artículo analiza las diferentes dimensiones de la lealtad y la confianza en las organizaciones. A continuación, se analiza el concepto lealtad en algunos de los autores clásicos del *management*, como Mary Parker Follet, Chester Barnard y Herbert Simon, para inmediatamente pasar al contexto del modelo antropológico de Juan Antonio Pérez López y mostrar cómo los diferentes tipos de motivos son cruciales para un concepto de lealtad rigurosamente definido. En concreto, intenta mostrar cómo los motivos que Pérez López califica de trascendentes son cruciales para que exista identificación, confianza y lealtad.

Josep Valor

"Qué piensan los directivos españoles de los negocios en la red", *Iniciativa Emprendedora*, No 38, January-March, pages 19-27.

Abstract: Que Internet y el *e-business* están aquí para quedarse, es una opinión generalizada entre los directivos españoles. Sin embargo, esta percepción no se corresponde con su tímida introducción en la empresa.

¿A qué se debe esta contradicción? El e-Business Center PwC&IESE ha abordado ésta y otras cuestiones en un estudio sobre el impacto del negocio electrónico en la empresa española.

Conferences and seminars

José Manuel Campa

On January 5, attended the *Annual Meeting of the American Economic Association*, held in Washington, where he presented the following papers:

"Distributions costs, exchange..."

Abstract: One of the key "exchange rate disconnect" puzzles in international macroeconomics is that border prices of traded goods are highly sensitive to exchange rates, yet the prices of these goods at the retail level are considerably less sensitive. We document the contribution to this puzzle of the distribution sector in tradables, the size of the nontradable sector, and the role of imported inputs in production. We use input-output tables for 13 OECD countries to provide detailed decompositions of the size and evolution of these three channels across industries, across countries and over time. These three channels jointly imply a transmission of changes in import prices into aggregate consumer prices for the last decade in the range of 25% to 50%.

"Differences in exchange rate pass-through in the euro area"

Abstract: This paper focuses on the pass-through of exchange rate changes into the prices of imports into euro area countries from countries outside the area. Using data on import unit values for thirteen different product categories for each country, we estimate industry-specific rates of pass-through across and within countries for all euro members. In the short run, pass-through rates differ across industries and countries and are less than one. In the long run, neither full pass-through nor equality of pass-through rates across industries and countries can be rejected. Differences exist across euro area countries in the degree to which a common exchange rate movement is transmitted into consumer prices and costs of production indices. Most of these differences in transmission rates are due to the different degree of openness of each country to non-euro area imports rather than to heterogeneity in the structure of imports.



Newsletter

January - March 2003 - No 112

He presented the same paper at the CEPR conference on "Empirical macro models of the euro economy: Sectoral performance", held in Bonn on March 7-8.

Jordi Gual

On February 21, attended, in Madrid, the *Jornada* organized by CEPR (Centre for Economic Policy Research) and Fundació BBVA, on the theme "Competition policy and regulation in international markets", where he presented the paper "Regulation and performance: An international assessment for telecommunication services".

Abstract: This paper presents new data, in the form of four indices, on market-opening policies and the independence of regulators for a cross-section of countries. We find that entry policies are associated with the degree to which countries have an interventionist tradition, but not with the partisan ideology of reforming countries per se. We also find that countries in which the behavior of the executive bodies is less constrained by the institutional endowment, and countries with a stronger incumbent, are more prone to create truly independent regulatory agencies. There is weak evidence that the creation of truly independent regulatory agencies has a positive effect on network penetration, as estimated taking into account the endogeneity of independence.

Ahmad Rahnema - Oscar Carbonell

On March 17-21, attended the *International Applied Business Research Conference*, held in Acapulco, Mexico, where they presented the paper "Are Latin American markets predictable?".

Abstract: This study analyzes the extent to which the main Latin American markets –Argentina, Brazil, Chile and Mexico– are predictable. The scope of the study embraces a wide range of tests, beginning with a simple autocorrelation, followed by some trading rules, run tests, changes of sign and sequence tests, and tests on the variance quotient. We include all these tests for the range they offer regarding the distribution of outputs, which allows for a better understanding of the working dynamics of these markets. We conclude that the markets of Chile and Mexico in particular are quite predictable.

Lluís G. Renart

On February 14-17, attended, in Orlando, the *2003 American Marketing Association Winter Educators' Conference*, where he was the Session Organizer of the Special Session "The forthcoming enlargement of the European Union: Building the biggest market on earth", and presented the following papers:

"Strategic responses of Catalan companies to the forthcoming enlargement of the European Union"

Abstract: This paper was a summary of the results of a broader research effort carried out by a team of IESE professors made up of **Jordi Gual**, **Víctor Pou**, **Francesc Parés** and **Lluís G. Renart**, commissioned by the Patronat Català Pro Europa of the Generalitat de Catalunya. The presentation included a general model describing what Catalan companies can do in terms of strategic responses, focusing on four considerations of the Candidate Countries (CC): CC as markets; CC as suppliers; CC as alliance partners; and CC as competitors. In the final part, Prof. **Renart** presented several specific examples of actual strategic responses orchestrated by specific Catalan companies personally interviewed by **Francesc Parés** and **Lluís G. Renart**.

"The highly successful DesignJet Online experience of Hewlett Packard in large format printers"

Abstract: In 1998, Hewlett-Packard Barcelona Division launched a new web site as a relationship marketing tool focused on existing users of their large-format printers (LFPs). After 5 years of operation, this new web site has been a roaring success, with over 800,000 registered users in over 160 countries. The total worldwide market of LFPs has grown from 1,000 to 2,000 million dollars per year, and HP is said to have increased its worldwide market share from about 50% to about 70%. The presentation described the DesignJet Online site, system and functions; major results attained after 5 years; and future development dilemmas regarding this web site.

Awards

M^a Julia Prats

Has been nominated as one of the winners of the Kauffman Emerging Scholars Initiative. The primary purpose is to help a new group of world-class scholars to further the study of the field of entrepreneurship, thus laying a foundation for future scientific advancement. Secondly, it is our hope that the findings generated by this effort will be translated into knowledge with immediate application for policy makers, educators, service providers and entrepreneurs. The recipients were selected by a panel of judges through a blind review process.



Doctoral theses

Eduardo Luis Fracchia

FACTORES DETERMINANTES DE LA RESPUESTA ESTRATEGICA DE LOS GRUPOS ECONOMICOS ARGENTINOS ANTE EL SHOCK COMPETITIVO DE LA DECADA DE LOS NOVENTA (IESE)

Abstract: A comienzos de los años noventa, década que se corresponde con las reformas estructurales aplicadas en Argentina, existían, de acuerdo con nuestra clasificación, 28 grupos económicos (GE) de capital nacional, que actuaban en diversos sectores del sistema productivo. Los motivos de su desarrollo histórico se vinculan a las últimas fases del modelo de sustitución de importaciones, donde en general los GE fueron apoyados por las sucesivas políticas económicas. Algunas de estas firmas estaban especializadas en la producción de insumos para la industria manufacturera, sustentadas por diversos regímenes especiales de protección. Otras se ocupaban de actividades relacionadas con la agroindustria y había compañías más ligadas a la obra pública e infraestructura estatales.

A diferencia de los países emergentes pertenecientes a Europa del Este, donde era menos probable que surgiesen a corto plazo recursos funcionales para el reposicionamiento de nuevas firmas, en la experiencia argentina de los años noventa, dada una larga tradición de capitalismo rentístico, existían, efectivamente, activos disponibles cuando se produjo el shock competitivo. Para aquellos sectores donde la capacidad de relación con los gobiernos dejó de tener un papel esencial, fue necesaria la habilidad de poder evolucionar hacia un nuevo modelo de negocios, como se demuestra en otras experiencias de ajuste y adaptación de empresas en la región. La reconversión fue más característica para los grupos de mayor tamaño y dinamismo tecnológico.

Este trabajo se basa en un concepto, shock competitivo, que es apropiado para entender el proceso de cambio argentino de los noventa y las estrategias de reposicionamiento de los grupos nacionales. Se tratan de identificar en el estudio aquellos patrones similares de conducta de los GE con el objeto de relacionarlos con un conjunto de características y factores determinantes de dicha respuesta estratégica. La clasificación de los GE en *clusters* procura sintetizar un fenómeno que es complejo y donde no hubo una respuesta óptima y única frente al shock. Si bien no se profundiza en las variables de desempeño, se observa que los grupos exitosos han seguido diversas estrategias corporativas durante el régimen de convertibilidad. La tendencia de largo plazo parece ser la de enfocarse en negocios centrales, según se observa en la mayor proporción de los grupos estudiados.

Julio Aznárez

COMPORTAMIENTO EN BOLSA Y VALORACION DE ACCIONES DE EMPRESAS DE INTERNET (IESE)

Abstract: A finales de los años noventa, los mercados bursátiles sufrieron una importante sobrevaloración. Desde noviembre de 1996 hasta marzo de 2000, el sector de Internet representado por el índice IWI logró una rentabilidad anual media del 56%, frente al 20% que obtuvo el índice SP500 en el mismo período; a partir de dicha fecha el índice de Internet se desplomó, arrastrando tras de sí a los valores del sector tradicional. Gran parte de la euforia bursátil se debió a una manía especulativa que se desató entre los inversores frente al surgimiento de un nuevo sector en la economía que prometía cambiarlo todo; para quienes apostaban sus dineros por él, aseguraba una rentabilidad muy atractiva que en los hechos parecía estar libre de riesgo. Para aquellos que cuestionaron las exageradas ganancias que generaban dichos valores, se objetó que los métodos de valoración tradicionales no eran aplicables a las empresas de Internet y que debían desarrollarse nuevos métodos de valoración.

Argumentamos que a pesar del patrón observado en bolsa por las acciones de las empresas de Internet, caracterizado por un mercado alcista hasta marzo de 2000 y un mercado bajista a partir de entonces, las rentabilidades no podían preverse en base al comportamiento histórico. A su vez, uno de los métodos innovadores propuestos para valorar empresas de Internet (valor de mercado/visitantes únicos) que estuvo muy en boga en el momento de auge, muestra una gran dispersión en sus resultados, lo cual hace que su utilidad sea muy cuestionable. Por último, pretendemos contribuir a la cuestión de qué se podría haber hecho para anticipar la burbuja especulativa, para lo cual proponemos dos indicadores tempranos de sobrevaloración: una variante de la valoración revertida y la constatación del aumento del *spread* en la rentabilidad media del primer día de salida a bolsa.

En nuestro estudio analizamos también el comportamiento en bolsa del sector de Internet con el de dos sectores innovadores, el de ordenadores y el de biotecnología.

Christopher Allan Golembiewski

THE UTILIZATION OF THE CONTINGENT CLAIMS APPROACH IN THE PRICING AND HEDGING OF CREDIT RISK: AN EMPIRICAL ANALYSIS OF THE ASIAN CONVERTIBLE BOND MARKET (IESE)

Abstract: The main objective of this dissertation is to test the effectiveness of the contingent claims approach for the pricing and hedging of credit risk.



Newsletter

January - March 2003 - No 112

The theoretical foundation of the contingent claims approach is analyzed with a review of the shortcomings that have been cited in prior empirical research. Three different variations of the contingent claims approach are tested: the Standard Approach, the Modified Recovery Value Approach, and the Compound Option Approach. The primary difference between these three approaches involves the calculation of the enterprise value for each issuer, which serves as the stochastic variable in the contingent claims approach.

A sample group is selected from the Asian (Ex-Japan) convertible bond universe. This market has seen US\$35B in issuance since 1987. The empirical part of the research focuses on four different topics. First, we test the effectiveness of the contingent claims approach in pricing convertible bonds by completing a comparative analysis of the model-generated prices utilizing contingent claim spreads versus market prices. We also test the explanatory value of the CCA spreads by regressing the credit spreads implied by the convertible bond's market price on the model-generated spreads. Secondly, we attempt to identify company-specific variables that could account for mispricings highlighted in the previous section. We test the impact of refinancing risk, a firm's liquidity position, and the trading volume of a firm's stock on the yield premium errors. Third, we examine the effectiveness of capital structure arbitrage for hedging the credit risk of convertible bonds. Finally, we utilize the result of the aforementioned tests to draw conclusions on the efficiency of the Asian convertible bond market.

The empirical results indicate that the Compound Option Approach was the most effective approach to pricing credit risk as measured by the mean percentage error. The Compound Approach produced an average error of 14%, compared with 16% for the Modified Recovery Value Approach and 54.4% for the Standard Approach. The regression analysis of implied spreads on model-generated spreads provided further support for the compound option approach. The test of peripheral variables on the yield premium errors failed to produce a consistent result across the region.

The utilization of a capital structure arbitrage strategy to hedge the inherent credit risk was shown to be effective during Asia's economic recession beginning in 1997. Finally, the results call into question the efficiency of the Asian convertible bond market.

Overall, the results support the contingent claims approach as an effective tool for the pricing and hedging of convertible bonds.

evidence that all agents' decisions at all stages of the issuing process are consistent with rationality. The results suggest that high levels of underpricing are needed to mitigate the winner's curse faced by uninformed investors. Variations in the level of underpricing can at least partly be attributed to private benefits of listing for the owners and managers of the issuing company.

February 4

Keynote speaker: Marco Sorge, Doctoral Candidate, Stanford University

"Financing long-term projects in developing countries: The implications of maturity-adjusted capital requirements"

Abstract: The main focus of this paper is on capital requirements and, in particular, on new proposals (Basel Committee on Banking Supervision, 2001) for a maturity adjustment to credit risk capital. Under this proposal, banks would be required to maintain a capital cushion against each of their credit risk exposures that ceteris paribus increases linearly with the maturity of the underlying loan obligations. This adjustment naturally provides banks with stronger incentives to restructure their long-term loans into sequences of short-term contracts, retaining the option to renew them or not over time. Besides making the flow of bank finance to developing countries inherently more unstable, this will necessarily also affect the allocation of bank capital flows to LDCs. In particular, given the scarce availability of long-term bond markets in LDCs and the major role still played by banks, credit for infrastructure projects might be further reduced. Exempting project finance loans from the additional costs implied by the maturity adjustment to regulatory risk capital therefore would seem to be an option worth exploring.

February 5

Keynote speaker: Francesco Franzoni, PhD Candidate, MIT, Post Doctoral Fellow, UPF

"Where is Beta going? - The riskiness of value and small stocks"

Abstract: This paper finds that the market betas of value and small stocks have decreased by about 75% in the second half of the twentieth century. The path of beta can be closely tracked using variables that summarize the state of the economy. On the basis of this analysis, the decline in beta can be related to a long-term improvement in economic conditions that made these companies less risky. Decomposing beta into the cashflow and expected return news components confirms that the payoffs of these companies are less sensitive to market conditions. This finding has implications for the debate on the CAPM anomalies. The failure to account for time-series variation of beta in unconditional CAPM regressions can explain as much as 30% of the value premium. In some samples, about 80% of the value premium can be explained by assuming that investors tied their expectations of the riskiness of these stocks to the high values of beta prevailing in the early years.

IESE - Research Seminars

Financial Management

January 22

Keynote speaker: Jörg Rocholl, Graduate School of Business, Columbia University

"Rationality in IPO bookbuilding"

Abstract: Using an original data set of 41 European IPOs brought to the market by a top-tier investment bank, this paper provides

Newsletter

January - March 2003 - No 112



February 12

Keynote speaker: Ariadna Dumitrescu, PhD Candidate, Universitat Autònoma de Barcelona

"Valuation of defaultable bonds and debt restructuring"

Abstract: In this paper we develop a contingent valuation model for zero-coupon bonds with default. To emphasize the role of maturity time and place of the lender's claim in the hierarchy of debt of a firm we consider a firm that issues two bonds with different maturities and different seniorage. This model also allows us to analyze the implications of both debt renegotiation and capital structure of a firm on the prices of bonds. We obtain that renegotiation brings about an increase in the bond prices and that the effect is dispersed through different channels: increasing the value of the firm, reallocating payments and avoiding costly liquidation. We also conclude that the presence of a bond with lower seniorage but earlier maturity can decrease the price of a bond with higher seniorage and later maturity.

February 24

Keynote speaker: Tobias Adrian, PhD Candidate, Massachusetts Institute of Technology

"Learning about Beta: An explanation of the value premium"

Abstract: We develop an equilibrium model of learning about time-varying risk factor loadings. In the model, CAPM holds from investors' ex-ante perspective. However, positive mispricing can be observed when investors' expectations of beta are above ex-post realizations. This model is used to explain the 'value premium'. In a learning framework, the fact that value stocks used to be more risky in the past leads to investors' expectations of beta that exceed the estimates from more recent samples. We propose an empirical methodology that takes investors' expectations of the factor loadings explicitly into account when estimating betas. With the adjusted estimates of beta, we can explain the cross-section of average returns of the ten book-to-market portfolios, and account for the value premium in the relevant sample.

March 11

Keynote speaker: Jack Glen, PhD in Finance, Kellogg Graduate School of Management

Capital Structure, Rates of Return and Financing Corporate Growth: Comparing Developed and Emerging Markets, 1994-2000

Abstract: Firm level data from financial statements for nearly 8,000 listed companies in 22 emerging and 22 developed countries over the period 1994-2000 are examined. Capital structure, asset structure, rates of return and financing patterns are compared across countries and over time. In emerging markets (EM) the ratio of debt to total assets and the ratio of current assets to total assets are lower than in developed markets (DM). EM companies employ higher levels of fixed assets (relative to total assets) than do DM companies. Returns on assets, after adjusting for local inflation, are statistically and economically less in EM than in DM countries, especially in the later years of the sample. Most

of the differences between the two groups appear to be driven by country effects, not sector effects.

General Management

January 30

Keynote speaker: Claus Rerup, Postdoctoral Research Fellow, The Wharton School, University of Pennsylvania

"Learning from success, failure and non-events: A study of event enactment in the North European ferry industry, 1960-2000"

Abstract: How do social systems classify, interpret and learn from near-failures? The proposition advanced in this paper is that near-failures are noticed, but subsequent collective industry processes of enactment construct them as irrelevant/non-events. This construction of reality causes social systems to fail to engage in near-failure-stimulated learning and thus to persist in practices with dangerous flaws. To ground this explanation, I show in a maritime setting how success and failure initiate dissimilar learning patterns of behavioral persistence and abandonment. In particular, I document by using a large array of qualitative data how 27 years (1960-1987) of success, and enactment of at least six near-failures followed by two failures (1987-1994), initiated transformation of the North European ferry industry. By studying not only success and failure but also near-failure, this study proposes that rather than thinking about success and failure as a dichotomy, it is more useful to use a continuum, i.e. a practice may be only partly successful. Using this framing helps researchers and managers pay attention to a larger sample of events that are currently underutilized in empirical research: events that cannot be coded either as complete successes or as complete failures. The implications of these findings for theory and practice are discussed.

February 6

Keynote speaker: Scott F. Turner, PhD Candidate, Kenan-Flagler Business School

"The inertia of innovation: Temporal routines for generational product innovation in computer software"

Abstract: This research project examines the role of inertia in explaining the innovative behavior of organizations. It takes into account an important neglected dimension of inertia: consistency of change. In this study, I develop the consistency-of-change theoretical perspective by employing routines-based theory from evolutionary economics. I also draw on research into time-based pacing of change. The consistency-of-change perspective focuses on the use of temporal routines for incremental change by organizations. These routines are procedures for introducing incremental changes within organizations at consistent intervals across time. The argument underlying this perspective emphasizes internal and external pressure leading to consistency of change by organizations. This theoretical perspective is applied in a context of generational product innovation. The empirical context is business productivity application segments of the US microcomputer software industry from 1994 to 1998.



Newsletter

January - March 2003 - No 112

February 13

Keynote speaker: Filipe M. Santos, PhD Candidate, Stanford University

"Shaping organizational boundaries: A study of entrepreneurial firms in nascent markets"

Abstract: In this research, I develop a process view of how boundaries are shaped in entrepreneurial organizations, focusing on both market boundaries and activity boundaries. I adopt an inductive multiple-case research design, focusing on five firms that were founded in the mid-90s to take advantage of different business opportunities related to the growth of distributed computing and the emergence of the Internet. The research goal is to gain a grounded understanding and develop new theory about the shaping of organizational boundaries in nascent markets. The data analysis suggests the existence of four main processes for shaping boundaries: securing, scaling, broadening, and re-organizing. I present in detail the mechanisms used by executives to clarify and secure their market boundaries. I also identify the strategies adopted for scaling the organization to achieve critical mass. In addition, I describe the process of broadening that firms go through as markets mature, and how managers re-organize their boundaries by adopting a platform strategy and re-thinking their core and context activities.

February 21

Keynote speaker: Fabrizio Ferraro, PhD Candidate, Terman Engineering Center, Stanford University

"Raising capital in Silicon Valley: Relational practices in early stage entrepreneurship"

Abstract: The social networks of entrepreneurs are a source of critical resources in the process of creating new organizations. Understanding how entrepreneurs can mobilize this potential wealth of resources is an important step to develop a sociological theory of entrepreneurship and organizational founding. Focusing on the process of raising capital in Silicon Valley, in this paper I develop a theoretical framework linking relational practices and the different stages of the network bricolage process. I show that entrepreneurs are not passive nodes in this process but actively create meanings to induce cooperation from the people they know, developing their network and drawing resources from it.

February 25

Keynote speaker: Dania Dialdin, PhD Candidate, Kellogg School of Management, Northwestern University

"The formation & governance structures of multi-firm alliances: Configural & geometric perspectives"

Abstract: In the past decade, the use of multi-firm strategic alliances has increased. Whereas the characteristics of these alliances are inherently more complex, the perspectives available to study inter-organizational relationships are essentially dyadic. In triadic alliances (a specific form of multi-firm alliances), three dyadic relationships are embedded in a triad and each relation

affects the overall triadic relationship – the gestalt. In my dissertation, I develop a framework that accommodates the complexities of the different relationships that make up the multi-firm alliance by examining how the configurations of prior direct and indirect ties, as well as the position of the firms in the overall network, affect multi-firm alliance formation and governance choices.

March 14

Keynote speaker: Tatiana Kostova, University of South Carolina
"Social capital in multinational corporations and a micro-macro model of its formation"

Abstract: Linking theories of social capital with theories of multinational corporations (MNCs), we discuss the need for and the creation of social capital in foreign subunits of MNCs. We argue that the required levels and forms of social capital are determined by the nature of interdependence between headquarters and subunits, and thus vary by different models of MNCs. We then develop a micro-macro model of social capital formation explaining, first, how boundary spanners form their private social capital, and second, how this social capital is transformed into public social capital of the subunit.

"Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects"

Abstract: We examine the adoption of an organizational practice by subsidiaries of a multinational corporation (MNC) under conditions of "institutional duality". Drawing on institutional theory, we identify two factors influencing the adoption of practice: the institutional profile of the host country and the relational context within the MNC. We also specify conditions leading to "ceremonial adoption". General support is found for the model based on data from 534 managers and 3,238 nonmanagerial employees in 104 subsidiary locations from ten countries.

March 20

Keynote speaker: Marco Ceccagnoli, INSEAD
"R&D and the patent premium"

Abstract: We analyze the effect of patenting on R&D with a model linking a firm's R&D effort with its decision to patent, recognizing that R&D and patenting affect one another and are both driven by many of the same factors. Using survey data for the US manufacturing sector, we estimate the increment to the value of an innovation realized by patenting it, and then analyze the effect on R&D of changing that premium. Although patent protection is found to provide a positive premium on average in only a few industries, our results also imply that it stimulates R&D across almost all manufacturing industries, with the magnitude of that effect varying substantially.

Newsletter

January - March 2003 - No 112



March 27

Keynote speaker: Harry Barkema, Tilburg University

"How to play the game with the reviewers and how to become an excellent reviewer yourself"

Abstract: At major management journals, more than 80% of submissions are rejected in the first round. Hence, a "Revise-and-Resubmit" is a major success. Even in that case, however, your research project is (at best) only half-way there. A key element is the game with the reviewers. What are the rules that you need to know in order to play the game successfully? What are reviewers (and editors) looking for? How can you become an excellent reviewer yourself? We will discuss these and other issues in the context of a "real life" case.

Managing People in Organizations

March 10

Keynote speaker: Nicolay Worren, Senior advisor, Aker Kvaerner Learning Centre & Network, Oslo

"Modularity, strategic flexibility and firm performance: A study of the home appliance industry"

Abstract: Recent theorising has proposed that modular product and process architectures are key enablers of strategic flexibility. We formulated an integrative conceptual model encompassing antecedents, contributing factors, and outcomes of modularity. We then tested this model on data from managers in US and UK home appliance companies using structural equations modelling. The results indicate a positive relationship between modular product architectures and performance, with product model variety as a mediating variable. The results also highlight linkages between perceptions of market context and the use of modular product architectures, and between complementary organisational capabilities and firm performance.

Production, Technology and Operations Management

January 29

Keynote speaker: Pedro Oliveira, Kenan-Flagler Business School, The University of North Carolina at Chapel Hill

"An empirical investigation of the antecedents and consequences of B2B e-Service capability"

Abstract: How can B2B e-service capability be operationally defined? What are the operational antecedents that influence B2B e-service capability? To what extent does e-service capability influence performance? In this study we contribute to research and practice in the emerging field of e-service strategy in three ways. First, we provide a theoretical basis for a new theory of interfirm e-service capability. We argue that in order to build interfirm loyalty in an electronic environment, companies must shift their focus from pure transactional operational efficiency to service excellence and relationship management. Second, we identify the antecedents of e-service capability, and use rigorous psychometric measurement theory to develop a set of scales that allow us to measure e-service capability, its antecedents and

consequences. Third, we provide managers and scholars with a better understanding of the key antecedents of e-service capability, namely by offering theory-based managerial guidance on practices impacting interfirm relationships.

February 14

Keynote speaker: Alejandro Lago, PhD Candidate, University of California at Berkeley

"Tráfico, congestión y forma urbana: un nuevo análisis económico"

Abstract: En este seminario se examinará la relación entre tráfico, congestión y forma urbana. El impacto económico de la congestión se evalúa tradicionalmente con modelos estáticos muy simplificados, que no consideran aspectos tan importantes como el comportamiento dinámico del tráfico, la distribución espacial de la población o la reacción de los viajeros frente a la congestión. Mostrará como se pueden incorporar todos estos aspectos en un marco de análisis más completo, basado en teoría de colas y equilibrio dinámico. La nueva teoría permite analizar con mayor rigor importantes problemas de economía urbana como son la dependencia entre congestión y forma urbana y el impacto de los peajes. Finalmente, dado que el comportamiento del tráfico y las cadenas de suministro guarda cierta similitud, se comentará alguna de las posibles aplicaciones de la teoría a cadenas de suministro.

Miscellaneous

In the First Call for Applications for research grants in the area of Economics, Fundación BBVA has awarded a grant to Antonio Cabrales (UPF), **Manel Baucells** (IESE), Antonio Calvo (UAB) and Ramón Casadesus (HBS) to carry out a study on "Contratos e incentivos en la empresa: la influencia del entorno" ("Contracts and incentives in business: The influence of the environment").

Antonio Argandoña

His article "¿Qué está en crisis en Argentina?" ("What is in crisis in Argentina?") has been reproduced in the book "Argentina: Un país desperdiciado" ("Argentina: A Country Gone to Waste"), *Ediciones Taurus*, Buenos Aires, 2003, pages 99-102.

Africa Ariño

On March 6-9, attended, as invited panellist in the Wrap-up session, the *First Annual Conference on Emerging Research Frontiers in International Business*, organized by the Journal of International Business Studies in Durham.



Newsletter

January - March 2003 - No 112

José Manuel Campa

Gave the following Research Seminars:

"Differences in exchange rate pass-through in the euro area", on February 13, at the Universidad de Oviedo; and on February 17, at the Université de Toulouse.

Jordi Gual

On February 20, together with Xavier Vives, organized, in Madrid, a *Jornada* on "Los retos de la política de competencia en España y Europa" ("The challenges of competition policy in Spain and Europe"), sponsored by Fundación BBVA.

On March 6, organized, at IESE in Madrid, the *Conferencia Internacional* on "Reformas para una UE más dinámica: el impulso del crecimiento y de la iniciativa empresarial" ("Reforms for a more dynamic EU: Driving growth and business initiative"), at which he also moderated the panel "Competencia y desregulación en los mercados energéticos" ("Competition and deregulation in the energy markets").

In the same conference, **Juan J. Toribio** moderated the panel "Estrategias en el sector de servicios financieros" ("Strategies in the financial services sector").

Ahmad Rahnema

Has been appointed Editor of the *International Journal of Finance Education*. The IJFE has been created to give finance educators and students in all fields a high-quality peer-reviewed resource comprising teaching materials, case studies and reviews of advances in finance research; a recognised medium for finance educators to publish and disseminate course content.

Lluís G. Renart

Has been appointed Member of the new Management Board of the Club de Marketing in Barcelona.

Joan E. Ricart

On March 6-9, attended the *First Annual Conference on Emerging Research Frontiers in International Business*, held at the Fuqua School of Business, Duke University.

This conference was organized by the editorial team of the *Journal of International Business Studies*, of which Professor Ricart is Associate Editor-in-Chief.

He also led and chaired the panel "New Directions in Strategy", in which Pankaj Ghemawat (HBS), Stuart Hart (UNC Chapel Hill) and Michael Enright (U. Hong Kong) took part.

In this panel, following an introduction on the unequal distribution of wealth and how it has been affected by globalization, the panelists presented: a new model of semi-globalization and its impact on competitive strategy, together with the role of local institutions in market development, by Professor Ghemawat; the use of competitiveness models in developing competitive strategy, by Professor Enright; and the development of innovative strategies

for the base of the pyramid (the 4 billion people with annual income below \$1,500), by Professor Hart.

Lori Rockett, doctoral candidate in Information Systems, was the local organizing chairperson for the Workshop on Information Systems and Economics (WISE) held at IESE on December 14-15. This workshop was devoted to developing econometric models of information systems; 200 people attended.

Juan Roure

On March 19, served on the Jury of the 6th Edition of the *Premis Barcelona d'Ofici Emprenedora* entrepreneurship awards, sponsored by the Barcelona City Government.

Sandra Sieber

On December 11-15, was acted as local organizing chair for the *ICIS Doctoral Consortium*, held in Sant Feliu de Guixols. During this residential program, 40 doctoral students and 20 faculty members from the most prestigious universities shared their research.

Sandra Sieber - Rafael Andreu

On December 12-14, acted as organizing co-chairs of the *Working Conference on Global and Organizational Discourse about Information Technology*, sponsored by The International Federation for Information Processing (IFIP) Technical Committee 8/ Working Group 8.2 and held at IESE. One hundred researchers discussed the impacts of globalization on Information Systems and Technologies.

Josep Valor - Francesc Miralles (ESADE)

On December 12-18, organized, in Barcelona, the 23rd *International Conference on Information Systems (ICIS)*, on the theme "Meeting the challenges of a global networked economy". Approximately 1,000 Information Systems faculty members and researchers from 50 countries attended.

Book reviews

Domènec Melé

Reviewed the book "International business ethics: Challenges and approaches" by Georges Enderle, *University of Notre Dame Press*, 1999, in *Markets & Morality*, Vol. 5, No 2, pages 499-501.

José R. Pin

Reviewed "Tales from the hiring line. Effects of the Internet and technologies on HR processes" by A.E. Ensher, T.R. Nelson and E. Grent-Vallone, *Organizational Dynamics*, Vol. 31, No 3, pages 224-244, 2002, in *Capital Humano*, No 163, February 2003.

Newsletter

January - March 2003 - No 112



Reviewed "Corporate and Organizational Identities" by B. Moingeon and G. Soenen, *Routledge*, New York and London, 2002, in *Capital Humano*, No 164, March 2003.

Teaching materials

NOTE: The updated bibliography can be consulted on the Internet at <http://www.iesep.com>

Accounting and Control

**Understanding the downfall of Enron
(C-720-E - 0.102.037)**

This case describes the collapse of Enron, the U.S. energy giant. It explains in a simple and accessible way the causes that led to one of the largest bankruptcies in corporate history. It deals with all the accounting abuses performed by Enron's management, the conflicts of interest of some of its employees, and the role of the Board of Directors and of the external auditor, Arthur Andersen LLP.

Peñalva F.; 24 pages.

Decision Analysis

**Green Trees, Inc.
(AD-267-E - 0.102.005)**

A gardening machinery company is considering whether to purchase a new piece of equipment to enter into a new market niche. Future sales are uncertain, and the decision has to be taken before the uncertainty about sales, and therefore about future cash flows, is resolved. After the first decision has been taken, a new piece of machinery is developed. The decision of whether to replace the old machine is analyzed.

Baucells M.; Gómez J.; 3 pages.

**Exercises on discounting
(ADE-26-E - 0.102.028)**

This set of exercises introduces in a gradual manner the calculation and meaning of Net Present Value. Besides insisting on the mechanics of discounting, some exercises touch on conceptual aspects such as the comparison between NPV and IRR, or the non-uniqueness of IRR.

Baucells M.; 8 pages.

Financial Management

**Inmobiliaria Colonial
(F-714 - 0.201.035)**

El caso trata de las actividades propias de un banco de inversión, para que el alumno se familiarice con esta modalidad de entidad bancaria. Para ello, se toma como ejemplo la OPV que realizó Inmobiliaria Colonial. Se analizan en profundidad las distintas fases de asesoramiento de un banco de inversión en una OPV: diseño y estructuración, precio de colocación, estructura de la oferta, ejecución de la misma (formación del sindicato, tramo minoritario, tramo institucional, prorrateo, adjudicación, etc.).

Soley J.; 19 pages.

**FonCaixa Hipotecario 2. Fondo de titulización hipotecaria
(F-728 - 0.202.040)**

El caso estudia el proceso de titulización hipotecaria de una cartera crediticia de la misma índole. Se analiza el desarrollo de la titulización en distintos países, los actores intervinientes en una operación de titulización, el esquema de este tipo de operaciones, el esquema del contrato de permuta financiera de intereses para eliminar el riesgo de tipo de interés cuando los contratos de crédito hipotecario están sometidos a diferentes índices de referencia, las condiciones de la emisión y los niveles de protección de bonos hipotecarios con el fin de minimizar el coste de la operación para la entidad emisora.

Soley J.; 15 pages.

**VidaCaixa Salud
(F-729 - 0.202.041)**

El caso trata de la estrategia de lanzamiento de un nuevo producto en bancaseguros: el seguro de asistencia técnica.

Estudia la modalidad de seguro denominada "bancaseguros", que consiste en aprovechar las oficinas bancarias para la venta de seguros, y que hoy se ha convertido en el canal de distribución más importante de seguros. Explica los pasos en la introducción del concepto "bancaseguros": comercialización de los seguros de vida-ahorro; comercialización de los seguros de amortización de préstamos (seguros de vida-riesgo); comercialización de los seguros del hogar; comercialización de un seguro de asistencia sanitaria. Se aprecia cómo las oficinas bancarias pasan de comercializar los seguros de vida-ahorro, similares a los productos financieros bancarios, hasta llegar a la comercialización de "productos de riesgo" muy distintos a los productos financieros. Es el resultado de una curva de aprendizaje.

Soley J.; 13 pages.



Newsletter

January - March 2003 - No 112

Meroil (F-730 - 0.202.042)

El caso real estudia la participación de una sociedad de capital riesgo en la primera operadora petrolífera de España, en el momento de su creación. Analiza la documentación que la sociedad de capital riesgo exige a los promotores de la entidad participada y, asimismo, contempla los criterios que llevaron a esta sociedad a tomar una decisión positiva ante el proyecto empresarial presentado. Se trata, pues, a través de un caso práctico, de analizar los criterios de aprobación de las participaciones de las sociedades de capital riesgo y, a la vez, se contempla el desarrollo de la sociedad participada y el proceso de desinversión por parte de la entidad de capital riesgo.

Soley J.; 17 pages.

General Management

Aceites Borges Pont, S.A. (DG-1385-E - 0.302.071)

The year 2000 had been a difficult year for the olive oil industry in Spain, owing to the price-cutting policy adopted by some companies, which had forced the rest of the industry to operate with very tight margins. In this context, Aceites Borges Pont, S.A. had to decide how to position its products, not only in Spain but also in the new international markets in which the product was starting to be recognized, to achieve the profitability targets it had set itself.

(Also available in Spanish).

Ricart J.E.; Tàpies J.; Vergés S.; 22 pages.

Introducción al sector asegurador (DGN-627 - 0.303.002)

Esta nota presenta una introducción al sector asegurador analizando qué es un seguro, cómo funcionan las compañías aseguradoras, el papel de las aseguradoras como intermediarios financieros y la evolución del sector en la Unión Europea y España. Se incluyen datos del sector asegurador para el año 2001.

Llopis J.; Prada A.; 16 pages.

Information Systems

Making of Readers Inn (SI-132-E - 0.102.006)

This case describes the making of Readers Inn. It confronts the reader with the need to improve a preliminary version of the case

after some preliminary feedback. This case includes a teaching plan that the author intends to use. The key issue facing the reader is whether to write a new version or not and whether to spend significant resources on building a CD-ROM version of it.

Subirana B.; 16 pages.

Política gubernamental en el ámbito de la sociedad de la información (SIN-32 - 0.199.015)

En esta nota técnica se propone un marco conceptual para guiar las políticas gubernamentales que fomenten el desarrollo de la sociedad de la información (SI). El modelo está basado en cuatro factores: 1) impactos sociales y económicos de la SI; 2) desarrollo de infraestructuras; 3) contexto internacional, y 4) marco regulador. El documento desarrolla el modelo y presenta ejemplos de las políticas llevadas a cabo por distintos países.

Bosch J.; Subirana B.; 8 pages.

Internet technology phobias. Frequently asked questions (FAQs) (SIN-36-E - 0.101.019)

This technical note provides answers to some of the most common MBA FAQs related to Internet technologies and mobile commerce.

Jáuregui K.; Subirana B.; 7 pages.

Managing People in Organizations

DMR (A) (DP-147 - 0.402.026)

Fernando Francés, presidente ejecutivo de DMR España y vicepresidente de DMR Corporation, en cinco años ha construido una brillante consultora en el sector de las telecomunicaciones. En contra de las prácticas del sector, quiere consultores que permanezcan toda la vida en la empresa. En Barcelona se ha disparado la rotación y la economía flojea, ¿qué hacer en el año 2002?

Pin J.R.; Suárez E.; 24 pages.

DMR (B) (DP-148 - 0.402.027)

Continuación del caso A, donde se indican las decisiones tomadas para resolver el problema de rotación en Barcelona y la aparición de

Newsletter

January - March 2003 - No 112



algún inicio de relajación que Fernando Francés, el presidente de la compañía, debe atajar.

Pin J.R.; Suárez E.; 3 pages.

DMR-España - Nota del Instructor (FHT-41 - 5.403.001)

(Véanse casos DP-147 y DP-148).

Pin J.R.; Suárez E.; 15 pages.

El proceso de evaluación de las personas (DPN-52 - 0.402.039)

El proceso de evaluación de personas resulta clave tanto para el desarrollo profesional de la persona, de sus capacidades y de su talento, como para potenciar la función directiva, ya que se convierte en un elemento fundamental para conocer, dirigir y motivar a un equipo de personas. Definir bien los objetivos que se pretenden con los distintos tipos de evaluación y establecer un procedimiento de evaluación que asegure su cumplimiento, son los aspectos básicos que se abordan en esta nota.

García A.; Gómez S.; Martí C.; 11 pages.

Las relaciones laborales en España (2002) (DPN-55 - 0.402.046)

Esta nota técnica tiene por objeto presentar la situación de las relaciones laborales en España, siguiendo el esquema conceptual expuesto en la nota técnica DPN-51 «Cómo conocer la realidad laboral de un país: variables de análisis», actualizada hasta el año 2002. En la primera parte se analizan los fundamentos legales, y en la segunda se exponen los principales factores que condicionan la negociación colectiva: niveles, movimiento sindical y realidad socioeconómica.

Gómez S.; Martí C.; 31 pages.

John Rile (FH-693-E - 0.401.026)

In this case we meet John Rile, software engineer with an MBA. He is preparing for a promotion to marketing manager, the night before his talk with the HR manager. But he doesn't seem to be able to concentrate on the report he wants to present. He had a fight with his wife for no clear reason at all. Or was it because she was having problems with the children?

Ariño M.A.; Poelmans S.; 2 pages.

Cristina Güell (FH-703-E - 0.401.046)

Cristina Güell must decide which job offer she is going to choose.

Poelmans S.; 2 pages.

Joseph Hansen (FH-704-E - 0.401.047)

Joseph Hansen must choose between different job opportunities: Fronda, Vita and New Clothes, Inc.

Poelmans S.; 1 page.

Peter Klein (FH-705-E - 0.401.048)

Peter Klein must decide which job offer he is going to choose.

Poelmans S.; 2 pages.

El programa de mejora continua del Grupo General Cable Sistemas (FH-723 - 0.402.053)

El caso describe el proceso de implantación de un programa de mejora continua a lo largo de siete años, desde 1995 hasta 2002, y una evaluación de sus frutos a través de entrevistas con directivos, mandos y operarios.

Rodríguez J.M.; 12 pages.

Basic job interviewing principles (FHN-337-E - 0.402.015)

Almost all organizations use the interview in hiring for almost all positions. Moreover, many recruiters still consider the information gathered during an interview as decisive. Taking into account the weight of the interview in the selection process, it is strongly recommended that the interviewee prepare well and perform outstandingly during the interview. This technical note highlights a series of basic principles that can help the candidate to better prepare and manage the job interview. The note focuses on: 1) preparing for the interview; 2) the importance of knowing the interviewer; 3) interviewing as a two-way process; 4) dealing with difficult questions; 5) body-language; 6) creating rapport, and 7) probing questions.

Poelmans S.; 11 pages.



Newsletter

January - March 2003 - No 112

Marketing

e-Clio (M-1119-E - 0.501.015)

The Clio product manager must present a plan for a relaunch of the model for the year 2001 with the aim of recovering the market share achieved the previous year and at the same time rejuvenating the Clio brand in the eyes of its target market. (Also available in Spanish).

Pérez C.; Toro J.M.; 38 pages.

Production, Technology and Operations Management

Experiments in reaching the poor without tearing the safety net: public health insurance in Massachusetts (P-1005-E - 0.601.015)

The arrival of a new Director at the Division of Medical Assistance (DMA) prompts a reconsideration of the coverage mechanisms and the costs and quality of service. After reviewing past initiatives, the new Director decides to carry out a series of reforms to achieve the specified objectives. The changes imply a new set of relationships between the state, insurance companies and health care providers, creating new opportunities and new risks. The measures are also intended to improve the quality of care and are based on the hypothesis that greater competition and stricter control will help to increase coverage and efficiency. (Also available in Spanish).

García A.; Murphy C.; Rosenmöller M.; Savedoff W.; 12 pages.

Experiments in reaching the poor without tearing the safety net: public health insurance in Massachusetts - Teaching note (PT-24-E - 5.601.028)

(See case P-1005-E).
(Also available in Spanish).

Use is restricted to Academic Institutions.

García A.; Rosenmöller M.; 10 pages.

The shared administration program and local health administration associations (CLAS) (P-1010-E - 0.601.020)

In recent years the Peruvian Ministry of Health (MoH) has been developing and implementing CLAS –a type of non-profit community association whose mission is to take an active role in the management of primary health care facilities belonging to the MoH– throughout the country. The case describes aspects of the health sector reform in Peru, mainly in relation to this co-management

scheme which today accounts for almost 20% of the public health care offering. It raises organizational, administrative, operational and implementation issues, giving participants an overview of the problems and concerns associated with CLAS. The case discusses the challenges that the CLAS pose for top MoH officials. (Also available in Spanish).

Altobelli L.; Pancorvo J.; Rosenmöller M.; 23 pages.

The shared administration program and local health administration associations (CLAS) - Teaching note (PT-29-E - 5.601.033)

(See case P-1010-E).
(Also available in Spanish).

Use is restricted to Academic Institutions.

Pancorvo J.; Rosenmöller M.; 4 pages.

Split One (B) (P-1037 - 0.602.034)

Una empresa de publicidad ha diseñado su capacidad pensando en la demanda del mercado. La dinámica de éste la lleva a una situación imprevista que debe superar, evitando en lo posible viejos errores.

Riverola J.; 5 pages.

Planets III (PE-53-E - 0.602.035)

This exercise simulates the development of a project that has to be accelerated in order to reach completion before the date originally planned. The project involves carrying out a large number of interconnected activities whose duration may be altered (shortened or lengthened) within certain limits. The management team must decide the duration of certain activities, bearing in mind the associated costs, so as to complete the project by the set date at the lowest possible cost. (Also available in Spanish).

Grasas A.; Ribera J.; 16 pages.

PROSALUD and the insurance program for mothers and children (SNMN) (A & B) - Teaching note (PT-17-E - 5.601.021)

(See case P-998-E).
(Also available in Spanish).

Use is restricted to Academic Institutions.

Pancorvo J.; Rosenmöller M.; 4 pages.

Newsletter

January - March 2003 - No 112



AIN-C Integrated Child Care: Improving health and nutrition at the community level - Teaching note
(PT-26-E - 5.601.030)

(See case P-1007-E).
(Also available in Spanish).

Use is restricted to Academic Institutions.

Rosenmöller M.; 6 pages.

Health service expansion and development among the uninsured poor population - Teaching note
(PT-27-E - 5.601.031)

(See case P-1008-E).
(Also available in Spanish).

Use is restricted to Academic Institutions.

Ribera J.; Rosenmöller M.; 6 pages.

Growing pains: The Nicaraguan social insurance model in transition - Teaching note
(PT-28-E - 5.601.032)

(See case P-1009-E).
(Also available in Spanish).

Use is restricted to Academic Institutions.

Ribera J.; Rosenmöller M.; 6 pages.

Occasional Papers

NOTE: Occasional papers may be consulted on the Internet at <http://www.fm.iese.edu/research/op.html>

OP-03/9 - January, 2003

Antonio Argandoña

ETICA Y RESPONSABILIDAD SOCIAL DE LA EMPRESA: ¿CUALES SON LOS RETOS?

Abstract: Este documento es una versión editada de la disertación en la clausura de la X Conferencia anual de Ética, Economía y Dirección. Su tesis central es que una empresa bien gestionada es una empresa ética, y que un buen directivo es un directivo ético. Por ética se entiende aquí no un conjunto de normas impuestas desde fuera, sino algo ligado a la misma excelencia a la que debe dirigirse la organización, de un lado, y la tarea profesional del directivo, de otro.

OP-03/10 - January, 2003

Antonio Argandoña

LAS FUNCIONES DE LA EMPRESA: EL PAPEL DE LA MAXIMIZACION DEL VALOR PARA EL ACCIONISTA

Abstract: Las empresas existen porque, bajo ciertas condiciones, las relaciones jerárquicas son más eficientes que las basadas en el libre mercado. Pero esas relaciones exigen definir un gobierno corporativo. El objeto de este artículo es discutir la condición de maximización del valor social para el accionista, que suele señalarse como objetivo de la empresa, y sus implicaciones para el gobierno corporativo. Se pasa revista a los distintos argumentos presentados para defender esa maximización del valor, así como sus consecuencias para la eficiencia económica del sistema, para el reparto de las relaciones de poder dentro de la empresa y para sus expectativas de beneficios a largo plazo.

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Pablo Cardona - Carlos Rey

MANAGEMENT BY MISSIONS: HOW TO MAKE THE MISSION A PART OF MANAGEMENT

Abstract: Management By Objectives has certain limitations that are not easily overcome simply by including non-financial objectives or by promoting a system of values imported from outside the management system. What is needed, therefore, is a new management system capable of enriching and making sense of the objectives. Management By Missions (MBM) rises above the limitations of MBO and, at the same time, takes into account other innovative proposals put forward in recent years such as Management By Competencies. MBM is based on the idea that the corporate mission should be distributed to all levels of the company, right down to the particular mission of each individual. Each mission shares in the higher-level missions, so that ultimately everyone has a stake in the corporate mission. The corporate mission is thus made effective through the objectives. The objectives have no value in themselves but only as a means to fulfil the mission. This new management philosophy is much richer and more apt to persuade people to identify with the company they work for and so ensure superior performance at all levels of the organization.

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