Journals

Pascual Berrone – Luis Gómez-Mejía

Abstract: Overemphasis on financial performance criteria to award incentives for CEOs has often been mentioned as one of the main culprits behind recent corporate scandals. In response, there is a growing chorus for inclusion of social performance criteria in the design of executive compensation schemes. To date, however, very little is known about the true benefits of this practice. This article critically discusses the potential advantages and pitfalls of this recommendation.

Carmelo Cennamo – Pascual Berrone – Luis Gómez-Mejía

Abstract: This article is a first attempt to outline the conditions under which executives might choose to pursue a broad stakeholder management (SM) approach merely in order to enlarge their power. We suggest that managers have wider latitude of action under an SM approach, even when this is instrumental to financial performance. The causal ambiguity of the performance effects of idiosyncratic relationships with stakeholders not only makes SM strategy difficult for competitors to imitate but also increases managerial discretion. When managers use this situation for their own benefit, they can undermine the purported goals of the SM approach. By analyzing some of the factors that might lead to such dysfunctions, this article advances a theory of the potential dark side of SM.

Javier Estrada

Abstract: The standard deviation, arguably the most widely-used measure of risk, suffers from at least two limitations. First, the number itself offers little insight; after all, what is the intuition behind the square root of the average quadratic deviation from the arithmetic mean return? Second, investors tend to associate risk more with bad outcomes than with volatility. To overcome these limitations, this article introduces a new measure of risk, the gain-loss spread (GLS), which is both intuitive and based on magnitudes that investors consider relevant when assessing risk. The evidence reported below shows that the GLS is highly correlated with the standard deviation, thus providing basically the same information about risk; and more correlated to mean returns than both the standard deviation and beta, thus providing a tighter link between risk and return.

Gabriel Giordano – Christopher P. Furner

Abstract: Deception plays a role in most communication events, including those set in a business context. Deception is of particular concern in hiring situations, as a successful lie on the part of a job applicant can lead to a poor fit between the requirements of the job and the skills of the person filling the job. This in turn can lead to poor organizational performance and low job satisfaction and, in positions that are sensitive with regard to national security, can put people in peril. The ability of managers to detect deception on the part of job applicants and subordinates is critical. Therefore, the current study seeks to assist managers in detecting deception in two ways:
by providing managers with warnings as to which media will carry the most deception and by providing managers with a method for making individually targeted media selections that should make deception more difficult.

We identify two personality characteristics – political skill and impression management – as influences on media choice. Using a scenario-based survey set in an organizational context, we identify relationships between political skill and impression management, on the one hand, and media choice, on the other. Specifically, we found that individuals who score high on political skill and impression management prefer to lie via the telephone and are least comfortable lying via e-mail.

Domènece Melé

Abstract: Stakeholder Theory (ST), presented by R. Edward Freeman, is a managerial theory which sees the firm as “connected networks of stakeholder interests”. The purpose of the firm in Freeman's theory is “value creation and trade” and “creation of value for each appropriate stakeholder”. This article argues that although ST presents important insights, its view of the firm is incomplete and its vision of the purpose of the business in society needs to be refined.

Yvonne van Everdingen – Dennis Fok – Stefan Streimersch

Abstract: This article examines the global spillover of foreign product introductions and takeoffs on a focal country's time to takeoff, using a novel data set of penetration data for eight high-tech products across 55 countries. It shows how foreign clout, susceptibility to foreign influence, and intercountry distance affect global spillover patterns. The authors find that foreign takeoffs, but not foreign introductions, accelerate a focal country’s time to takeoff. The larger the country, the higher its economic wealth and the more it exports, the more clout it has in the global spillover process. In contrast, the poorer the country, the more tourists it receives and the higher its population density, the more susceptible it is to global spillover effects. Cross-country spillover effects are stronger the closer the countries are to one another, both geographically and economically, but not necessarily in terms of culture. The model the authors develop also quantifies the spillover between each country pair, allowing it to be asymmetric.

Caterina Moschieri – José M. Campa
"The European M&A industry: A market in the process of construction", Academy of Management Perspectives, Vol. 23, No 4, November 2009. (Online)

Abstract: In 2007, for the first time in recent history, the volume of M&As by European companies surpassed that by their US counterparts. This paper provides a comprehensive overview of the trends and drivers of this recent surge in M&A activity in the European Union. It reviews the key impact that the European Commission is having in fostering a level playing field for takeover activity and the key characteristics of M&A deals in Europe. Despite evidence of significant progress towards the development of a homogeneous market for M&As, important differences still hold among European countries, both in the rules in place and in the patterns that M&A activity takes. The analysis suggests that the dissimilarity is not exclusively linked to the existence of a harmonized market but rather arises from unique institutional characteristics, ingrained in the corporate structure of companies, that differ among European countries.

Francesc Prior – Javier Santomá

Abstract: The rapid growth of mobile phone usage and the continuous rise in wireless coverage fuel expectations that access to financial services through mobile phones could transform the way financial services are provided. The emergence of new and more efficient business models can potentially resolve supply inefficiencies that explain the large unbanked population that exists in the United States, much larger than in most developed countries.

Contributions to books

Javier Estrada

Abstract: QFINANCE is a one-stop guide for the finance professional, covering key aspects of finance including risk and cash-flow management, operations, macro issues, regulation, auditing and raising capital.

Sandalo Gómez – Carlos Martí

Abstract: El aumento de empresas con interés en otros países conduce a un mayor número de profesionales que circulan entre la empresa matriz y las empresas subsidiarias. Los expatriados son a menudo empleados clave de la organización, por lo que una política bien hecha es una parte crucial en los procesos de internacionalización de las empresas.
Este capítulo se centra en el fenómeno de la expatriación desde el punto de vista de quienes viven en primera persona el proceso de expatriación y se embarcan en una aventura internacional: las personas.

Se pretende con este capítulo ofrecer a las compañías españolas unos datos y conclusiones que les permitieran conocer y mejorar el diseño y gestión de las políticas de expatriación para adecuarlas a las necesidades, intereses y aspiraciones de las personas.

Carlos Martí - Angel Barajas - Ignacio Urrutia

Abstract: In this chapter the authors present an overview of professional football in Spain, with particular emphasis on its distinctive features. First, the authors analyze the main data on football in Spain and the competitions in which Spanish clubs participate at national level. Then they describe the structure of national-level competitions and the economic implications of these competitions for clubs. After that they review the main business activities of football clubs in Spain. The chapter concludes with the challenges currently facing Spanish football, in light of the strategic vision of Spain’s top two clubs (in both financial and sporting terms): Real Madrid C.F. and Barcelona F.C.

José R. Pin - Ernesto Uscher

Abstract: Los autores del prólogo reconocen la trayectoria de Ulrich y sus colaboradores en la aportación de conceptos al nuevo liderazgo como la "Marca de Liderazgo". También describen las cinco reglas para ser un líder en la organización y difundir esta "marca de liderazgo" a todos los niveles y a todos los stakeholders: a) aumentar la capacidad de visión estratégica a largo plazo; b) conseguir implementar esta visión; c) comprometer el talento actual de la organización en ese empeño; d) crear capital humano generando talentos para la próxima generación, y e) invertir en la mejora personal, base del resto de las competencias del liderazgo. Por último, aconsejan realizar la autorreflexión personal y organizativa que facilitan los cuestionarios contenidos en el libro.

José R. Pin

Abstract: El libro describe las nuevas tendencias impulsadas por la Unión Europea en relación al mercado de trabajo, conocidas bajo el nombre de flexiseguridad. Tanto en lo que se refiere a las normas de contratación, regulación y despido de trabajadores como a la práctica de políticas internas de las empresas. En este sentido, describe prácticas internas de seis empresas españolas en las que se implementa el concepto y adjunta casos de convenios colectivos donde se recoge esta tendencia.

Guido Stein

Abstract: Mi vida y mi tiempo es a la vez la autobiografía de Peter Drucker, considerado el padre del management moderno, y un testimonio muy personal y perspicaz de los grandes cambios económicos, políticos y sociales del siglo XX. Nacido en Austria en 1909, el auge del nazismo le obligó a emigrar primero a Londres y luego a Estados Unidos, donde su insaciable capacidad de observación y para cuestionarse las prácticas establecidas le convirtieron en el gran referente del management contemporáneo. «Del mismo modo que el microprocesador expandió las posibilidades de las máquinas, Peter Drucker ha logrado expandir durante más de medio siglo nuestras mentes. Es un preeminente filósofo de los negocios del siglo XX y seguramente también del siglo XXI... Drucker está dotado de una combinación singular de rasgos: sentido de la intuición, penetrante y agudo; imaginación viva y rica; poder creativo en el análisis; sorprendente habilidad para llegar al núcleo mismo de los problemas y planteamientos, haciendo, como hemos visto, las preguntas más adecuadas, e insospechadas, en cada circunstancia.»

CIEC (Centro Internacional de Empresas de Comunicación, IESE, and the Faculty of Communication at the University of Navarra), Carat and Deloitte have published “La Televisión en España. Informe 2009”, edited by Juan Pablo Artero, Ignacio Bel, Alfonso Sánchez Tabernero and Juan M. de Toro. Parts 1 and 2 were researched and written by Juan M. de Toro, November 2009, 328 pages.

Abstract: Por tercer año consecutivo el CIEC ha elaborado el informe correspondiente al año 2009 sobre la situación de la televisión en España, principalmente lo referido al sector privado. El estudio hace un análisis en profundidad de la evolución del mercado de la televisión desde el punto de vista de la oferta y la demanda, del mercado publicitario en general y referido al medio televisión en particular, de los contenidos ofrecidos por las distintas cadenas, las novedades legislativas surgidas en este último año y de la situación económica del sector televisivo. Se añade a su vez un informe sobre la eficacia de los formatos publicitarios en televisión y una última parte que incluye una serie de artículos sobre temas de actualidad en el medio televisivo.

AEDC (Asociación de Editores de Diarios Españoles) has published “Libro Blanco de la Prensa Diaria 2010”, edited by Ignacio Bel, Ignacio M. Benito, Juan M. de Toro and Luis Jiménez and CIEC, Carat, Deloitte and Media Hot Line. Parts 1 to 5 were researched and written by Juan M. de Toro, December 2009, 450 pages.

Abstract: Por noveno año consecutivo la AEDC auspicia de nuevo el Libro Blanco de la Prensa Diaria, donde se incluye un profundo
análisis sobre la evolución y situación actual de la prensa diaria en España y en otros países de nuestro entorno. Este análisis comienza por los datos de difusión y audiencia de los distintos segmentos que componen el sector, la evolución de los suplementos y de los diarios digitales, la actividad comercial desarrollada por las distintas cabeceras y un análisis económico-financiero agregado del conjunto de diarios. A su vez, se incluye también un informe y una parte con artículos especializados sobre temas de actualidad.

IESE - Working Papers

No 830 – November 2009
Antonio Argandoña - Carlos M. Moreno - Joan M. Solà
SOCIAL RESPONSIBILITY AND SOCIAL SECURITY: THE FOUNDATION OF CAJA DE PENSIONES PARA LA VEJEZ Y DE AHORROS

Abstract: The concept of Corporate Social Responsibility (CSR) is not new. Over the course of time, many entrepreneurs have created and developed companies, with a strong sense of ethical and social responsibility. This paper presents an example of how CSR was conceived and put into practice when Caja de Pensiones para la Vejez y de Ahorros was created in Barcelona in 1905, following the life and ideas of its founder, Francesc Moragas, a lawyer with a deep commitment to social action and a successful conception of the technical and economic dimensions of a financial and social institution.

No 831 – November 2009
Antonio Argandoña - Carlos M. Moreno - Joan M. Solà
CORPORATE SOCIAL RESPONSIBILITY IN THE FIRST YEARS OF CAJA DE PENSIONES PARA LA VEJEZ Y DE AHORROS

Abstract: When Caja de Pensiones para la Vejez y de Ahorros, ‘la Caixa’, was created in 1905, it was not just a transient response to a serious social, political, and economic problem; it also provided a permanent solution by creating a long-lasting social welfare institution. In addition, its founder understood the responsibility of social welfare institutions not as an isolated responsibility for each institution, but as part of a harmonious whole that is a true moral entity, with a socio-economic character, independence and unity of nature, purpose and form. The purpose of this article is to show how the conception of corporate social responsibility of Francesc Moragas, the founder of ‘la Caixa,’ informed the activities of the new institution in a variety of dimensions, including its service to its customers, its economic strengths, its social welfare work and its participation in the creation of Spain's public social security system.

No 832 – November 2009
Marc Sachon – Víctor Martínez de Albéniz
PRIVATE LABEL INTRODUCTION: DOES IT BENEFIT THE SUPPLY CHAIN?

Abstract: Private labels, also called store brands or distributor brands, have changed the retail industry during the last three decades. Consumer data shows strong growth of private label market share and in countries like Germany and Spain the penetration of private labels is above 30% of total retail sales. This paper analyzes the channel dynamics in a category where a private label is introduced. We focus on the impact of private labels on retail and wholesale equilibrium prices, as well as on the profits of each firm in the supply chain. While private label introduction helps the retailer reduce manufacturer brand prices, we find that it does not always improve the total profits of the supply chain. Generally, the supply chain benefits from this introduction only when cross-elasticities are small, i.e., competitive interactions are weak. With our model we formulate the general conditions under which retailers should consider introducing private labels.

No 833 – November 2009
Alexander P. Groh - Matthias Wich
A COMPOSITE MEASURE TO DETERMINE A HOST COUNTRY’S ATTRACTIVENESS FOR FOREIGN DIRECT INVESTMENT

Abstract: We contribute to the question of why some countries are more attractive for foreign direct investment (FDI) than others by constructing a composite measure that describes a host country’s attractiveness for receiving FDI. This index considers all identified major, measurable and, for our scope, comparable aspects that affect FDI decisions. As a result, we can rank 127 countries with respect to their FDI attraction. The index provides the possibility of conducting detailed strength and weakness analyses for all of our sample countries and regions. These analyses provide support to policy-makers to improve their country’s attractiveness for receiving inward FDI. They also enhance the discussion of why FDI flows still remain concentrated in advanced economies and, additionally, in which areas emerging and developing economies have to improve in order to narrow the existing gap. We provide correlation and sensitivity analyses to test the quality of our composite measure. Additionally, we benchmark our index with several alternative indices. Thereby, we show that no other index tracks actual FDI activity more closely.

No 834 – November 2009
Antonio Argandoña – Heidi von Weltzien Hoivik
CORPORATE SOCIAL RESPONSIBILITY: ONE SIZE DOES NOT FIT ALL. COLLECTING EVIDENCE FROM EUROPE

Abstract: This article serves as an introduction to the collection of papers in this monographic issue on “What the European tradition can teach about Corporate Social Responsibility” and presents the project’s rationale and main hypotheses. We maintain that Corporate Social Responsibility (CSR) is an ethical concept, that demands for socially responsible actions have existed since before the Industrial Revolution and that companies have responded to them, especially in Europe, and that the content of CSR has evolved over time, depending on historical, cultural, political and socio-economic drivers and particular conditions in different
countries and also at different points in time. Therefore, there is not – and probably cannot be – a single, precise definition of CSR: one global standard for CSR is unlikely.

No 835 – November 2009
Flavia Roldán
THE ORGANIZATION OF EXPERTISE UNDER THE PRESENCE OF COMMUNICATION

Abstract: A decision-maker has to elicit information from informed multiple experts about a policy’s value. The principal may prevent communication among the agents. However, it may be in the principal’s interest to allow communication among them. I study the optimal design of contracts, focusing on the organization of expertise in the communication phase. I show that, from the principal’s point of view, when the advantage of synergies prevails over the collusion problem, communication dominates the no communication case. However, synergies will always prevail if the principal lets agents communicate with each other before they make their choices rather than after.

No 836 – November 2009
Pedro Saffi – Jason Sturgess
EQUITY LENDING MARKETS AND OWNERSHIP STRUCTURE

Abstract: Using proprietary data on equity lending supply, loan fees and quantities, we examine the link between institutional ownership structure and the market for equity lending and stock prices. We find that both total institutional ownership and ownership concentration (measured by the Herfindahl index, single largest holding and number of investors) are important determinants of equity lending supply and short sale constraints. More concentrated ownership structures increase short sale constraints (including loan fees, recall risk and arbitrage risk) and force arbitrageurs to decrease demand for equity borrowing and demand greater compensation for borrowing stock. The results suggest that the impact of institutional ownership structure in the equity lending market may create limits to arbitrage.

No 837 – December 2009
Xavier Vives
ASSET AUCTIONS, INFORMATION, AND LIQUIDITY

Abstract: A model is presented of a uniform price auction where bidders compete in demand schedules; the model allows for common and private values in the absence of exogenous noise. It is shown how private information yields more market power than the levels seen with full information. Results obtained here are broadly consistent with evidence from asset auctions, may help explain the response of central banks to the crisis and suggest potential improvements in the auction formats of asset auctions.

No 838 – December 2009
Jordi Canals
SEEKING A GREATER IMPACT: NEW CHALLENGES FOR BUSINESS SCHOOLS

Abstract: Business schools have made a very important contribution to management education over the past decades. The new economic and social context creates new challenges for them. Their capabilities will have to evolve if they want to have a deeper impact.

IESE – Studies and Monographs

No 92 – November 2009
José R. Pin – Pilar García Lombardía
FEELING MANAGEMENT: HERRAMIENTA DE GESTIÓN DE LOS SENTIMIENTOS ORGANIZATIVOS

Abstract: La investigación realizada por el IRCO y Sunion (Grupo Gesfor) ha tenido como objetivo el rediseño y validación metodológica de las herramientas de diagnóstico del modelo de gestión Feelings Management. Dicho modelo de gestión tiene como objetivo fundamental el diagnóstico del estado emocional de la organización, o de los equipos que la integran, con el fin de alinear dichas emociones con los objetivos de la organización. Se trata, ante todo, de disponer de la información relevante y las herramientas de intervención para diseñar políticas y acciones que permitan a la organización recuperar la ilusión en momentos de desánimo, la unión y la confianza en momentos de cambio, a través de la movilización de los estados de ánimo de los equipos. Para ello se han realizado siete análisis de casos, incluyendo un pre-test, en los que se han utilizado tres fuentes de información: cuestionario, entrevista biográfica con el responsable del equipo y focus group no intrusivo con el equipo. Los resultados de estas pruebas permiten establecer dos conclusiones principales: las herramientas diseñadas son válidas y fiables para la medición de los estados emocionales de los equipos y, tal como predice el modelo, existe un estado emocional del equipo independiente y distinto del estado emocional de los individuos que lo integran.

No 109 – November 2009
Julia Prats – Benno van Dongen – Alexander van Hasselt – Mireille van Reenen – Ton Stilma
FOR ENTREPRENEURS, BY ENTREPRENEURS

Abstract: In economic terms, Europe appears to be lagging behind other major world regions, which means that there is a growing possibility that it will not achieve its Lisbon objective to become the “most competitive and dynamic knowledge-based economy in the world”. Innovative start-ups and the entrepreneurs who run them are thus crucial for our economy: they provide the jobs that
are replacing positions lost in mature and declining businesses and also create new growth.

Start-ups thrive specifically in ecosystems that provide the necessary support. This report is based on the experience of two of the most longstanding and respected entrepreneurial ecosystems in Europe: IESE Business Scool in Spain and Delft University of Technology in the Netherlands.

Abstract: Both governance and the principle of subsidiarity have been thoroughly discussed in political contexts, but their application to firms has been varied. Corporate governance has been applied to firms as a set of processes, customs, policies, laws and institutions affecting the way people administer, direct or control a corporation or business enterprise, whereas the subsidiarity principle has been applied to corporations only to a limited extent. We believe that both have interesting implications for corporations. In this paper we discuss the parallelism between political/administrative and corporate structures and governance in light of the principle of subsidiarity. The focus is on explaining the definition and role of an organization which can be a natural example of the role of subsidiarity in governance. This paper is a first approximation to a governance model based on subsidiarity, founded on the theory of the firm and the theory of action. In this paper we do not explore the consequences of this new way of looking at the subsidiarity principle, but we believe that there are several interesting conclusions to be drawn from it for corporate governance – and also for other forms of governance, as the theory of action on which we have based our analysis is valid for any human community.

Pablo Cardona – Helen Wilkinson
"Building the virtuous circle of trust", IESE Insight, No 3, 4th quarter 2009, pages 20–27.

Abstract: During times of recession, feelings of distrust in organizations become acute, making it more necessary than ever to understand how trust is created and maintained. According to the authors, the relationship between managers and subordinates is fundamental to building and maintaining trust. In this article, they present a model based on the results of an international study and their own professional experience as coaches. Put simply, when the behavior of managers is trustworthy, employees trust their managers more; consequently, they become more involved in their work and demonstrate “organizational citizenship.” This greater involvement, in turn, strengthens their bosses’ trust in them, which reinforces reciprocal attitudes of trust. In this way, a virtuous circle of trust-building is generated in organizations.

Marta Elvira – Anabella Dávila
"Evaluación del desempeño: Contradicciones y lecciones aprendidas", Conocimiento y Dirección, October, 2009, pages 70–76.

Abstract: Une de las advertencias más repetidas sobre la evaluación del desempeño es que representa una práctica organizacional problemática; principalmente por dos razones: en primer término, porque los actores involucrados –superior y empleado– confrontan situaciones subjetivas y, por tanto, difíciles de gestionar, y donde además tienen que dar y recibir feedback con respecto a su desempeño. En segundo lugar, porque definir el contenido de lo que se evalúa o aprecia como desempeño es, incluso actualmente, debatible. La complejidad y contradicciones que encontramos en nuestra investigación sobre la administración del desempeño nos llevan a varias conclusiones importantes: en cuanto al contenido que supone un rendimiento satisfactorio, es importante considerar el entorno económico de la empresa, saber hacer ajustes y reaccionar con flexibilidad. En lo referido a los instrumentos utilizados para la evaluación, es necesario reconocer el grado de madurez organizacional para el cual fueron desarrollados. Asimismo, es necesario utilizar una combinación óptima de metodologías para medir el desempeño organizacional, si éste depende de varios factores tanto internos como externos, según los propósitos y niveles jerárquicos. En cuanto al proceso de la evaluación del desempeño, la
clave está en descubrir las expectativas de los actores involucrados –superior y subordinado–, así como en separar recursos humanos de la responsabilidad de evaluar a los subordinados. La institucionalización de los sistemas de evaluación del desempeño puede minimizar estas contradicciones y generar así una cultura organizacional abierta a la evaluación.

**Philip Moscoso**


**Pedro Nueno – Josep Tàpies**


Abstract: Gestionar de forma emprendedora implica la capacidad de crear riqueza de forma relevante y sostenible en el tiempo. Esto puede hacerse mediante el lanzamiento de nuevas actividades empresariales o bien mediante la renovación innovadora de una misma empresa.

Muchas empresas familiares han conseguido aplicar este estilo de gestión creciendo y renovándose a lo largo de periodos incluso de más de un siglo. De hecho, es más frecuente encontrar este estilo de gestión en compañías no sujetas al control del mercado de capitales. La propiedad familiar puede ser más exigente en cuanto a la presión para emprender.

La propiedad familiar es perfectamente compatible con la transmisión de la capacidad emprendedora mediante el estímulo de la misma a través de un gobierno corporativo sensible al tema y comprometido con la empresa a largo plazo. Esto puede llevar a la búsqueda de gestores o administradores externos a la familia.

Claramente el trabajo se orienta a recomendar y justificar la diversificación tanto dentro de un negocio como en varias unidades de negocio, así como añadiendo la gestión del patrimonio acumulado por la familia fuera de la empresa mediante una oficina familiar.

La diversificación ayuda en una crisis, sobre todo si se ha tenido la habilidad de combinar negocios cíclicos y anticíclicos. La orientación a largo plazo es otro aspecto que previene la especulación y protege.

**Josep M. Rosanas**


Abstract: The loss of trust, both between people and between companies and institutions, is one of the fallouts of the crisis. The author believes that the secret for recovery lies in understanding the foundations of trust in order to restore it. According to his analysis, trust has real, practical, economic value that increases efficiency and enables the creation of other goods and values. But rather than merely calculating its value and implementing measures to deal with the absence or presence of it, the best way to build trust is through greater commitment to values such as honor and integrity.

**Guido Stein**


Abstract: El artículo trata el problema del trabajo tanto desde la perspectiva de la empresa como del individuo, aunque siempre poniendo el énfasis en los aspectos que afectan a la persona. Pretende profundizar en los aspectos humanos y sociales que concurren en el grave problema de la creación de empleo y, desde esta perspectiva, buscar caminos de solución.

No pretenden encerrar un vademecum personal para defenderse de la terrible lacra del desempleo, sino ofrecer un elenco de razones antropológicas por las que aunque uno esté desempleado no debe dejar de trabajar y, a la vez, aportar algunas pistas de cómo hacerlo.


Abstract: The article describes the roots of Peter Drucker’s management thought, with special reference to his earliest published works in German, in which he first addressed the issues he was to explore more fully in his better-known later work, such as power and organization, holistic or generalist vision, management as a function that articulates society and, above all, the central role of people and their priorities in the life of companies.

**Conferences and Seminars**

**Antonio Argandoña**

On November 10–11, attended the 4º Coloquio Internacional “Globalización y Gobernanza” organized by the Real Academia de Ciencias Económicas y Financieras and the Franco-Australian Centre for International Research in Management, in Barcelona, where he presented the paper "Corporate governance and subsidiarity", co-authored with Lena Strandberg.

Abstract: (See abstract on page 6)

**Pascual Berrone**

On December 8–11, attended the Annual Meeting of the Iberoamerican Academy of Management in Buenos Aires, where he presented the paper "The impact of symbolic and substantive..."
actions on environmental legitimacy", co-authored with Liliana Gelabert and Andrea Fosfuri.

Abstract: Drawing on institutional theory and insights from stakeholder theory and impression management, we empirically analyze the impact of both environmental symbolic polices (participation in voluntary environmental programs, green trademarks, environmental-dedicated board committees, environmental pay policies and community communication) and substantive actions (environmental patents and pollution prevention practices) on environmental legitimacy. We show that: 1) symbolic actions have a weaker positive effect on legitimacy than substantive actions; 2) the impact of symbolic actions is greater when they are combined with substantive actions, and 3) this impact is only short-term, while substantive actions have both short- and long-term effects.

Luis Cabral
On November 12-15, attended the Annual Meeting of the Portuguese Association of Economic and Social History in Oporto, where he presented the paper "Spin-offs: Theory and evidence from the US auto industry", co-authored with Zhu Wang.

Abstract: Many new firms in the early United States automobile industry were created by former employees of other automobile industries. In this paper we present anecdotal and systematic evidence of the drivers and effects of such "spin-off" entry. We show that sometimes employees leave their (successful) employer because they believe they can do better on their own. In other cases, the employer performs rather poorly and the spin-off is little more than a strategy of "abandoning ship" while there is time.

Bruno Cassiman
On November 13-14, attended the workshop “R&D and technology transfer”, organized by the MOVE (Markets, Organizations and Votes in Economics) consortium, where he presented the paper "Tracing the effect of links between science and industry: The role of researcher interaction and mobility between firms and research organizations", co-authored with Reinhilde Veugelers and Sam Arts.

Abstract: Scientific research creates spillovers. While at the macro-level these spillovers seem to stimulate economic growth and increase welfare, the effects of science and the mechanism through which firms benefit from scientific research are less clear at the micro-level. In this paper we examine researcher interaction and cross-institutional mobility as an underlying mechanism through which such industry-science links affect the innovation performance of organizations and inventors in the semiconductor industry. The paper studies the role of IMEC, a world-leading independent research institute in the area of nano-electronics and nanotechnology. The IMEC Industrial Affiliation Program (IIAP) allows researchers from participating companies to conduct research at the IMEC laboratories in collaboration with other researchers. We use patent information of participating and non-participating researchers and institutions to the IIAP program to map IMEC-related technology development activities and attempt to evaluate the results of various types of IMEC links.

Marta Elvira
On December 6-9, attended the 13th Meeting of Asia-Pacific Researchers in Organization Studies (APROS) in Monterrey, where she presented the paper "Humanism in management: The case of Latin America's HRM", co-authored with Anabella Dávila.

Abstract: Based on our book “Best human resource management practices in Latin America” (Routledge, 2009) and additional research case studies, we conclude that the stakeholder management model is inadequate to understand Latin American companies’ employment practices. We describe Latin American HRM best-practices from a ‘new humanism’ perspective, in which defense of social cohesion and contribution to the general good of the community play a key role. In our conclusion, based on this empirical evidence, we aim to: a) examine the theoretical position of ‘new humanism’; b) discuss the practices of organizational analysis based on ‘new humanism’, c) describe the conflict between shareholder-focused models of the firm and ‘new humanist’ communitarianism, as it is to be found in developing economies, and d) explore three specific Latin American cases of ‘new humanist’ practice, focusing on true human development.

Gabriel Giordano
On December 13, attended the 2009 ICIS Human Computer Interaction Workshop in Phoenix, where he presented the paper "Deception detection, task complexity, and group member experience in computer-mediated group settings", co-authored with J. George.

Abstract: Due to globalization and the increased availability of online collaboration tools, individuals are now likely to work together in settings where computers are their primary mode of communication. However, because communication characteristics are different in these settings, problems can arise, such as deception. Deceptive individuals may be difficult to detect over computer-based channels because many audio and visual cues to deception are filtered and communication tendencies are different. This paper presents two experiments, in which groups performed a collaborative task in a text-based, computer-mediated setting with and without confederate deceivers. The results show that deceivers were very successful in this setting, that groups performing a low-complexity task were better at detecting deception than were groups performing a high-complexity task, and that groups with members that had experience with each other had higher task performance but did not have higher deception detection accuracy than did inexperienced groups.

Yih-teen Lee
On November 12-13, attended the 3rd Global e-Conference on Fit: The Future for Fit and Misfit Research, organized by The Open
University in Milton Keynes, United Kingdom, where he presented the paper “Fitting person-environment fit theories into the cultural contexts: Stimulating field expansion by looking at the ASA process through a cultural lens”, co-authored with Aarti Ramaswami.

Abstract: One of the unexplored areas of the person-environment fit (PEF) phenomenon with potential for expanding and taking the PEF literature forward is the role of culture in PEF. We find this research area not only timely but also of great practical value. With the increase in organizational diversity and international collaboration, it has become rather a cliché to state that a cultural understanding of OB/HR topics is imperative. Recent research (Lee, 2006; Ramaswami and Dreher, 2009; Van Vianen, De Pater, Kristof-Brown and Johnson, 2004) highlights the importance of cultural values in understanding fit dynamics, which may have implications for attracting, selecting and retaining talented individuals in organizations. Yet efforts to provide a cultural perspective on fit have been rather scant or invisible. To provide more visibility into this important and unexamined area, we put on our cultural glasses and look at PEF through the lens of cultural values and norms, to better understand the cultural boundary conditions that influence PEF processes and outcomes. This paper will be a step in the direction of more indigenous PEF research. By delineating cultural influences in the Attraction, Selection and Attraction (Schneider, 1987a, 1987b) stages of the fit process, we hope to challenge existing assumptions underlying PEF theories and stimulate a more holistic and contextually grounded understanding of fit phenomena. In essence, our cultural understanding of PEF needs to go deeper, and this paper explores how culture influences fit processes.

José R. Pin
On November 4–7, attended the 44 Asamblea anual del Consejo Latino Americano de Escuelas de Administración (CLADEA) in Guayaquil, where he presented the following papers:

"Mejores prácticas ante la crisis en el mercado laboral: El caso de España", co-authored with Lourdes Susaeta, Angela Gallifa and María Jesús Belizón.

Abstract: La ponencia analiza el mercado laboral español en 2009, caracterizado por su riqueza y, a la vez, el aumento del paro hasta casi el 20% de su población activa. Luego explica las cinco prácticas con más éxito en el tratamiento de la crisis: la relación fluida con los sindicatos, una política abierta de comunicación interna, la movilidad funcional, la movilidad geográfica y los servicios de outplacement. Mediante una investigación cualitativa (focus groups y entrevistas en profundidad) analiza su utilización en siete sectores, y sus resultados los triangula con los de un análisis cuantitativo mediante una encuesta a 55 empresas de esos sectores. Por último, relata doce puntos de consejos y sugerencias de mejores prácticas.

"En búsqueda de la identidad perdida de la Generación Y", co-authored with Lourdes Susaeta, María Jesús Belizón.

Abstract: La ponencia analiza las características comunes y las diferencias de la Generación X y la Generación Y. Resume las conclusiones de la bibliografía y los resultados de una encuesta a 225 empleados de empresas comprendidas en la lista de “Best Workplaces in Spain”. Estos resultados los compara con las prácticas realizadas en esas empresas y concluye que algunas de las prácticas, como el intento de planes de equilibrio trabajo-familia-vida personal son muy adecuadas para las aspiraciones de la generación Y. Por otra parte, otras prácticas adecuadas a esta generación, como el trabajo en equipo, no se hallan presentes en estas empresas de manera explícita, lo que constituye un gap a la hora de responder a las aspiraciones de esta generación.

"Las olas de la ideología"

Abstract: El ensayo analiza cómo tres olas ideológicas han arrasado cual tsunami sucesivos en las democracias occidentales: el keynesianismo; el neoliberalismo-conservador, y el neolaborismo del pensamiento políticamente correcto. También analiza cuáles son las causas de su declive. Finalmente, analiza los posibles epicentros que están formando la próxima ola ideológica que conformará las decisiones de política económica del futuro. Con ello se dan pistas a empresarios y directivos para que las tengan en cuenta en sus estrategias de negocio.

B. Sebastian Reiche
On December 13–15, attended the 35th EIBA Annual Conference in Valencia, where he presented the paper "Why do international assignees stay? A job embeddedness perspective", co-authored with María L. Kraimer and Anne-Wil Harzing.
Abstract: We apply a job embeddedness perspective to examine how international assignees' on-the-job embeddedness at the host unit relates to their retention. Specifically, we conceptualize assignees' social network at the host unit as links, their perceived identification with the host unit as fit, and their perceived career prospects in the organization and their firm-specific learning during the assignment as two sacrifices with leaving the organization. Using a longitudinal inpatriate sample, we found that inpatriates' links at the headquarters, in terms of average level of trust in their network, and their perceived fit with the headquarters positively related to their retention two and four years later, mediated by perceived career prospects. Further, inpatriates' links and fit positively related to their firm-specific learning. Learning also moderated the relationship between perceived career prospects and retention two years later such that career prospects was a mediator only for assignees with low levels of firm-specific learning.

On November 4–5, the XVII Annual Symposium of the CIIF (International Center for Financial Research) was held at IESE in Madrid, where the following presentations were given:

Javier Estrada
"The gain-loss spread: A new and intuitive measure of risk".

Abstract: (see abstract on page 1)

Heinrich Liechtenstein
"The first step of the capital flow from institutions to entrepreneurs: The criteria for sorting venture capital funds", co-authored with Alexander P. Groh.

Abstract: We contribute to the knowledge about the capital flow from institutional investors, via Venture Capital (VC) funds as intermediaries, to their final destination, namely entrepreneurial ventures. We ran a worldwide survey of 1,079 institutional investors to determine the importance of certain criteria when selecting VC funds. The top criteria are: expected deal flow and access to transactions, a VC fund's track record, the fund's local market experience, the match between the team members' experience and the proposed investment strategy, the team's reputation, and the proposed mechanisms to align the interests of institutional investors with those of the VC funds. The level of fees payable to the funds is not an important selection criterion. The VC relationship is based on a complex structure of (several) principals and agents and is functional only if the interests of all participants are aligned. Fees are an important element of this alignment. Overall, the sorting criteria of institutional investors are very similar to what we know about the criteria applied by VC funds themselves when selecting entrepreneurial ventures: the institutions have to mitigate the same kind of agency conflicts to which VC funds and entrepreneurs are exposed.

Carles Vergara
"Optimal portfolio choice with predictability in house prices and transaction costs", co-authored with Stefano Corradin and Jose Fillat.

Abstract: We study a model of optimal portfolio choice with durable consumption goods (e.g. housing) that incorporates transaction costs (e.g. a transaction cost must be paid when the house is sold) and price predictability. We find that the consumer considers two state variables to make his decisions: a) the ratio \( \frac{W_t}{H_tP_t} \) of total wealth \( W_t \) to housing asset holdings \( H_t \times P_t \), and b) time varying expected growth rate of house prices. We show that it is optimal for the consumer not to adjust his holdings of housing stock continuously but to wait until a significant change in wealth has occurred. The consumer will increase (decrease) his housing asset holdings only when the \( \frac{W_t}{H_tP_t} \) ratio reaches an optimal upper (lower) boundary. When house prices are not predictable, these boundaries are constant between two consecutive adjustment times, as in Grossman and Laroque (1990). However, the level of the state variable that captures the predictability component in house prices makes these boundaries time-varying: the upper and lower boundaries will decrease (increase) when house prices are expected to rise (fall). Finally, we use PSID data to test the existence and the main characteristics of these boundaries. Numerical simulations show how small transaction costs and low levels of price predictability can generate portfolio allocations that are consistent with the data.

Xavier Vives
"Dynamic trading and asset prices: Keynes vs. Hayek"

Abstract: We investigate the dynamics of prices, information and expectations in a competitive, noisy, dynamic asset pricing equilibrium model. We look at the bias of prices as estimators of fundamental value in relation to traders' average expectations and find that prices are biased in relation to average expectations if and only if traders over- (under-) rely on public information with respect to optimal statistical weights. We find that prices are biased in relation to average expectations whenever traders speculate on short-run price movements. In a market with long-term traders, over-reliance on public information obtains if noise trade increments are correlated enough and/or there is low enough residual uncertainty in the payoff. This defines a "Keynesian" region; the complementary region is "Hayekian" in that prices are less biased than average expectations in the estimation of fundamental value. The standard case of no residual uncertainty and noise trading following a random walk is on the frontier of the two regions. With short-term traders there typically are two equilibria, with the stable (unstable) one displaying over- (under-) reliance on public information.
Awards

The IESE Alumni Association has announced the 2009 Research Excellence Awards. This year, awards have been granted to the following professors:

Joan de Dou and Alberto Ribera for the course “Personality and leadership” (MBA version), “Managing oneself” (GEMBA version).


IESE - Research Seminars

Economics

December 1
Speaker: Charles W. Calomiris, Columbia Business School
“Banking crises and the rules of the game”

Abstract: When and why do banking crises occur? Banking crises properly defined consist either of panics or waves of costly bank failures. These phenomena were rare historically compared to the present. A historical analysis of the two phenomena (panics and waves of failures) reveals that they do not always coincide, are not random events, cannot be seen as the inevitable result of human nature or the liquidity transforming structure of bank balance sheets, and do not typically accompany business cycles or monetary policy errors. Rather, risk-inviting microeconomic rules of the banking game that are established by government have always been the key additional necessary condition to producing a propensity for banking distress, whether in the form of a high propensity for banking panics or a high propensity for waves of bank failures.

Some risk-inviting rules took the form of visible subsidies for risk taking, as in the historical state-level deposit insurance systems in the United States, Argentina's government guarantees for mortgages in the 1880s, Australia's government subsidization of real estate development prior to 1893, the Bank of England's discounting of paper at low interest rates prior to 1858, and the expansion of government-sponsored deposit insurance and other bank safety net programs throughout the world in the past three decades, including the generous government subsidization of subprime mortgage risk taking in the United States leading up to the recent crisis.

Other risk-inviting rules historically have involved government-imposed structural constraints on banks, which include entry restrictions like unit banking laws that constrain competition, prevent diversification of risk, and limit the ability to deal with shocks. Another destabilizing rule of the banking game is the absence of a properly structured central bank to act as a lender of last resort to reduce liquidity risk without spurring moral hazard. Regulatory policy often responds to banking crises, but not always wisely. The British response to the Panic of 1857 is an example of effective learning, which put an end to the subsidization of risk through reforms to Bank of England policies in the bills market. Counterproductive responses to crises include the decision in the United States not to retain its early central banks, which reflected misunderstandings about their contributions to financial instability in 1819 and 1825, and the adoption of deposit insurance in 1933, which reflected the political capture of regulatory reform.

December 15
Speaker: John Sutton, London School of Economics
“Capabilities, wealth and the export mix”

Abstract: This paper re-explores the relation between a country’s level of wealth and the mix of products it exports. A theoretical model is presented which offers an interpretation of the two most salient features of the familiar plots of actual versus implied GDP/capita: flatness and diffuseness. The main focus of the paper is on dynamics: how do changes in product mix relate to changes in national wealth?

Managerial Decision Sciences

December 1
Speaker: Dolchai La-Ornual, INSEAD
“The effect of temporal distance on attitudes toward ambiguity”

Abstract: This paper provides a comparative analysis of ambiguity preferences for current and future prospects. Building on a recent paradigm that emphasizes the importance of the source of ambiguity, we distinguish between vagueness over probabilities and vagueness over outcomes. In a set of experiments we find that individuals generally become less ambiguity-averse with respect to both uncertainty sources as the temporal distance increases. However, this effect is most evident when both probabilities and outcomes are concurrently vague. The paper concludes with a discussion on possible reasons for these results, including temporal changes in relative influences of the two dimensions, probability and outcome, as posited by construal level theory.

Marketing

November 5
Speaker: Eva Ascarza, London Business School
“Modeling churn and usage behavior in contractual settings”

Abstract: The ability to retain existing customers is a major concern for many businesses. However retention is not the only dimension
of interest; the revenue stream associated with each customer is another key factor influencing customer profitability. In most contractual situations the exact revenue that will be generated per customer is uncertain at the beginning of the contract period; customer revenue is determined by how much of the service each individual consumes. While a number of researchers have explored the problem of modeling retention in a contractual setting, the literature has been surprisingly silent on how to forecast customers’ usage (and therefore future revenue) in contractual situations.

We propose a dynamic latent trait model in which usage and renewal behavior are modeled simultaneously by assuming that both behaviors are driven by the same (individual-level) underlying process, which evolves over time. We capture the dynamics in the underlying latent variable (which we label “commitment”) using a hidden Markov model, and then incorporate unobserved heterogeneity in the usage process. The model parameters are estimated using hierarchical Bayesian methods. We validate the model using data from a so-called Friends scheme run by a performing arts organization. First we show how the proposed model outperforms benchmark models on both the usage and retention dimensions. In contrast to most churn models, this dynamic model is able to identify changes in behavior before the contract is close to expiring, thus providing early predictions of churn. Moreover, the model provides additional insights into the behavior of the customer base that are of interest to managers.

**Abstract:** Delayed exit is a substantial economic problem. Studies indicate that if VCs exited ventures optimally, returns would triple, and if corporations divested underperforming business units, GDP would increase 13.6%. A prevalent explanation for delayed exit is behavioral bias associated with escalated commitment. In general, however, exit will be “delayed” even absent bias. This arises from decision maker efforts to avoid Type I error while discovering the long-run prospects of an endeavour. Solutions differ depending upon which source of delay predominates. However, tests to date have been unable to disentangle the two effects. We attempt to do that. While exit delays are problematic in numerous contexts, we examine them in the simplest real-world context – entrepreneurial exit of banks. Entrepreneurial exit comprises a well defined objective function (maximizing over choice over entrepreneurial profits versus wages) evaluated by a solitary actor with perfect incentives. Thus, the context avoids problems of a larger (and, to the researcher, generally unknowable) opportunity set, as well as goal conflict and/or incentive misalignment among a group of non-owner managers. We decompose exit delay into a rational component (Bayesian updating under uncertainty) and behavioral bias. We find most of the delay in this context is rational. However, we also find significant support for the behavioral mechanisms underlying escalated commitment.

**Strategic Management**

**November 3**

**Speaker:** Anne Marie Knott, Olin Business School, Washington University

“No exit: Failure to exit under uncertainty”

**Abstract:** Values are the force that drives all that happens in family businesses, as well as the essence of a family spirit and being. Belief

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**Research Seminars**

**Luis Cabral**

On November 5, at Universitat Autònoma de Barcelona, presented the paper “Dynamic price competition with network effects”.

**Abstract:** I consider a dynamic model of competition between two proprietary networks. I derive a series of results pertaining to monotonicity of the pricing function (Do larger networks set higher prices?) and network size dynamics (Do large networks tend to become even larger?). I apply my general framework to the study of termination charges in wireless telecommunications.

The same paper was presented on November 13 at the University of Oporto and on November 26 at the University of Bologna.

**Lucia Ceja**

On October 30, at Universitat de Barcelona presented the paper “The importance of values in family-owned firms”, co-authored with Josep Tapies and Remei Agulles.

**Abstract:** Values are the force that drives all that happens in family businesses, as well as the essence of a family spirit and being. Belief
in the crucial importance of values in family-owned firms drove collaboration, in this chapter, between the disciplines of family business, psychology and philosophy. The goal of this chapter is to define the concept of values from a philosophical perspective and critically examine the importance of values for assuring the continuity and success of family-owned firms. This chapter is organized in two sections. Part I defines the term “value” from a philosophical approach. This section attempts to tease out a definition of “value” using several conceptions that are present in the literature. Part II further structures the way in which values constitute the core of any family business culture: a family's internal understanding of their values strongly determines the kind of behavior that will be acceptable or unacceptable in their organization. For this section, real cases of successful family businesses are analyzed to tease out how family values can be instilled across generations. Likewise, this last section emphasizes practical ways in which values can be communicated, discussed and put into practice through different avenues: structures (family council/ family assembly), rules (family protocol/family constitution) and procedures (e.g. succession).

**Marta Elvira**
On November 20, at the Faculty of Economics and Business at the University of Oviedo, presented the paper "Responsabilidad social corporativa y dirección de recursos humanos: El caso de América Latina".

**Markus Maedler**
On December 9, at the University of Mannheim, presented the paper "An analysis of congruity".

**Johanna Mair**
On December 8, at the European School for Management and Technology in Berlin, presented the paper "Institutional voids and the building of markets: Lessons from rural Bangladesh", co-authored with Ignasi Martí and Marc Ventresca.

**Abstract:** The relative paucity of institutions that support markets has been widely recognized as one of the key factors inhibiting developing economies on their growth paths. We use the term institutional voids to depict this particular situation. In the context of this project we define “institutional voids” as the absence or weakness of modern market institutions, despite the presence of rich traditional institutional arrangements. Understanding the nature and persistence of institutional voids requires a careful analysis of the existing institutional elements. Our objective in this paper is to identify avenues of how to address them or, put differently, to understand how markets get built in and around institutional voids. We study, in microcosm, the activities of BRAC, a civic organization working in rural Bangladesh, and illustrate: 1) how markets get built de facto at the interfaces of different institutional arenas (religion, law, family, etc.), and 2) how such construction involves a broad set of “market building activities”. We argue that institutional interfaces are privileged settings to observe market-building processes: some of the interfaces facilitate market construction, some impede it, and some reconfigure what a “market” looks like. In a first analytical move, we illustrate the nature and persistence of institutional voids. We focus on three interfaces to show how property rights, autonomy in decision making and the monetarization of exchanges turn out to be weak and even meaningless for many in rural Bangladesh. In a second move, we unpack the type of “work” that BRAC is performing at these interfaces. More specifically, we identify and elaborate on four sets of activities: 1) building platform; 2) giving meaning to work; 3) managing emotions, and 4) forcing and scolding. Our findings reveal that market building involves breaking with existing systems of power, challenging current practices, disrupting prevailing social norms and (re)building and experimenting with new systems of activity around and “out of” existing bits and pieces of institutions.

**Pinar Ozcan**
On November 30, at Rotterdam School of Management, presented the paper "Power battles and the emergence of new industries: The case of mobile payment services".

**Abstract:** Market emergence and industry architecture are topics of great interest to organizational researchers. While earlier works assume that markets always existed, recent works have started to explore the process through which new markets come into existence and mature. To answer the question of how firms agree upon a business model in emerging industries, we carried out a multiple-case inductive study of the mobile payment industry, an industry that emerged in late 1999 to enable payments via mobile phones, using a new contactless technology (NFC). Overall, we find that new industry development can stall for long periods while players negotiate a business model. The result of this negotiation largely depends on the power balance of the parties, where, contrary to prior literature, fewer powerful players advocating the new industry works better than many.
Antonio Argandoña
He gave the following lectures:

On November 5, at the Pontevedra employers confederation (CEP) in Vigo, "Las claves para entender la crisis".

On November 21, at the IX Jornada d'Estudi "Relativisme" in Barcelona, "Conseqüencies del relativisme en la crisis actual".

On December 3, at Encuentro Agenda TIC 2010 in Barcelona, "Introducción al entorno socio-económico actual".

On December 9, at the Colegio de Ingenieros de Caminos, Canales y Puertos in Barcelona, "Com evolucionarà l'economia i la borsa el 2010?".

Martina Elvira
On November 5-7, attended the "Care and the professions" conference, organized by the Social Trends Institute in Barcelona, where she gave the lecture "Understanding the professionalization of the care field from a sociological perspective".

Abstract: The recent trend toward increasing professionalization of care-related jobs in all kinds of organizations brings to the fore the changing face of professional identity for care givers. This complex theme is ripe for research applying organizational sociology frameworks as well as labor relations theories to study the evolution of care-related career paths and multiple issues surrounding employment relationships for direct care workers. The first part of the presentation focused specifically on how culinary occupations have evolved: what we eat, who prepares it and how it is prepared tells us what we value and who we are as a society. Among sociologists, cooking has typically been viewed as secondary to its cultural aspects, overlooking: a) those who perform the cooking, b) what they actually do, and c) how their work is organized. Fewer studies concern the actual nature of jobs performed, which could be studied by examining culinary work, knowledge and practice, together with culinary experts’ identities, values and beliefs, and the structure of culinary occupations’ training, credentialing and careers. Abbott's theory of professionalization in The System of Professions (1988) provides a widely respected framework to advance this knowledge. The second part of the presentation outlined the application of this research approach to how elderly care-related occupations are evolving evolve and are being structured.

Pedro Nuño
On November 9, attended the XII Congreso Nacional de la Empresa Familiar in Zaragoza, where he took part in the roundtable "Aprender a sobrevivir".

On November 18, gave the lecture "Nuevos estilos de emprender y liderar", in the APD in Barcelona.

On November 19, attended the Future of Europe Summit in Andorra, where he participated in the panel "Opportunities, innovation and brainpower: Overcoming the crisis".

Joan E. Ricart
On December 9-11, attended the Joint EFMD-EURAM Programme on Developing Research Managers in Brussels, where he gave the following lectures: “Building a successful research culture. The IESE example” and “How major academies such as EFMD, EURAM, EIASM & SMS can contribute to building the research capacity in Europe”.

Carlos Rodríguez Lluesma
On November 11-12, attended the Swissport’s Americas Annual Managers Meeting in Las Vegas, where he gave the lecture "Motivation and talent management".

Abstract: Motivating implies influencing not only our employees’ attitudes but also their beliefs about what they are doing. We tend to forget about the latter because our model of human action is markedly behaviorist, that is, it leads us to think that inducing a desired change in behavior is all that is needed to increase performance. Except in very particular circumstances, this approach is both myopic and harmful because extrinsic inducements may help change behavior, but they may also fix employees’ attention disproportionately on money, hence inducing inappropriate behavior, eroding intrinsic motivation and diminishing employees’ commitment to the organization. This talk explored the dynamics of motivation and considered its effects on talent management.

Guido Stein
On November 19, attended The Peter F. Drucker First Global Forum in Vienna, where he gave the lecture “A man for all seasons”.

Book reviews

Javier Estrada

Carlos Sánchez-Runde, Steven Poelmans, Pablo Cardona, Yih-teen Lee – B. Sebastian Reiche
NOTE: The updated bibliography may be consulted on the Internet at http://wwwapp.iese.edu/research/res_search_adv.asp?lang=en

Entrepreneurship

ISS Spain. The Integration Machine (A)
(E-126-E - 0.608.059)

ISS headquarters in Copenhagen (Denmark) were impressed by Joaquim Borràs's leadership in Spain. The Spanish subsidiary had won the 2003 Special Award, the 2005 “5 Bees” Award for Continental Europe and the 2006 Diamond Award. In each case the reason had been the same: ISS Spain had shown excellent financial results, a great acquisition and integration policy, and the ability to create a team and make people grow within the firm. Having started from scratch in 1999, by the end of 2008 the subsidiary had more than 30,000 employees and revenue of EUR 617m, and had made 48 acquisitions. However, as Joaquim recalled, the history of ISS in Spain had not been easy. He was currently preparing a meeting with other ISS Country Managers, as he had been asked to share with them some of his remarkable experiences and learning. Looking back over the firm's history, he decided to dwell on two landmarks: the first acquisitions, which had led to the constitution of ISS Spain; and year 2004. In that year he had had to decide between acquiring more small and medium-sized companies or taking a quantum leap and acquiring a large one. He had also been thinking of entering a new segment within property services: that of environmental hygiene.

Aguilés R.; Prats M.J.; 25 pages.

ISS Spain. The Integration Machine (B)
(E-133-E - 0.609.073)

ISS Spain Country Manager Joaquim Borràs was preparing a meeting with other ISS Country Managers in which he had been invited to share with them his experiences in acquisitions and integrations over the ten years he had been in this position. He recalled how in 2004 the ISS Spain team had decided to buy the cleaning company UNICA and also Bentec, which operated in the service areas of pest control and environmental hygiene. The acquisition and integration of these two companies had proved to him that in business things do not always go as expected.

Aguilés R.; Prats M.J.; 10 pages.

Managing People in Organizations

Bertelsmann. Media Worldwide: Worldwide Culture?
(DPO-117-E - 0.408.016)

The case describes the culture of Bertelsmann, the media giant made up of business groups such as Gruner + Jahr, Arvato, Random House, etc. It analyzes how the founding family has tried to create its own culture at the Bertelsmann Group and how that culture is experienced in some of the companies that make up the group. Specifically, the case study contains several interviews with the managing directors and heads of Human Resources of Random House Mondadori, Eurohueco and Printer (which belongs to Arvato) and Círculo de Lectores.

Cardona P.; Wilkinson H.; 26 pages.

Alberto Colzi at Abbott Italy (A)
(DPO-145-E - 0.408.062)

This case deals with the problem a general manager faces when he attempts to change the organisation's culture to make it more creative. He finds that he needs to get his team on board and then the rest of the organisation. What is illustrated in the case is an innovation programme he starts in the company, which he calls “InnovAction”.

Christofferson R.; Miller P.; 7 pages.

Alberto Colzi at Abbott Italy (B)
(DPO-150-E - 0.408.067)

See case (A) (DPO-145-E)

Christofferson R.; Miller P.; 8 pages.

Caja de Ahorros La Piedad del Bierzo
(DPO-165 - 0.408.090)

Numerosas entidades de crédito se vieron afectadas por la crisis financiera de 2008. Ante esta situación, se hace necesaria la introducción de un nuevo sistema de fijación de objetivos y de retribución variable de la red comercial, centrado en la reducción de la morosidad y en la captación de recursos.

García E.; Gracia M.D.; Gómez S.; 22 pages.

Coaching en el Banco Ganadero-BBVA (B)
(DPO-171 - 0.409.098)

El caso 8 recoge lo ocurrido después de los errores cometidos por el director de zona en el caso A. Se relata la reacción positiva del director de zona, que supone la asimilación del nuevo proceso de
evaluación del desempeño establecido por el banco. Se narran
las segundas entrevistas con dos de sus colaboradores y con su
propio jefe.

Susaeta L.; Pin J.R.; 10 pages.

A 36-Year Old Manager in Crisis (A)
(DPO-176-E - 0.409.108)

This case is about a 36-year old manager employed by a big
international bank. For almost a year he has felt quite frustrated at
work and is under medical treatment for depression. A few days
earlier he was offered another job that would mean a significant
promotion within the same bank and has been asked to accept it
or not as soon as possible.

Ribera A.; 6 pages.

A 36-Year Old Manager in Crisis (B)
(DPO-177-E - 0.409.109)

This case illustrates the decision taken by the 36-year old manager
working for an international bank when he receives an offer that
means a significant promotion within the same bank, as described
in part (A) of the case.

Ribera A.; 1 page.

Ignacio Valente (A)
(DPO-181-E - 0.409.114)

The Valente Group is a family company that owns a number of
multi-brand car dealerships. A middle manager comes to work one
day in a car recently purchased from a rival dealership and boasts
to his colleagues about it. Although his employer had offered
favorable terms, he went to the other dealership because it offered
him a better trade-in price for his old car. In response, Ignacio, a
partner and deputy managing director for sales, fires the employee
on the spot. The general economic crisis and the particular crisis
facing the industry at this time puts the executive committee under
heavy pressure.
(Also available in Spanish.)

Ruiz de Alba J.L.; Chinchilla M.N.; Las Heras M.; 10 pages.

Ignacio Valente (B)
(DPO-182-E - 0.409.115)

(See case A) (DPO-181-E) (Also available in Spanish.)

Ruiz de Alba J.L.; Chinchilla M.N.; Las Heras M.; 2 pages.

Ignacio Valente (C)
(DPO-183-E - 0.409.116)

(See case A) (Also available in Spanish.)

Ruiz de Alba J.L.; Chinchilla M.N.; Las Heras M.; 2 pages.

Ignacio Valente (A, B y C) – Nota del Instructor
(DPOT-36 - 5.409.117)

Cases DPO-181-E, DPO-182-E and DPO-183-E.

Use is restricted to Academic Institutions.

Ruiz de Alba J.L.; Chinchilla M.N.; Las Heras M.; 10 pages.

Becoming a CEO: Career Stages
(DPON-77-E - 0.408.055)

Do I really want to try and become a CEO? How do I go about it?
Is it worth it? This technical note discusses what an executive must
do to become a CEO. Four stages of the process are described and
the professional challenges are examined.
(Also available in Spanish.)

Pin J.R.; Stein G.; 21 pages.

Jordan Cohen at pfizerWorks: Building the Office of the Future
(DPO-187-E - 0.410.006)

Jordan Cohen is the Manager of organisational effectiveness within
Pfizer, the large pharmaceutical company. He sets up a system
called pfizerworks that outsources tasks such as preparation of
Excel documents, PowerPoints and research. This case follows his
progress over a five-year period as he sets it up from scratch to
embedding pfizerworks throughout the corporation.


¿Qué hay detrás del fracaso de los CEOs?
(DPON-83 - 0.409.105)

Las decisiones sobre la destitución de un CEO adolecen de
fundamentos sólidos en la bibliografía científica. Revistas como
Management o Journal of Management han publicado artículos de
conclusiones enfrentadas durante los últimos 30 años. Existe un
conjunto de variables con poder explicativo que son estudiadas de
manera reciente. Variables como la procedencia del CEO (insider-
outsider), la selección de los consejeros, la edad y la antigüedad en el
cargo, la propia compañía, el tipo de industria y las fusiones y
adquisiciones, se plantean como focos de explicación del fracaso del
CEO. También se han estudiado los límites al número de consejeros,
la porcentaje de consejeros independientes o la separación del cargo
de CEO-Presidente. Ninguno de estos factores obtiene un apoyo unánime en la bibliografía, los estudios empíricos han desestimado la importancia de su impacto en unos casos y, en otros, han negado el sentido de los efectos. El objetivo de esta nota técnica es recoger de manera sintética las explicaciones que han dado los académicos del management sobre los factores mencionados. La reciente información publicada por Booz & Co. sirve para ponderar estos avances y mostrar cómo ha explicado la bibliografía estos resultados.

Capapé J.; Stein G.; 9 pages.

Soft Power: An Overview
(DPON-84-E - 0.409.110)

“Soft Power” is the ability to get what you want through persuasion and attraction (in contrast to “hard” power, which involves getting what you want through the use of payments, bonuses, promotions, right across the spectrum to Machiavellian tactics, coercion and bullying). It is the ability to reach out and attract others with a clear vision by way of our persuasive communication and attraction. This paper discusses the two components of “soft” power: persuasive communication (meaning a combination of emotional intelligence, vision and rhetoric) and personal magnetism.

Leggett B.; 10 pages.

Marketing

Ferreiro, Lda.
(M-1230 - 0.510.004)

Después de quince años de presencia en los mercados exteriores que le suponen el 90% de la facturación, Ana Sousa, empresaria y fundadora de Ferreiro Lda., se plantea los nuevos retos de futuro en el competitivo mercado mundial del calzado. La diversificación del producto, la apertura de oficinas comerciales en el exterior, la integración hacia una cadena de tiendas, la opción industrial, los cambios en la organización y la preparación de su futura sucesión son algunos de los ámbitos sobre los que debe reflexionar y decidir.


OnLine Save
(M-1231 - 3.510.005)

En 2009, dos años después de la inauguración de la delegación de ventas en España, OnLine Save se enfrenta a una pérdida alarmante de la rentabilidad del negocio, sumada a una disminución de la productividad de los vendedores y un crecimiento alarmante de la rotación. El método de ventas de una sola visita para colocar a las pymes copias de seguridad gestionadas en remoto y online, sumamente exitoso hasta el momento, empieza a mostrar algunas debilidades. ¿Qué hacer para recuperar la rentabilidad? ¿Qué cambios en la organización de ventas? ¿Qué cambios en sus políticas de reclutamiento, formación, supervisión, retribución y despliegue?

Serrahima J.; Segarra J.A.; 22 pages.

Strategic Management

De la reflexión estratégica a la gestión de proyectos: El proceso estratégico de innovación
(DGN-642 - 0.304.070)

La reflexión estratégica y la gestión de proyectos representan el eje principal de un sistema integral de dirección de la innovación. Por un lado, un buen proceso de reflexión aporta toda una serie de beneficios. Por ello, es esencial que las iniciativas de innovación emanen de las directrices estratégicas de la empresa. Por otro lado, la implementación de las iniciativas, a través de una acertada gestión de proyectos, permite asegurar que se alcancen los objetivos estratégicos para los cuales se definieron. Sin embargo, en algunas empresas los proyectos (cuando existen) están escasamente ligados con el propósito de la compañía. Por este motivo, esta nota técnica pretende mostrar los conceptos básicos relacionados con la estrategia y la gestión de proyectos, las etapas para definir y seleccionar proyectos estratégicos y, por último, aunque de manera breve, los elementos organizativos que son necesarios para su correcta implementación.


Family Office
(SMN-669 - 0.308.069)

Dentro del término Family Office se integran las muy diversas formas de organizar y gestionar los recursos patrimoniales de la familia propietaria y que no corresponden al core business, a la propia empresa familiar en activo, así como el facilitar una unidad de servicios para los miembros de la familia. En la etapa del fundador de la empresa familiar, es frecuente que éste se apoye en alguna persona de su confianza, por ejemplo, el contable de la empresa, para que le administre también sus temas personales. Con la incorporación de nuevas generaciones de la familia y el crecimiento del negocio, es necesario organizar qué servicios se facilitan a la familia empresaria y cómo hacerlo. Este momento es muy importante, ya que existe la oportunidad de desarrollar un proyecto de Family Office con rigor empresarial y lograr construir un eficiente centro de servicios financieros, contables, fiscales y de formación para toda la familia. Al contrario, se puede optar por disponer de una oficina familiar que actúe como un mero cajón de sastre de gestiones y papeleo familiar, con el grave riesgo de albergar en él familiares trabajando sin un plan ni carrera profesional concretos. Esto les llevará a dar un servicio probablemente poco competitivo y convertirse, a medio plazo, en una organización obsoleta.

Chiner A.; Tàpies J.; 10 pages.