Antonio Argandoña – Heidi von Weltzien Hoivik

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.

Antonio Argandoña – Carlos M. Moreno – Joan M. Solà

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.


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.

Manel Baucells – Franz Heukamp

Abstract: We present an experiment in which in a choice between two risky prospects a common delay is added. The results show the same change in preferences as in the well-documented common ratio effect in risky lotteries. The added common delay acts as if the probabilities were divided by some common ratio. The experiment confirms prior evidence in the literature according to which a delay is perceived as a source of uncertainty. The results
are consistent with the recently introduced Probability Time Tradeoff (PTT) model by Baucells and Heukamp. We present a parameterization of the model based on the experimental results.

**Fabrizio Ferraro - Kerem Gurses**


Abstract: This article contributes to the literature on industry architecture by identifying the conditions that enable the emergence of architectural advantage. To understand how one firm can shape the industry architecture in its favor, we analyzed a historical case study on the role of Lew Wasserman and the Music Corporation of America (MCA) in the evolution of the motion picture industry in the United States. We focused on two major disruptive events: the 1948 Paramount Decree, which forced vertically integrated movie studios to divest their theaters, and the explosion of television as a new form of entertainment in the 1950s, which became an alternative for exhibiting movies. In both these cases, one company, MCA, managed to improve substantially its standing by occupying and consolidating a position of advantage in the industry or, in other terms, an 'architectural advantage'. We show how in both cases this was the result of interactions between the Studios, constrained by the institutional logic of the industry, the regulatory framework, and MCA's introduction of novel practices. The latter consolidated its grip on talents and facilitated the growth of independent production and TV production.

Alexander P. Groh - Heinrich Liechtenstein - Miguel A. Canela


Abstract: Growth expectations and institutional settings in CEE are favorable to the establishment of a vibrant VC/PE market. What is missing is a supply of risk capital. We address the obstacles to institutional investments in the region via a questionnaire addressed to (potential) Limited Partners worldwide. The respondents provide information about their criteria for international asset allocation. The protection of property rights is the dominant concern, followed by the need to find high quality local General Partners and the management quality and skills of local entrepreneurs. Expected deal flow plays an important role in the allocation process, while investors fear bribery and corruption. The strong results do not change significantly from European to non-European Limited Partners. CEE is considered very attractive, especially for economic and entrepreneurial activity. However, investors are not comfortable with the level of protection of their claims in the region.

Douglas T. Hall - Mireia las Heras


Abstract: The purpose of this paper is to generate new ideas for redesigning jobs and careers and to make them more productive, more fulfilling, and more immediately learning-inducing to the holder. To do this, we discuss both “imports and exports” between job design and career theory. As one of our major suggestions, we introduce and advocate smart jobs: jobs that can stimulate learning, growth, and employability on the part of the incumbent. This discussion is centered on two questions: a) what can job design contribute to our understanding of careers, and b) what can career theory and research contribute to job design? Let us consider the nature of jobs and careers, and their common heritage in the management literature.

**Books**

Miguel A. Ariño - Pablo Maella


Abstract: El libro expone diez principios para tomar buenas decisiones. Todo el mundo tiene que tomar decisiones, tanto en el trabajo como en las relaciones con los demás. Y éstas dependen de las elecciones que se hacen. De ahí su importancia, ya que en último término cada persona es lo que decide ser. Sin embargo, muchas veces se deja al azar la capacidad de resolver, mientras que otras veces se opta por lo más fácil, que es repetir patrones de actuación que han dado buenos resultados o simplemente uno se deja guiar por la intuición. En el libro se defiende que es posible aprender a decidir. Para explicarlo, se utiliza el ejemplo del Titanic para ilustrar cada uno de los diez puntos que hay que tener en cuenta antes de escoger.

Richard Steers - Carlos Sánchez-Runde - Luciara Nardon


Abstract: Management practices and processes frequently differ across national and regional boundaries. What may be acceptable managerial behavior in one culture may be counterproductive or even unacceptable in another. As managers increasingly find themselves working across cultures, the need to understand these differences has become increasingly important. This book examines why these differences exist and how global managers can deal with them.

Xavier Vives


Abstract: The CESifo Report on the European Economy 2010 addresses the challenges for the developed world to exit the
financial crisis without compromising its long-term prospects. Besides the traditional chapter on the immediate macroeconomic outlook, the report also analyzes the adverse effects the crisis has had on trust in financial markets. Trust is a key factor that will help determine whether the world economy can be rebuilt on a more stable foundation. In addition, the report discusses the consequences of the large deficits for the sustainability of public finances in the long run. Other chapters discuss the impact of the crisis on the long-term sustainability of the US economy in terms of government accounts and the external balance, and the impact of the crisis on the euro area.

Abstract: In this chapter the authors first review the complex situation which individuals face when coping with the demands from both their family and their work lives in the US. In the review the authors point out the risks that individuals, firms, and society at large encounter when employees experience work-family conflict. Second, they very briefly review how firms and the US government have tried to ameliorate the negative impact of these changes on individuals, families and society. Finally, they present the different types of policies and practices that US companies are currently implementing to lessen their employees’ work-life strain, and how these policies impact employees’ and companies’ productivity.

Beatriz Martín - Consuelo León - Aline D. Masuda - Nuria Chinchilla

Abstract: In a continent as heterogeneous as Europe there are as many differences as there are similarities. On the legislative level, the Welfare State protects, and encourages measures to protect, workers, as well as what are known as equal opportunity and work-family laws. On a cultural level, however, there are significant differences, mainly due to the different time zones and the different models of organization of work. This chapter brings together the main data in this respect and presents some good practices adopted in companies that have succeeded in combining flexibility with productivity. Particular attention is given to the IFREI (IESE Family-Responsible Employer Index and associated study), started at IESE ten years ago, which measures the sustainability of companies’ practices in relation to work-life issues. Lastly, the authors offer some recommendations to policy makers and employers.

Contributions to books

Antonio Argandoña

Abstract: The concept of common good occupies a prominent place in political and social philosophy, yet it has had little impact on the theory of the firm. This is despite some recent attempts to restate the theory of the firm on broader and therefore more fruitful anthropological and social foundations than those of traditional economic theory. The present study connects with other discussions of organization theory based on the ideas of Aristotle and Thomas Aquinas and is an attempt to explain how the concept of common good may be used to broaden the foundations of organization theory.
Nuria Chinchilla

Abstract: La incorporación de la mujer al trabajo, el desigual reparto de responsabilidades entre hombres y mujeres en la esfera privada, la perpetuación de la división del trabajo por razón de sexo, así como un déficit de servicios comunitarios de apoyo, afectan negativamente a la igualdad de oportunidades en el empleo, al equilibrio social, al entorno familiar, a la productividad empresarial y a la calidad de vida. La conciliación puede ayudarnos a resolver estos problemas. Conciliar también es innovar.

Pablo Fernández

Abstract: La valoración de una empresa es un ejercicio de sentido común que requiere unos pocos conocimientos técnicos. Ambos (sentido común y conocimientos técnicos) son necesarios para no perder de vista:

1. ¿Qué se está haciendo?
2. ¿Por qué está haciendo la valoración de determinada manera?
3. ¿Para qué se está haciendo la valoración?
4. ¿Para quién se está haciendo?

Todos los errores en valoración de empresas se deben a no contestar adecuadamente a alguna de estas cuatro preguntas, esto es, a falta de conocimientos o a falta de sentido común (o a la falta de ambos).

Se describen brevemente los cuatro grupos de métodos de valoración: métodos basados en el balance de la empresa, métodos basados en múltiplos, métodos mixtos y métodos basados en el descuento de flujos de fondos. Los métodos cada vez más utilizados (y conceptualmente "correctos") son los basados en el descuento de flujos de fondos (cash flows), que consideran a la empresa como un ente generador de flujos de fondos y por ello valorable como un activo financiero. Comentamos brevemente otros métodos porque –aunque son conceptualmente “incorrectos”– se siguen utilizando con frecuencia.


Abstract: La valoración de las acciones de una empresa requiere –como casi todas las actividades humanas– “oficio”, esto es, sensatez, experiencia y algunos conocimientos técnicos. La mayoría de los errores en valoraciones se deben a falta de “oficio”. Esta falta de “oficio” se manifiesta, por ejemplo, en: precipitación (no repasar la valoración); copiar mal una valoración bien realizada; copiar bien una valoración mal realizada; tomar algunas simplificaciones o generalizaciones de libros de texto (realizadas para facilitar la exposición) como teoría incontestable; no pensar “el porqué” de lo que se hace (afición a las recetas); carencia de conocimientos técnicos o poca reflexión sobre los mismos; generalizar teorías a partir de casos particulares; confundir unos conceptos con otros, y olvidar las hipótesis que sustentan algunos resultados teóricos. Esto ocurre incluso en trabajos firmados por empresas de gran prestigio, porque el oficio es propio de las personas y no de las organizaciones. No es tarea sencilla el transmitir la sensatez y la experiencia acumulada a los valoradores más jóvenes.

Para valorar empresas no existe un método infalible. Se utilizan en ocasiones métodos absurdos, pero también se pueden obtener resultados absurdos utilizando un método conceptualmente sensato si los parámetros que se utilizan carecen de sensatez.


Pablo García Ruiz – Carlos Rodríguez-Llusma

Abstract: The present chapter deals with the application of “reflexivity” to the study of consumption as social practice. To do so, we first describe what this human capacity consists of that allows us to entertain ultimate concerns, craft projects of action, and to realize them into a modus vivendi. In the second section we introduce “lifestyles” as the modus vivendi of consumers who –aware or not– have developed “consumption projects”. In our third section we delve into the meaning of consumption projects and practices. Structuralist and individualist proposal thereof are reviewed, and some of their limitations unveiled, which derive from their scant attention to the relationship between agents and their sociocultural context. At that point we will argue for the need to study not only the sociocultural influence on agents, or even the capacity people have to launch initiatives, but the way in which people bear in mind the sociocultural context in which they develop their consumption projects. We then examine a few illustrations that validate our claim. As a last step, we make some proposal concerning how to introduce into consumption studies not only the notion of reflexivity, but also the ways in which that reflexivity is carried out. These different reflexive modes would yield different types of “reflexive consumers”, each with their own features, which we propose as a starting point for further research on consumption practices in our current society.

Xavier Vives
Abstract: Barcelona debe romper con su modelo de negocio tradicional –basado en mano de obra barata, tecnología importada y mercado protegido– y solucionar su falta de centralidad política y geográfica en España y Europa, respectivamente. Para ello, debe aprovechar las capacidades del área que le rodean y fomentar las vías de conexión con Francia, además de apostar por proyectos innovadores, como ya ha hecho con el distrito tecnológico 22@.

IESE - Working Papers

No 839 – January 2010
Francesc Prior – Javier Santomá
BANKING THE UNBANKED USING PREPAID PLATFORMS AND MOBILE TELEPHONES IN THE USA

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. Nearly 40 million United States households (approximately 73 million people) are financially underserved (CFSI, 2007), of which 15 million households (approximately 28 million people) are totally unbanked. This problem is explained by the non-adequacy of the value proposals offered by financial institutions to the demands of United States customers. The areas of poor alignment refer mostly to the design of products and the marketing and distribution networks used. To resolve these misalignments, this paper will argue that business models based on prepaid cards as products and mobile phones as transaction and distribution channels could be used in order to close the supply gap. The business model proposed, based on prepaid products and mobile phones, will be called mobile banking in this paper, since these two elements are the basis of the business model used by companies such as Smart Money and G-Cash in the Philippines, Wizzit in South Africa and M-Pesa in Kenya.

No 840 – January 2010
Christian Seelos – Johanna Mair
ORGANIZATIONAL MECHANISMS OF INCLUSIVE GROWTH: A CRITICAL REALIST PERSPECTIVE ON SCALING

Abstract: We investigate the challenge of how the outcomes of innovation for inclusive growth, the novel organizational recipes, can be scaled to match the dimension of poverty. We conceptualize scaling as sustained event regularities between doing A and expected outcomes B. Building on a critical realist perspective, we develop an analytical framework of organizational closure and apply it to an extreme case, an organization with an inclusive growth model that has sustained event regularities for more than two decades. Our analysis reveals closure as an organizational competence with important implications for achieving scale in the context of poverty. We develop a number of propositions on the link between organizational closure and scaling, with implications for practice and further academic research.

No 841 – January 2010
Pablo Fernández – Javier del Campo
RENTABILIDAD Y CREACION DE VALOR DE 125 EMPRESAS ESPAÑOLAS EN 2009

Abstract: En 2009, la rentabilidad del IBEX 35 fue del 38,3% y hubo 89 empresas (entre 125) con rentabilidad positiva. Considerando conjuntamente los años 2009 y 2008, sólo diez empresas tuvieron rentabilidad positiva. Las 125 empresas crearon valor para sus accionistas por importe de 100 millardos de euros. Ha sido un año con gran volatilidad (y, por tanto, con grandes oportunidades de inversión): el cociente entre la cotización máxima y la cotización mínima ha sido superior a 2,5 en 30 empresas y superior a 2 en 60 empresas. También se muestra que el descenso de 2008-2009 fue menor que los de 2002, 1947 y 1980, y similar a los de 1958 y 1992. La bolsa española no es representativa de la economía española. Esta “crisis” se superará cuando el sentido común, el trabajo bien hecho, la competencia profesional y la veracidad vuelvan a ser la tónica dominante en la sociedad (dirigentes políticos, directivos de empresas, organismos reguladores, empleados...).

No 842 – January 2010
Pablo Fernández
TRES SENTENCIAS CON TREMENDOS ERRORES SOBRE VALORACION

Abstract: Este documento contiene más de treinta errores y disparates sobre valoración de empresas: la mayoría están más relacionados con la ausencia de sensatez que con la técnica. En julio de 2008, un Magistrado estableció que el valor razonable de las acciones de una admirada y rentable empresa española era su valor contable, como afirmaban dos catedráticos de contabilidad. Otra sentencia de la Audiencia Provincial de 29 de julio de 2008 afirmó que la valoración debe hacerse según las “Normas Técnicas de Auditoría”, sostuvo que dichas normas son más relevantes que “lo que la ciencia económica pueda considerar “conceptualmente correcto”", negó que las acciones de una empresa que invierte con sensatez tienen más valor que las de una que no invierte, y proclamó que “las divergencias de unos y otros peritos sobre la corrección de la tasa de descuento aplicada... muestran la falta de fiabilidad del valor real determinado” por descuento de flujos. En diciembre de 2009 insistió: “Aquí ya ha sido rechazado que el único método conceptualmente correcto es el de descuentos de flujos”. Una sentencia anterior, más sensata (marzo de 2007), había valorado las acciones de la misma empresa en 2,4 veces su valor contable.
Este documento muestra los párrafos más relevantes de las sentencias y de los informes de los que disponían los Magistrados. También contiene preguntas que agradeceré al lector que me ayude a contestar, por ejemplo: ¿cómo varios Magistrados pudieron (con la información que tenían y en el siglo XXI) escribir semejantes errores?
El Anexo 6 incluye 75 comentarios de lectores a versiones previas de este documento.

IESE - Studies and Monographs

No 843 – January 2010
Luis Cabral
DYNAMIC PRICE COMPETITION WITH NETWORK EFFECTS

Abstract: I consider a dynamic model of competition between two proprietary networks. Consumers die and are replaced with a constant hazard rate; and firms compete for new consumers to join their network by offering network entry prices. I derive a series of results pertaining to: a) existence and uniqueness of symmetric equilibria; b) monotonicity of the pricing function (e.g., larger networks set higher prices); c) network size dynamics (increasing dominance vs. reversion to the mean), and d) firm value (how it varies with network effects).
Finally, I apply my general framework to the study of termination charges in wireless telecommunications. I consider various forms of regulation and examine their impact on firm profits and market share dynamics.

No 844 – January 2010
Antonio Argandoña
CORPORATE SOCIAL RESPONSIBILITY IN THE TOURISM INDUSTRY. SOME LESSONS FROM THE SPANISH EXPERIENCE

Abstract: Tourism has been, and still is, a very profitable industry in Spain. But the Spanish model of tourism development, following a pattern set in the 1950s, is now in crisis. The crisis is apparent in the widespread overdevelopment of tourist resorts and residential facilities in coastal areas, generating high environmental, social and economic costs. In this paper, we describe the Spanish model of tourism, the results it has achieved, the reasons for its longevity and the obstacles facing any attempt to change it. Given the failure of individual, collective and political action to solve the problems of overdevelopment, we ask whether corporate social responsibility and its theoretical foundations and instruments offer a solution.

No 845 – February 2010
Giulio Federico - Angel L. López
SELECTING EFFECTIVE DIVESTMENTS IN ELECTRICITY GENERATION MARKETS

Abstract: We study the impact of electricity divestments in a stylised model where a dominant producer faces a competitive fringe with the same cost structure and is forced to sell some of its capacity. For a given demand level, the divestment which achieves the greatest reduction in prices can be several times more effective in reducing prices than a divestment of baseload (or low-cost) plants. We extend this theoretical result to the case with variable electricity demand by considering a numerical example based on data from the Italian market.

IESE - Studies and Monographs

No 112 – January 2010
Antoni Subirà – María Luisa Blázquez – Manuela Leach
BENEFICIOS ECONOMICO-SOCIALES DE LAS MULTINACIONALES QUE REALIZAN I+D+I EN ESPAÑA

Abstract: Este estudio analiza la aportación que realizan las multinacionales extranjeras en España y los beneficios que ello supone para la economía y la sociedad españolas. Se pretende mostrar desde una perspectiva multinacional la importancia de impulsar el I+D en España como pieza clave del cambio de modelo económico. Más específicamente, se busca transmitir la importancia de incentivar, mantener y atraer la inversión en I+D, y resulta fundamental plantear la importancia de las empresas multinacionales que hacen I+D de cara a reforzarlo en España.

No 113 – February 2010
Heino Meerkatt – Heinrich Liechtenstein
TIME TO ENGAGE – OR FADE AWAY. WHAT ALL OWNERS SHOULD LEARN FROM THE SHAKEOUT IN PRIVATE EQUITY

Abstract: In this study, we address the question of how private-equity firms – and, by extension, all owners – can add to the competitive position of their companies. To find the answer, we drew on our database of 3,000 capital commitments to private equity and conducted 20 in-depth interviews with limited partners who invest in private equity. In addition, we analyzed more than 100 academic articles examining the link between ownership type (public, family, and private equity) and governance practices and performance, and discussed the issue with experts at relevant research institutions.

No 114 – February 2010
Sandaliio Gómez - Iciar Lumbreras - Carlos Martí - Macarena Barios - Magdalena Opazo - Nicolás Gutiérrez
VOLUNTARIADO CORPORATIVO EN ESPAÑA. 2009

Abstract: El Consejo de la Unión Europea ha declarado recientemente el año 2011 como Año Europeo del Voluntariado. Este trabajo, aunque anticipado en el tiempo, se sitúa en línea con los objetivos que la Unión Europea ha fijado para ese año, que consisten en establecer un marco propio para el desarrollo del voluntariado como parte de la promoción de la participación ciudadana, reconocer las actividades de voluntariado y mejorar su calidad, así como sensibilizar sobre el valor y la importancia del mismo.
MEJORES PRACTICAS EN RECURSOS HUMANOS

Abstract: Los autores se han propuesto recopilar e investigar en este séptimo libro blanco las mejores prácticas en recursos humanos que faciliten a las empresas y organizaciones afrontar y gestionar, sin perder el foco de la viabilidad a futuro, la gestión de sus plantillas. El objetivo es un diálogo constructivo entre agentes sociales, empresariales y sectoriales, en definitiva, la suma de una mayor flexibilidad del mercado laboral y de medidas que den seguridad a los trabajadores que deben cambiar de trabajo. El interés en este libro blanco ha sido recoger las prácticas que mejor ayudarían a resolver los problemas de las crisis del mercado laboral. Han llegado a la conclusión de que son prácticas preventivas, prácticas que tendrían que estar usándose durante los períodos estables o de bonanza de las empresas.

Other publications

Antonio Argandoña


Abstract: El concepto de bien común ocupa un lugar destacado en la filosofía política y social, pero ha encontrado poco eco en la teoría de la empresa, a pesar de algunos intentos recientes, encaminados a replantear esa teoría sobre unas bases antropológicas y sociales más amplias y, por tanto, más fecundas que las de la teoría económica tradicional sobre la empresa. Este trabajo enlaza con otras elaboraciones de la teoría de la organización basadas en las ideas de Aristóteles y Tomás de Aquino, e intenta explicar cómo el concepto de bien común puede ser utilizado para ampliar los fundamentos de esa teoría.

Miguel A. Ariño - Juan C. Vázquez-Dodero – Ramakrishna Velamuri

Abstract: We propose a holistic managerial decision making framework that encourages managers to take into consideration the three impact dimensions of any decision involving interactions with stakeholders, internal or external. The impact dimensions are: a) effectiveness; b) operative learning, and c) relational learning.

We submit that an organization whose managers systematically take these three impact dimensions into consideration in their decision making is more likely to achieve superior long-term performance. We discuss the implications of our framework for researchers, practitioners and educators.

Javier Estrada

Abstract: Many financial advisers claim it is possible to have high-return, low-risk strategies by trading actively in volatile markets. But investors should settle in for the long term and keep their nerve even when the value of their shares is falling sharply.

Conferences and Seminars

Antonio Argandoña
On January 21-22, attended the International Conference and Expert Workshop titled “The business benefits of CSR in tourism”, in Sofia, Bulgaria, where he presented the paper “Corporate social responsibility in tourism: The Spanish experience”.

Abstract: (See abstract on page 6)

Luis Cabral
On January 4-6, attended the Econometric Society, U.S. Winter Meetings, in Atlanta, where he presented the paper “Dynamic price competition with network effects”.

Abstract: (See abstract on page 6)

Awards

Cosimo Chiesa
Received the 2009 Career Award given each year by the Colegio Oficial de Agentes Comerciales de Barcelona.

Doctoral theses

Jan Simon
ESSAYS IN HEDGE FUNDS: PERFORMANCE PERSISTENCE AND THE DECISION-MAKING PROCESS
(University of Essex)
Abstract: Hedge funds play an important role in financial markets. However, their internal functioning, especially how they come to investment decisions, has remained little studied. In this PhD thesis we study this decision-making process paying particular attention to the role professionals who do not belong to the hedge fund play in this process. We also look at the outcomes of these investment decisions. The first chapter applies complementary quantitative methods to test for performance persistence in hedge funds, adjusting for hedge fund characteristics such as accessibility, size, incentive fees and lock-ups. We find performance persistence in the quarterly and semi-annual horizons and provide evidence consistent with size, incentive fees and lock-ups being unrelated to performance persistence in general but being conditional on strategy. The second chapter combines interviews with 60 professionals representing 8 brokerage firms and 26 hedge funds globally, managing 15 percent of all hedge funds assets under management across the world, with field research at 8 hedge funds. We document that the decision-making process is distributed over a dense network of brokers and hedge fund managers at competing hedge funds. Second, we analyze the mechanism under which information is exchanged and the norms underlying this exchange. We also show that different types of 'rewards' are accepted. In the last chapter we add network analysis to our qualitative research to dissect the different types of relationships hedge fund managers maintain. We first show that brokers and hedge funds are structurally dependent. Second, we provide empirical evidence indicating that different types of ties, defined as arm’s length and embedded, are used for different purposes and that hedge fund managers combine these ties efficiently. Third, we find that pre-existing conditions influence the existence of embedded ties. The findings have implications for risk management, regulation and lawmaking and can be fruitful for further research into social network analysis, strategy and financial economics.

This can endogenously constrain the exchange size in the market formation game. I show that free entry determines the number and size of exchanges, such that prices do not reveal much information, and thus each trader’s gain from trade is maximized.

February 1
Speaker: Carlos Noton, University of California, Berkeley
"Structural estimation of price adjustment costs in the European car market"

Abstract: Exchange rate passthrough literature identifies an important delay in price responses, especially in differentiated products. Using the methodology of Bajari, Benkard, and Levin (2007), I estimate the structural price adjustment cost consistent with this fact in the European car market. My approach differs from previous work in that my framework allows me greater flexibility in estimating dynamic games. My main result is that relatively small adjustment costs rationalize the observed inertia in car prices. Intuitively, forward-looking price setters face an autocorrelated economic environment (like the nominal exchange rates, GDP and wages) such that just a small cost of repricing justifies the persistent prices in the European car market. Additionally, my estimates stress a market-specific heterogeneity in price stickiness, suggesting a new dimension of pricing to market behavior.

February 4
Speaker: Héctor Pérez, University of Chicago
"Building new plants or entering by acquisition? Estimation of an entry model for the US cement industry"

Abstract: In many industries, firms usually have two choices when expanding into new markets: They can either build a new plant (greenfield entry) or they can acquire an existing incumbent. The US cement industry is a clear example. For this industry, I study the effect of two policies on the entry behavior and industry equilibrium: An asymmetric environmental policy that creates barriers to greenfield entry and an antitrust policy that creates barriers to entry by acquisition. In the US cement industry, the comparative advantage (e.g., TFP or size) of entrants versus incumbents and the environmental regulatory entry barriers to the construction of new plants are important factors that determine the means of expansion. To model this industry, I use a perfect information static entry game. To estimate the supply and demand primitives of my model, I apply a recent estimator of discrete games of complete information to a rich database of the US Census of Manufactures for the years 1963-2002. In my counterfactual analyses, I find that if there is an increase of approximately 25% in the entry barriers to construction of new plants, the number of acquired plants increase by 11.8%. Also, a similar increase in the barriers to entry by acquisition increases greenfield entry by 25%. Additionally, I demonstrate how my estimates change when I apply the approach in the entry literature where entry by acquisition is not considered. Finally, I consider how my estimates change when using a simple OLS estimation.
**February 11**

**Speaker:** Renato Gomez, Northwestern University  
**Title:** “Bayes-Nash equilibria of the Generalized Second Price auction”

**Abstract:** In this paper we develop a Bayes-Nash analysis of the Generalized Second Price (GSP) auction, the mechanism used by search engines to sell sponsored advertising positions. Interestingly, our results are in sharp contrast with the previous literature that adopts a complete information framework. First, we characterize the efficient Bayes-Nash equilibrium of the GSP when such equilibrium exists. We then obtain sufficient conditions on click-through rates that guarantee existence and show that an efficient equilibrium may fail to exist if click-through rates across slots are sufficiently close. Next, we derive the counter-intuitive result that the seller’s revenue may decrease as click-through rates of the second to last slots increase, provided the distribution of advertisers’ values per click is concentrated on high values. Fortunately, we show that setting optimal reserve prices reverses this result. Further, we prove that the GSP possesses no mixed strategy equilibrium and that no inefficient equilibrium can be symmetric.

**February 12**

**Speaker:** Vlad Mares, Northwestern University  
**Title:** “On the analysis of asymmetric first price auctions”

**Abstract:** We provide a new set of tools for studying asymmetric first price auctions, connecting behavior of equilibria to the p-concavity of the underlying distributions over costs or values, and showing how one can use surplus expressions related to symmetric auctions to bound behavior in asymmetric auctions. We apply these tools to studying procurement auctions in which, as is common in practice, one seller is given an advantage, reflecting, for example, better reliability or quality.

We show conditions under which for any given first price handicap auction, there is a second price auction with bonuses that outperforms it, with most of our results involving ex-post dominance.

**February 23**

**Speaker:** Mark Armstrong, University College London  
**Title:** “Behavioral economics as applied to firms: A primer”

**Abstract:** We survey the literatures on behavioral economics, bounded rationality and experimental economics as they apply to firm behavior. Topics discussed include the impact of imitative and satisfying behavior by firms, outcomes when managers care about their position relative to peers, the benefits of employing managers whose objective diverges from profit-maximization (including managers who are overconfident or base pricing decisions on sunk costs), the impact of social preferences on the ability to collude, and the incentive for profit-maximizing firms to mimic irrational behavior.

**February 25**

**Speaker:** Elias Albagli, Harvard University  
**Title:** “Amplification of uncertainty in illiquid markets”

**Abstract:** This paper argues that the capacity of financial markets to aggregate information is diminished in times of distress, resulting in countercyclical economic uncertainty. I build upon a rational expectations equilibrium model that delivers this result from the combination of 1) countercyclical funding constraints faced by informed financial intermediaries, and 2) the dispersed nature of information in the economy. During downturns, informed traders become increasingly exposed to non-fundamental price fluctuations (noise trading risk), which reduces information-based trading and the informativeness of asset prices. Uncertainty can spike quite dramatically as conditions deteriorate due to amplification mechanisms that arise from the dispersed nature of information, and the presence of information externalities in a dynamic environment. I show that heightened uncertainty leads to increased risk premia, Sharpe ratios, and stock price volatility even when attitude towards risk and the unconditional volatility of fundamentals remain constant. I also trace the implications for real investment decisions when firms learn about productivity from the observation of stock prices: uncertainty affects welfare by reducing the accuracy of investment and also reduces its level as a precautionary response of firms. The mechanism outlined suggests that the success of public liquidity provision in stabilizing markets depends crucially on the distribution of liquidity across agents.
Abstract: This paper presents evidence that the prices at origination of residential mortgage-backed securities contain information on the quality of the underlying asset pools above what is reflected in the ratings. Yield spreads at issuance predict both future downgrades and defaults even after the information contained in ratings is taken into account. This holds for all rating classes except triple-A. Yield spreads of the highest-rated securities have no predictive power for future performance. This suggests that investors in triple-A were less informed about the quality of the securitized assets than investors in riskier, more information-sensitive securities.

February 5
Speaker: Cristina Cella, Kelley School of Business, Indiana University
"Institutional investors and corporate investment"

Abstract: This paper investigates whether institutional investors influence firms’ investment policies. By virtue of their significant ownership stakes and investment horizons, long-term institutional investors should closely monitor management and thus reduce agency conflicts in investment choices. Using a panel dataset of 2,511 US manufacturing firms that went public between 1980 and 2003, I find that firms with long-term institutional investors tend to have lower capital expenditure than widely-held firms. Investment is reduced precisely in firms that are more exposed to the danger of over-investment: a) firms that invest too much after controlling for their growth opportunities, financing constraints and industry affiliation, and b) firms that have few investment opportunities but large cash flows. Most importantly, a reduction in capital expenditure in these firms leads to higher subsequent firm profitability and stock market performance, confirming that institutional investors’ actions aimed at removing over-investment are value-enhancing.

Abstract:

Managing People in Organizations
January 11
Speaker: Julie Battilana, Harvard Business School
"Building sustainable hybrid organizations: The case of commercial microfinance organizations"

Abstract: We explore how new types of hybrid organizations (organizations that combine institutional logics in unprecedented ways) can develop and maintain their hybrid nature in the absence of “ready-to-wear” organizational archetypes. Our study of two pioneering commercial microfinance organizations examines hiring and socialization policies as crucial levers for the development of an organizational identity that can sustain novel combinations of logics over time. We propose four hybridization models (combinations of hiring and socialization policies) that novel hybrid start-ups can use to support the process of identity building. We discuss the potential implications of each model and suggest topics for further research.

January 20
Speaker: Rebekah Dibble, University of California, Irvine
"Collaboration for the common good: An examination of internal and external adjustment"

Abstract: My dissertation consists of two studies, a qualitative and quantitative field study conducted in two countries (Costa Rica and the United States) and an experiment, examining collaborations. Collaborations are temporary, multi-individual, organizationally independent entities that complete tasks such as building a house or making a film. The first study examines the ways in which participants in humanitarian home building collaborations respond to internal challenges and to changes in the collaboration’s external environment. In this presentation I focus on one potential
antecedent to adjustment-collaboration heterogeneity. Additionally, I examine perceived challenges as a moderator of the relationship between heterogeneity and adjustment and the relationship between adjustment and performance. Quantitative analysis of the field data suggests that the extent to which internal challenges are experienced moderates the relationship between collaboration heterogeneity and internal adjustment, and that the extent to which external challenges are experienced moderates the relationship between gender heterogeneity and external adjustment. Fluency in Spanish allowed me to fully participate in these collaborations and to conduct participant interviews in both English and Spanish. Data collection is complete and additional analyses are in process.

The current research project makes multiple contributions to theory. For example, I highlight shifts in leadership roles and interpersonal relationships as a form of adjustment to challenges in collaborations’ environments, and I examine the implications of blurred boundaries between internal and external participants in collaborations for identity and performance. Additionally, I contribute to a theory of alternative forms of organizing and develop a framework for understanding collaboration adjustment, informing future theory about the types of variables that should be included in analyses of the relationship between collaboration adjustment and effectiveness.

January 21
Speaker: Rabi S. Bhagat, University of Memphis
"Towards a model of culture clash and the progress of globalization: Elements of a multi-level approach"

Abstract: The objectives of this paper are: 1) Present a conceptual model of cultural clashes around the world that explains the selective progress of globalization –especially as it impacts business. 2) Present some propositions to guide future research into this area of culture clash and globalization. 3) We will discuss the implications of this model for various areas of research in international business. We offer a series of propositions to explain the significance of our conceptual model with a caveat that there are also instances where convergence of the cultures of the globalization with the dominant values of the society undergoing globalization. It is worthwhile to consider a recent historical event before developing our approach for understanding the nature of intricate relationships between culture clashes and conflicts that occur in the various geographical locales of the world and progress of globalization, especially economic globalization.

January 25
Speaker: Sebastien Brion, Haas School of Business, U.C. Berkeley
"How power is lost: Illusions of alliance among the powerful"

Abstract: It is often said that power leads to its own demise. My dissertation empirically addresses one way in which powerholders fall from positions of power. Specifically, I examine how powerholders’ illusions of alliance – that is, their overestimations of the strength of their alliances with others – hamper their ability to form and maintain alliances. While most accounts of power loss focus on ethical breaches or performance deficiencies, my findings speak to the social and interpersonal dynamics that lead individuals to lose power. I argue that the possession of power increases the propensity to form illusions of alliance, and that such illusions lead to the loss of power. I found support for my hypotheses in four experiments, including two field studies of long-term study groups as well two laboratory studies of coalition formation tasks. Overall, in addition to examining the psychological effects of power, these findings have important implications for a number of outcomes critical to leaders and other organizational actors, including selection, turnover, and the development of leadership competencies.

January 22
Speaker: Aiwa Shirako, University of California at Berkeley
"Power to the powerless: Interpersonal influence through emotional appeals"

Abstract: My research demonstrates an emotion-based strategy by which low-power individuals can mitigate the disadvantages inherent in their position, and illustrates the conditions under which this strategy is more vs. less effective. Prior work on exchange situations, such as negotiations, generally assumes that people in positions of low-power are at a disadvantage. However, I explore whether individuals in exchange situations can actually take advantage of low-power positions through certain kinds of strategic interpersonal influence. Specifically, I focus on low-power individuals’ use of appeals to sympathy, an emotional response consisting of feelings of concern for another’s welfare, when interacting with high-power others. In a series of studies, I find that low-power individuals who engage in sympathy appeals can actually attain greater monetary outcomes than those who make fairness or merit-based appeals. In other words, by making appeals to sympathy, low-power individuals can mitigate their disadvantage, and thus claim more value at the bargaining table. Holding constant the content of the low-power individual’s sympathy appeal, I find that manipulating the high-power individuals’ goals changes their likelihood of feeling sympathy for low-power individuals, which ultimately impacts their willingness to bestow financial rewards on low-power individuals. I also examine the effectiveness of sympathy appeals as a function of their high-power counterpart’s self-construal. I find that high power individuals with relational self-construals are also more responsive to sympathy appeals, resulting in greater distributive outcomes for their low power counterparts. Overall I demonstrate the unexpected power of emotion-based appeals in organizational contexts.

January 27
Speaker: Mamta Bhatt, Boston College
"Me with my client: Investigating consultants’ relational identity, inter-personal boundaries, and conduct of work"
Abstract: In this paper, I examine consultants' relational identity i.e., how they see themselves in the context of their clients. In-depth interviews with IT and management consultants reveal patterned variation in consultants’ identities relative to their clients. These relational identity patterns have implications for boundaries in the consultant-client relationship, which in turn affect how they interact to get work done. The study contributes by examining relational identity empirically, which so far has only been theorized in the organizational literature. Further, it builds upon the existing work on the construct by linking it with boundaries and the conduct of work.

February 1
Speaker: Isabel Ng, Fudan University, Shanghai
"Control and status as power-arousing stimuli for power motive: A comparison between the US and China"

Abstract: Although power motive has been defined as the need to have impact on others, previous research suggests that the conceptualization of power may be culturally specific. We propose that Americans tend to associate power with action and prestige, while Chinese tend to associate power with prestige more than action. We also propose that having control over resources increases power motive among Americans but not that of Chinese, while status elevation increases power motive among both American and Chinese people. We tested our hypotheses with two experimental conditions. All our hypotheses were supported. In sum, our findings show that the conceptualization of power and power motive arousal stimuli could be related. In particular, we suggest that the relationship between the cognitive and emotional dimensions of power motive may be culturally specific. We suggest future studies should examine the relationship between conceptualization of power and power motive in different cultures.

Production, Technology and Operations Management
February 22
Speaker: Fernando Bernstein, Duke University
"Dynamic assortment customization with limited inventories"

Abstract: We consider a retailer with limited inventories of substitutable products in a retail category. Customers arrive sequentially and the firm decides which subset of the products to offer to each arriving customer depending on the customer’s preferences, the inventory levels and the time-to-go in the season. We show that the optimal assortment policy is to offer all available products if customers are homogenous. However, with multiple customer segments characterized by different product preferences, it may be optimal to limit the choice set of some customers. That is, it may be optimal not to offer products with low inventories to some customer segments and reserve them for future customers (who may have a stronger preference for those products).

The optimal assortment policy is a threshold policy under which a product is offered to a customer segment if its inventory level is higher than a threshold value. These thresholds are decreasing in time and increasing in the inventory levels of other products. In a numerical study, we find that the revenue impact of assortment customization can be significant, demonstrating its use as another lever for revenue maximization in addition to pricing.

Strategic Management
January 12
Speaker: Joel Blit, University of Toronto
"Learning remotely: R&D satellites, intra-firm networks, and knowledge diffusion"

Abstract: It is generally accepted that multinational corporations can tap into the tacit knowledge pool in a remote location by establishing an R&D subsidiary in that location; indeed, the ability of remote outposts to absorb local knowledge and disseminate it within the larger firm is an important building block in the knowledge-based theory of the firm. Yet evidence supporting this received wisdom remains largely anecdotal. Using US patent citation data, I find strong empirical evidence that firm headquarters are indeed better able to access remote knowledge when they have subsidiaries in the remote location. In particular, a firm in location “A” cites third-party patents from location “B” disproportionately (relative to a control group also in location “A”) when the firm has an R&D satellite in location “B”. This “satellite effect” on knowledge diffusion is economically significant, representing 47% of the knowledge flow premium associated with colocation. Furthermore, the effect is particularly strong for new knowledge, as well as in areas of satellite technological specialization, suggesting that firms can target cutting-edge knowledge in specific sectors. Finally, the results show that firms with stronger cross-location, intra-firm networks experience a larger satellite effect on knowledge diffusion.

January 18
Speaker: Christopher C. Liu, Harvard Business School
"A spatial ecology of structural holes: Scientists and communication at a biotechnology firm"

Abstract: This paper focuses on the relationships between individuals, their local spatial environment, and their ability to form networks that span the internal structure of an organization. I contend that the prevailing view about spatial proximity – that high spatial density leads to greater opportunities to expand one’s network – is at best incomplete and potentially misleading. Instead, I argue that an individual’s spatial proximity must be considered in an ecological context – i.e., in relation to the location and expertise of proximate colleagues. Using a unique dataset of email communication patterns, fine-grained blueprints of office-locations, scientific publication records and associated keywords, as well as the formal organization chart from the research division of a biotechnology firm, I find that co-location alone is not associated with an individual’s ability to assume network positions that bridge structural holes. In fact, spatial proximity to workgroup (i.e., same laboratory) members inhibits an individual’s ability to tap into the tacit knowledge pool in a remote location; indeed, the ability of remote outposts to absorb local knowledge and disseminate it within the larger firm is an important building block in the knowledge-based theory of the firm. Yet evidence supporting this received wisdom remains largely anecdotal. Using US patent citation data, I find strong empirical evidence that firm headquarters are indeed better able to access remote knowledge when they have subsidiaries in the remote location. In particular, a firm in location “A” cites third-party patents from location “B” disproportionately (relative to a control group also in location “A”) when the firm has an R&D satellite in location “B”. This “satellite effect” on knowledge diffusion is economically significant, representing 47% of the knowledge flow premium associated with colocation. Furthermore, the effect is particularly strong for new knowledge, as well as in areas of satellite technological specialization, suggesting that firms can target cutting-edge knowledge in specific sectors. Finally, the results show that firms with stronger cross-location, intra-firm networks experience a larger satellite effect on knowledge diffusion.
ecological effects are as important as human capital in providing an individual with opportunities to occupy brokering positions in the network. This paper contributes to the literature on networks and the organization of innovative work by developing a theory of spatial ecology and demonstrating its connection to network structural features that have been repeatedly linked to superior performance in knowledge production contexts.

January 20
Speaker: Christian Fons-Rosen, London School of Economics
"Knowledge flows through FDI: The case of privatisations in Central and Eastern Europe"

Abstract: This paper uses the entry of foreign firms into Central and Eastern Europe (CEE) during the 1990s to analyse the effect on knowledge flows and identify the underlying transmission mechanism. Using patent citations as a measure of knowledge flows, the project analyses whether inventors located in CEE cite patents developed by foreign firms more often after these companies have established themselves in CEE. Apart from using patents data together with firm-level information from Amadeus/Orbis, I also collect data on foreign bidders of privatisation cases resolved by a public tender during the 1990s. Under the identifying assumption that losing bidders form a valid counterfactual to winning bidders, the paper estimates a difference-indifference effect of FDI on citations received. After the privatisation case is resolved, winning bidders experience a 20% increase in citations received compared to losing bidders. To identify the mechanism driving knowledge flows, I build a panel of patent inventors and track them over time. Results show that foreign multinationals that reallocate inventors towards their R&D labs in CEE experience a further increase in citations received.

January 22
Speaker: Gonçalo Pacheco, The Stern School of Business, New York University
“Speed and Tobin’s q.”

Abstract: Slow execution of investment projects often means substantial revenue losses for companies. However, accelerating investments generally results in higher investment costs. Our paper integrates this investment speed tradeoff in a reduced-form model of project development to create an empirical proxy for firm speed. We examine how deviations from industry-average speed in the execution of large investments in oil and gas facilities worldwide from 1996 to 2005 affect firm value, as measured by Tobin’s q. We find substantial variation in investment speed among firms in the oil and gas industry. Using a linear correlated random parameter model to allow for unobserved firm heterogeneity, we show that firms’ speed capabilities have high market value. On average, accelerating a firm’s investments by 5% (or 1 month) relative to the industry norm due to organizational capabilities increases market value by $214.3 million. Additionally, we show that the effect of speed on firm value varies widely among firms and is amplified by good corporate governance but often mitigated by the level of firm’s debt.

Research Seminars

Africa Ariño

Abstract: How structural and process-related factors interrelate to contribute to alliance performance remains much of a blackbox. We employ meta-analytic techniques to empirically assess how structural factors (alliance structural feasibility, economic structure, and social structure) and process-related factors (alliance interorganizational and interpersonal processes, and emergent states) are related and influence alliance performance. Cumulating findings from 97 studies involving a collective sample size of up to 18,411 alliances, our results indicate that 1) economic and social structural factors are consequential to alliance performance, while the effect of structural feasibility seems to depend on contextual factors; 2) interpersonal processes make a difference in alliance performance, while interorganizational processes may or may not do so, and 3) emergent states mediate the relationship of the other process-related factors and performance.

Marc Badia
On February 24, at Universidad Carlos III in Madrid, presented the paper “Operating profit variation analysis: Implications for future earnings and equity values", co-authored with Nahum Melumad and Doron Nissim.

Abstract: We investigate the information content of variation analysis, that is, analysis of year-over-year changes in the components of operating profit. Using industry-level data, we find that changes in the prices of output products and changes in costs of intermediate inputs exhibit a more persistent effect on profitability than do changes in output volume, labor cost, labor productivity, and intermediate input productivity. Furthermore, we show that this information is priced by investors. One possible implication of these results is that the documented higher persistence of revenue shocks, as compared to expense shocks, is likely due to the price, rather than the volume effect of revenue.

Luis Cabral
On February 18, at Ross School of Business, University of Michigan, presented the paper "Aftermarket power and basic market competition".

Abstract: Many industries are characterized by a basic market for a durable good (e.g., Nespresso machines) and an associated aftermarket for a non-durable good (e.g., Nespresso coffee capsules). I show that, under certain conditions, an increase in aftermarket power (e.g., monopolization) leads to greater competition but ultimately to greater concentration in the basic market.
Financial Management

Net Working Capital (NWC) at Henkel
(F-810-E - 0.207.005)

This case tracks Henkel’s initiative in reducing its net working capital (NWC). The case can be used in a both a finance and a supply chain management class to illustrate net working capital and the link between the strategic/financial notions of NWC and operative efficiency of the supply chain.

Mitchell J.; Rahnema A.; Sachon M.; 19 pages.

Moldes San Vicente S.A.
(F-847 - 0.210.006)

El caso explica las características de la factoring internacional como fuente alternativa de financiación a corto plazo y su comparación en cuanto a costes y a prestaciones con la post-financiación bancaria de aportaciones y los anticipos de los créditos documentarios.

Soley J.; 9 pages.

Information Systems

Xing AG: Securing Leadership in the European Online Social Networking Market
(SI-173-E - 0.110.007)

The case explains how the German-based professional social networking site Xing was trying to figure out how to compete
against its US competitor LinkedIn for the dominance of the European market in 2009. It was facing a series of landmark decisions, ranging from a revision of its pricing scheme to the expansion into business-to-business operations.

Kaganer S.; Sieber S.; Ferraro F.; 27 pages.

Managing People in Organizations

What or Who?
(DPO-188-E - 0.410.007)

This case study showcases the views of a brilliant and successful executive, triggered by the question “Who do I want to be?”, as an exercise for a self-leadership course for executives. It raises a number of questions about issues such as “purpose,” “happiness,” etc.

Ribera A.; 4 pages.

Marketing

Gas Natural: Improving the Profitability of Servigas
(M-1234-E - 0.510.008)

Marta Muriel has recently been promoted to director of residential natural gas service, with a mandate to boost profits for the company’s home maintenance services, Servigen. She and her team have designed four measures, among others, that involve a trade-off between cost reduction and improvements in service quality. Now she has to decide which ones to actually implement based on their impact on the company’s bottom line. (Also available in Spanish.)

Guitart I.; Rocha e Oliveira P.; 17 pages.

Orientación al mercado
(MN-371 - 0.510.009)

El objeto de esta nota técnica es definir el concepto de orientación a mercado, mostrar las ventajas y características de una empresa orientada a mercado y proponer algunas ideas que ayuden a las empresas a desarrollar su orientación al mercado. La “orientación a mercado” es uno de los conceptos centrales en la bibliografía del marketing. Proporciona a las organizaciones una ventaja competitiva al facilitar la comprensión y la respuesta a las demandas de mercado de manera efectiva, incrementando la sensibilidad del conjunto de la organización a los cambios que se producen en el entorno.

García Pont C.; Rocha e Oliveira P.; 9 pages.

Production, Technology and Operations Management

Singapore National Kidney Foundation
(P-1090-E - 0.608.035)

The NKF in Singapore has been very successful in fundraising and supporting its main beneficiaries: patients with kidney diseases. Under the leadership of its CEO it has achieved excellent levels in the areas of fundraising, marketing, patient care and so on. It has even been able to extend its support to children’s diseases. However recent criticisms in the press about a business deal with an insurance company and the high level of reserve funds lead the managers and board members to question the best way to proceed and communicate with donors.

Ribera J.; 19 pages.

An Introduction to Technological Challenges in the 21st Century
(PN-457-E - 0.610.004)

Technology is a broad concept that deals with human usage and knowledge of tools and crafts, and how it affects the ability to control and adapt to the environment. A strict definition is elusive; “technology” can refer to material objects of use to humanity, such as machines, hardware or utensils, but can also encompass broader themes, including systems, methods of organization, and techniques. Human technology began with the conversion of natural resources into tools. The discovery of the ability to control fire increased the available sources of food and the invention of the wheel helped humans in travelling in and controlling their environment. Recent technological developments, including the printing press, the telephone, and the Internet, have lessened physical barriers to communication and allowed humans to interact freely on a global scale. On the less harmonious side, the development of weapons of ever-increasing destructive power has progressed throughout history, from clubs to nuclear weapons. This technical note contains the following general themes: Science, engineering and technology; The Role of Technology in Human History; Technology Available at the Beginning of the 21st Century; The Status of Further Emerging Technologies; The Impact of technology in society.

Rodríguez G.; Done A.; 19 pages.

Fundamental Concepts and Parameters of Operations Management
(PN-458-E - 0.610.005)

This technical note introduces the fundamental concepts and parameters for analyzing an operations system from the perspective of the general management of a company. The aim is to provide managers with precise, practical terminology. (Also available in Spanish.)

Lago A.; Moscoso P.G.; Sachon M.; 12 pages.
Este caso ilustra la evolución de una empresa familiar que desea cambiar su consejo de administración dando paso a la cuarta generación y, de este modo, ir facilitando el proceso de sucesión. En concreto, se centra en las relaciones familiares e institucionales entre el padre –predecesor de la tercera generación– y el hijo –sucesor de la cuarta generación–, y se ve cómo dicha relaciones se mueven indistintamente y de forma indiferenciada. Es decir, en muchas ocasiones se mezclan los temas familiares con los empresariales, y viceversa. Y ésta es una de las muchas razones que explican los conflictos generacionales en esta familia empresaria.

Rus S.; Tàpies J.; 11 pages.

Constructors & Co. Chicago USA (A) – Teaching Note
(SMT-69 - 5.309.093)

Case SM-1545.
Use is restricted to Academic Institutions.

Rus S.; Tàpies J.; 8 pages.

Este tercer caso trata de mostrar la actuación de James Russell como presidente ejecutivo del grupo de empresas de la familia. En el caso Constructors & Co. B se vio la designación y las dificultades que encontraba en el desempeño de sus responsabilidades, así como las grandes dificultades que encontró para ser integrado en el grupo de empresas. La redacción de un informe completo que entregó a cada consejero y cada directivo le permitió hablar en profundidad con cada uno y conseguir la complicidad de todos para imponer las medidas que se planteaban en el informe. Quedaba por conseguir el apoyo de los accionistas, incluido su padre. De esta tarea se ocupó su tía Barbara, usando su preeminencia y autoridad sobre sus hermanos. Lo que muestra este caso es cómo James Russell asume la responsabilidad de presidir el grupo de empresas y diseña un programa de renovación de la misma, generando un liderazgo familiar y empresarial para el que no estaba preparado. Pero también muestra algo muy difícil en las empresas familiares: saber dejar el cargo cuando ya no podía aportar más.

Rus S.; Tàpies J.; 20 pages.

Occasional Papers

OP-171 – January 2010
Xavier Vives
BARCELONA, MIRANT CAP AL FUTUR DES DE L’EIXAMPLE

Abstract: La crisi econòmica global que va esclatar com a conseqüència de la crisi financera arran de les hipoteques subprime l’agost del 2007 ha colpejat les àrees metropolitanes arreu del món. Barcelona no és una excepció. La Regió Metropolitana de Barcelona (RMB), inclouent el continu de la Barcelona estricta i la corona de ciutats contigües, té una
especialització industrial tradicional que és vulnerable al procés de globalització i a l’entrada d’economies emergents, i que es veu aguditzada en el context de crisi. Ben cert que la Regió Metropolitana també ha sofert el desviament de recursos cap a l’immobiliari derivats en part dels baixos tipus d’interès en l’àrea euro, però al mateix temps té una base diversificada en indústria i serveis i un nucli d’empreses exportadores que li permetrà resistir la davallada del sector de la construcció i l’immobiliari, els grans motors junt amb el turisme del període de creixement extraordinari de l’economia des de 1996. La Regió Metropolitana es troba en una cruïlla de definició de model empresa per la globalització i la crisi econòmica. La inèrcia de la situació heretada en indústria tradicional, amenaçada pels nous competidors de costos baixos, i el gran èxit en l’atracció de turisme massiu amb la marca Barcelona, són el punt de partida cap una necessària transformació en què la qualitat i el coneixement siguin centrals. El fet és que la competència entre regions i àrees metropolitanes per atreure inversions i capital humà és forta, i augmenta amb la globalització, i les regions es replantejen les estratègies que cal seguir per mantenir i examplar la seva activitat i centralitat econòmiques. Preocupa que el procés de globalització, encara que proporcioni beneficis en termes agregats, generi regions que en surtin perdent relativament en activitat econòmica i centres de decisió empresarial. En aquest article es repassen breument en la secció 2 les grans tendències del procés de globalització i els seus efectes en les estratègies de les àrees metropolitanes, el posicionament de la Regió Metropolitana i els mecanismes de la competència entre regions. La secció 3 analitza les fortaleses i debilitats de la Regió Metropolitana i la necessitat de reposicionament en el context internacional. La secció 4 conclou amb un plantejament d’estratègia regional de la Regió Metropolitana i el relaciona amb el llegat de Cerdà.

OP-172 – February 2010

Domènec Melé

ETICA EN LA ORGANIZACION DEL TRABAJO: TRABAJO DECENTE Y TRABAJO CON SENTIDO

Abstract: La Organización Internacional del Trabajo llama “trabajo decente” a un trabajo que implica un conjunto de exigencias de justicia muy básicas. Se trata de un concepto alabado por Juan Pablo II y Benedicto XVI. Este artículo analiza este concepto junto con otro de más largo alcance: el “trabajo con sentido” (meaningful work), que puede incluir la idea de que el trabajo es un medio para mejorar a quien lo realiza y contribuir al bien de la comunidad. Ambos conceptos tienen importantes implicaciones prácticas en el modo de diseñar y dirigir organizaciones.