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In this issue

Journals

Africa Ariño - Jeffrey J. Reuer

"Designing and renegotiating strategic alliance contracts", *Academy of Management Executive*, Vol. 18, No 3, August 2004, pages 37-48.

Abstract: Research on strategic alliance structuring has been dominated by a concern for the choice between equity or non-equity agreements. However, little attention has been paid to other structuring alternatives, such as the choice of the contractual provisions that will regulate the relationship. Contract design is an essential part of alliance structuring, and contract re-negotiation may become a key element to successful alliance adaptation. Designing complex contracts and re-negotiating them entail costs that are worth bearing when contractual safeguards reduce the costs and performance losses that stem from exchange risks. In this article, we identify some important conditions under which contract complexity and contract re-negotiation are worth the costs they involve. We offer recommendations for executives concerned with designing alliance contracts.

Miguel A. Ariño - Francesc Marmol

"A permanent-transitory decomposition for ARFIMA processes", *Journal of Statistical Inference and Planning*, Vol. 124, No 1, August 2004, pages 87-97.

Abstract: The purpose of this paper is to present a decomposition into a trend or permanent component and a cycle or transitory component of a time series that follows a nonstationary autoregressive fractionally integrated moving average ARFIMA (p,d,q) model. The decomposition depends only on past data and is thus computable in real time. We also provide an algorithm for the efficient and exact computation of the decomposition. The empirical applicability of our decomposition is illustrated with a study of German unemployment rate series.a

Marc Buelens - Steven Poelmans

"Enriching the Spence and Robbins' typology of workaholism: Demographic, motivational and organizational correlates", *Journal of Organizational Change Management*, special issue "Workaholism in organizations", Vol. 17, No 5, 2004, pages 440-458.

Abstract: This study contributes to the literature on workaholism by testing the Spence and Robbins workaholic triad; 5,853 full-time workers participated in a national survey on working hours, covering a broad range of economic sectors and employment categories. Respondents were grouped in eight clusters. Results show a strong similarity with those of other studies about the validity of Spence and Robbins' typology. The same basic dimensions and the same types are identified, and similar relationships with extra-work activities were found. In addition, a wide range of biographical, motivational, and organizational data are included.

Ramón Casadesus-Masanell

"Trust in agency", *Journal of Economics & Management Strategy*, Vol. 13, No 3, September 2004, pages 375-404.

Abstract: Existing models of the principal-agent relationship assume the agent works only under

extrinsic incentives. However, many observed agency contracts take the form of a fixed payment. For such contracts to work, the principal must trust the agent to work in the absence of incentives. I show that agency fosters the advent of intrinsic motivation and trustworthy behavior. Three distinct motivational schemes are analyzed: norms, ethical standards, and altruism. I identify conditions under which these mechanisms arise and show how they promote trust. The analysis alters several important predictions of conventional models: 1) better outcomes may ensue in highly uncertain environments; 2) the principal is better off the more the agent is risk averse; and 3) larger equilibrium extrinsic incentives need not be associated with larger effort or larger total surplus.

Nicholas Dew - **Rama Velamuri** - Sankaran Venkataraman

"Dispersed knowledge and an entrepreneurial theory of the firm", *Journal of Business Venturing*, Vol. 19, No 5, September 2004, pages 659-679.

Abstract: In this article, we propose an entrepreneurial theory of the firm that is based on dispersed knowledge. We argue that dispersion of knowledge over people and places and over time leads to uncertainty. This uncertainty, combined with heterogenous expectations and the nexus of the individual and opportunity explains the emergence of new firms. We then suggest that the theory of the firm proposed by us answers questions that have been overlooked by alternative theories. The specific question we discuss in this article is when and why an entrepreneurial opportunity will be taken to market through an existing firm, and when and why a new firm will be chosen as a vehicle for taking a new idea to market, i.e., whether the residual will be concentrated in an existing or in a new firm.

Brian Leggett

"Leadership through speeches: A visionary model", *Educational Review of Business Communication*, Senate Hall Academic Publishing, Vol. 1, No 1, September 2004, pages 69-80.

Abstract: Leadership within an organization concerns effective communication. But how can we effectively inspire and motivate others to work enthusiastically for something that will materialize in the future? How can we ask them to put their energies and trust into something that has not yet happened? We do it by appealing to our audience's imagination, by painting a picture or a vision of what can be. But to do this our audience needs to trust us both professionally and personally. In a nutshell, we need to have credibility or as the ancients used to call it, 'ethos'. This article discusses the need to create this necessary feeling of trust. It presents us with the Monroe model for visionary type speeches as a means of achieving this end. Finally, it closes with some practical exercises on the draft speech, using the Monroe model, given by the CEO of Carmela.

Books

Philip Moscoso

"Integrales management der produktion. Eine praktische anleitung zur gestaltung von managementsystemen", *WVB (Wissenschaftlicher Verlag Berlin)*, 2004, 252 pages.

Abstract: Anhand eines praktischen Fallbeispiels aus der Halbleiterindustrie wird in diesem Buch das Konzept eines integralen Managements der Produktion erläutert. Es werden hierfür einige der bekanntesten Managementansätze auf ihre Stärken und Schwächen hin untersucht, um schließlich darauf aufbauend ein neuartiges Managementkonzept für die Produktion zu entwickeln, welches den heutigen, gestiegenen Marktanforderungen gerecht wird.

Beatriz Muñoz-Seca - Josep Riverola

"Problem-driven management. Achieving improvement in operations through knowledge management", *Palgrave-Macmillan*, 2004, 408 pages.

Abstract: In this book the authors propose a way to integrate knowledge management with operations. Knowledge management is the process of storing, adding to and putting to use what a company and its personnel actually know. Operations are the system that deliver the service and must satisfy the customer. The issue is how knowledge management can be used to improve the firm's operations.
A concept arises as the main practical issue, the concept of problem and problem solving process. It opens a new approach in improving operations that we call Problem Driven Management (PDM). This has proved to be the missing link in the issue of how knowledge management can be used to improve the firm from a highly operational viewpoint. The book deals with how to design and create an environment that enables PDM.
(This book is a revised version of the Spanish edition published in 2003.)

Steven Poelmans

"Kwalitijd" (Quality Time), *Lannoo*, Belgium, 2004, 224 pages.

Abstract: This book is about having more quality time in one's personal and professional life, and the balance between the two life spheres. Various trends in society have led to a fragmenting of time: advances in communication technologies, allowing us to be contacted anywhere anytime; the fact that fewer and fewer people have to take on more and more responsibilities in delayered and restructured firms; the massive influx of women into the labor force and the consequent increase in responsibilities for both men and women as employees and caregivers. We live each day in short segments, with little chance to create any depth. The book "Kwalitijd" proposes that classical time-management is no longer sufficient. The challenge for many people consists in finding depth within those fragments of time, or what the author calls "Kwalitijd" (Quality Time). The author offers to guide the reader through all aspects of this difficult issue, ranging from a fundamental redefinition of time (chapter 1), a reflection on one's purpose, objectives and priorities in life (chapter 2), the creation of structures around the vulnerable slots of quality time and the elimination of time-thieves (chapter 3), personal reflection, relaxation, and development (chapter 4) as a basic condition for having quality relationships with others (chapter 5), how to lead others in striving for a better quality of life by giving a good example (chapter 6), and beyond (chapter 7). In this last chapter, the author proposes that by recapturing the essence of the basic forces of life, birth, love, and death, the concept quality of time acquires a whole different meaning.

Contributions to books

Antonio Argandoña

"El trabajo según las enseñanzas de San Josemaría Escrivá. Una reflexión desde la perspectiva de las actuales corrientes económicas y sociológicas", in the book "Trabajo y espíritu", edited by J. Borobia, M. Lluch, J. I. Murillo and E. Terrassa, *Eunsa*, 2004, pages 301-330.

Abstract: A lo largo del siglo XX la concepción del trabajo, como la de tantas otras realidades humanas, ha conocido cambios importantísimos que, en cierto modo, son la continuación de los que se venían gestando en las corrientes filosóficas, sociológicas y económicas de los siglos anteriores. Uno de esos cambios trascendentales es la aportación de San Josemaría Escrivá: la concepción del trabajo como expresión de la vocación a la santidad en medio del mundo de los hombres y mujeres corrientes. El objeto de este artículo es encuadrar la manera de entender el trabajo humano en las enseñanzas del fundador del Opus Dei, dentro de un marco muy general formado por las concepciones dominantes y por la realidad del trabajo humano en la última mitad del siglo XX en las ciencias sociales.

David Bardolet - Jordi Canals

"Vodafone AirTouch: The acquisition of Mannesmann" (IESE, ASE-403) in the book "Strategic management", 6th edition, edited by Michael A. Hitt, R. Duane Ireland and Robert E. Hoskisson, *Thomson South-Western*, 2004, pages 464-481.

Abstract: The case presents the strategic, financial and cultural dimensions of the hostile takeover bid that Vodafone AirTouch launched on November 1999 to gain control of Mannesmann, the German industrial conglomerate. It allows discussion of industry changes and strategic choices for Vodafone AirTouch, and an analysis of the proposed acquisition, taking into account strategic, financial and cultural factors.

Juan I. Canales - **Joaquim Vilà**

"Strategy formation effects on managerial action: Strategy in the back of your mind", in the book "Innovating strategy process", edited by Steven W. Floyd, Johan Roos, F. Kellermanns, and C. Jacobs, *Blackwell Pub.*, London, 2004, pages 33-46.

Abstract: This paper examines the relationship between the setting of the strategic intent and subsequent managerial action. It reports on an exploratory case study at RACC, a Barcelona-based service company with an aggressive expansion strategy. The study examines the context and characteristics of the strategy-making process and the specific evolution of thirteen strategic initiatives. Of particular interest was the perceived interplay between top managers and organizational members, which was resolved through a legitimizing mechanism. This interplay took place through deliberation and agreement, with extensive participation, as viewed by higher management levels. Once legitimized, strategic initiatives were developed in agreement with the strategic intent. This agreement provided guidance for carrying out strategic initiatives and was the basis for an ongoing strategic 'conversation'. From the analysis of the case, a model presenting how strategic intent interacts with the creation of strategic initiatives is presented. This model aims at overcoming the mutually exclusive bottom-up and top-down sources of influence, integrating both in a process model.

José L. Fernández - **Domènec Melé**

"Spain: From a paternalism past to sustainable companies", in the book "Corporate social responsibility across Europe. Discovering national perspectives of corporate citizenship", edited by A. Habish, J. Jonker, M. Wagner and R. Schmidpeter, *Springer*, Heidelberg, 2004, pages 292-305.

Abstract: In Spain, as in many other European countries, there is a growing movement in favor of corporate social responsibility (CSR). Spanish companies consider corporate reputation, competitive advantage and current trends in business to be the major driving forces of CSR. These factors, however, are closely related to other cultural, social and political influences. Initiatives launched by the EU and international organizations also have had an influence on the implementation of CSR. In Spain, CSR is being actively promoted by various associations and forums involving business leaders, business schools and other academic institutions, some NGOs, and the media. Although the degree of implementation of CSR in Spain is still moderate, various initiatives in this field by the country's most admired companies suggest that there will be promising developments in CSR in the near future.

Domènec Melé

"La relación empresa-sociedad como base para las responsabilidades sociales de la empresa", in the book "Responsabilidad de la empresa en la sociedad. Construyendo la sociedad desde la tarea directiva", edited by Marcelo Paladino, *Ariel*, Buenos Aires, 2004, pages 153-170.

Abstract: Una correcta consideración de la empresa, la sociedad y las relaciones empresa y sociedad lleva a enfocar adecuadamente las responsabilidades sociales de la empresa. En este capítulo se revisan las principales teorías sobre la relación empresa-sociedad. Entre ellas destacan las siguientes: la corporación empresarial considerada como una ficción legal y una concesión del poder público; la "teoría de agregación de la empresa", que ve la empresa como la resultante de un conjunto de acuerdos libres que se materializan en contratos; la consideración de las grandes corporaciones empresariales como instituciones casi públicas. Galbraith supone que en la sociedad hay una tecnoestructura que proporciona un sistema de valores de "arriba abajo" que implica a todos los grupos sociales, también a las corporaciones empresariales. Otra posición sugiere una relación empresa-sociedad que está basada en un contrato social. Frente a estas teorías, la tradición aristotélica, y también la doctrina social de la Iglesia, consideran la empresa como una comunidad dentro de la sociedad. Por ello, lo razonable es que la empresa contribuya al bien común de la sociedad según su propio modo de ser.

Domènec Melé - Patricia Debeljuh

"Documentos formales de ética empresarial: Motivos para su implantación en Argentina y España", in the book "Etica empresarial. Una responsabilidad de las organizaciones", edited by Pedro Francés, *Velea*, Caracas, 2004, pages 105-125.

Abstract: Se presenta un estudio comparativo entre Argentina y España de los motivos que han llevado a muchas empresas grandes a adoptar diversos documentos formales de ética empresarial, como Misiones Corporativas que incluyen valores, Valores Corporativos, Credos de Empresa, Códigos de Conducta y otros documentos similares. Entre las similitudes destaca la coincidencia en querer esos documentos para difundir la filosofía corporativa, presentar un compromiso público en ética empresarial y contribuir al desarrollo de los empleados. Pero en Argentina hay tres motivos que son más valorados que en España: recordar a los empleados sus obligaciones, evitar actos que perjudiquen a las empresas y proteger la firma de acciones legales. En ambos países se valora poco la ventaja competitiva de estos documentos.

Carlos Sánchez-Runde

"The changing foundations of people management", in the book "Next generation business handbook", edited by Subir Chowdhury, *John Wiley & Sons*, Hoboken, New Jersey, 2004, pages 872-883.

Abstract: This chapter presents a new framework to revise the dynamics of people management in innovating organizations. The framework is built on five specific features of the foundations of personnel practice and behavior: the ambiguity surrounding the basic concepts in the field, the contingency of well-established practices, the reversibility/irreversibility of processes, the systemic nature of structural relationships, and the simultaneous management of conflicting dualities.

Joaquim Vilà

"Leadership and innovation", in the book "Next generation business handbook: New strategies from tomorrow's thought leaders", edited by Subir Chowdhury, *John Wiley & Sons*, Hoboken, New Jersey, 2004, pages 39-55.

Abstract: There is no executive task more vital and demanding in today's business environment than achieving continuous innovation. To foster a sustainable capacity to innovate, change programs guided to build an innovation system need to be coupled with a fundamental change in the way top leaders define their role and shape their mindset.
Top management teams need to find the right balance between making progress in daily activities, improving what the company is currently doing to ensure short term results (managing for today), and renewing the basic foundations of the company's competitive advantages (managing for tomorrow).
This chapter presents the tasks of top leaders as key architects of both the Operating organization and the Innovating organization. Top managers can also facilitate innovation through their role in strategy setting. When the strategy making process is focused on building a shared understanding about basic guidelines for daily action, this approach clearly overcomes serious limitations of traditional strategic planning as a mechanism to stimulate new innovation skills.
The chapter ends with a discussion of the value of the Business Federation form and presents a revised role of senior leaders in managing for today and for tomorrow under this way of organizing.

IESE - Working Papers

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

No 566 - September 2004
Domènec Melé
THE PRINCIPLE OF SUBSIDIARITY IN ORGANIZATIONS. A CASE STUDY

Abstract: The principle of subsidiarity holds that a larger and greater body should not exercise functions which can be carried out efficiently by one smaller and lesser, but rather the former should support the latter and help to coordinate its activity with the activities of the whole community.
According to some authors, businesses ought to be considered as human communities and, consequently, the principle of subsidiarity should be an ethical premise for designing business organizations. However, this principle has rarely been applied to business organizations as yet.
This paper presents the bases and contents of the principle of subsidiarity, and the ethical requirements for the design of business

organizations that flow from it. Subsidiarity is an ethical framework for employee autonomy, initiative, entrepreneurial spirit, and responsibility. It bears some similarities to the managerial concepts of "decentralization" and "empowerment", but differs from them both in its foundation and in its application. A case study of a medium-sized firm describes an organizational change which takes the principle of subsidiarity into account. Reflection on the subsidiarity principle and the use of appropriate managerial tools proved successful in improving various aspects of this organization. The paper concludes by presenting some suggestions for effective implementation of the subsidiarity principle in business organizations.

No 567 - September 2004

Josep M. Rosanas

BOUNDED RATIONALITY, VALUE SYSTEMS AND TIME-INCONSISTENCY OF PREFERENCES AS RATIONAL FOUNDATIONS FOR THE CONCEPT OF TRUST

Abstract: This paper aims to contribute to the (bounded rationality) foundations of trust. After reviewing the extant definitions, I establish the formal structure of situations involving trust. In that context, I examine the paradoxical situation of (calculative) trust in simple settings. Then I show how bounded rationality provides a rationale for a concept of trust that goes beyond that calculative notion. Value systems and possible inconsistency of time preferences are shown to be crucial elements.

No 568 - September 2004

Manel Baucells - Cristina Rata

FRAMING AND STAKES: A SURVEY STUDY OF DECISIONS UNDER UNCERTAINTY

Abstract: Using a survey study of 261 decisions under uncertainty, we explore the factors that explain risk taking behavior and those that predict the importance of a decision. We also examine the relationship between framing and status quo, the similarity between monetary and non-monetary decisions, as well as the similarities and differences among our three subject groups (Undergraduates, MBAs and Executives). We find that framing, domain, and probability of success have a strong influence on the probability of taking risks. Other factors, such as group, importance of a decision, and whether the consequences are monetary or not, do not seem to influence risk attitudes. Our analysis of importance of a decision highlights the frequency with which a decision is taken as a key variable. Our results suggest that the cumulative effects of unimportant but frequent decisions are greater than the cumulative effects of very important but infrequent decisions.

No 569 - September 2004

Juan I. Canales - **Joaquim Vilà**

STRATEGY-MAKING VIA PARTICIPATION

Abstract: This paper studies the interplay between top and middle managers as a determinant of strategy-making effectiveness. Participation is a pivotal concern among different types of strategy-making process to grasp the conditions that account for effective strategy-making. We examine how the resolution of the interplay between managerial levels fosters or hinders subsequent managerial action by means of a multiple case design of six Spanish companies. These six organizations shared managerial participation in different degrees as a valued property of their strategy process. First-round interviews with key informants provided a profile for each strategic process. Next, we gathered all key informants in an interactive discussion group, which further evidenced their diversity in the making of strategy. Lastly, we carried out a final round of interviews to enhance clarification. The targeted organizations varied in their types of process, core businesses and size. This variety provided a rich and diverse context to study interaction between upper and lower level managers. By analyzing how interaction resolved into goals and strategy within the different modes of strategy process, we dig into the resolution conditions. We present a theoretical framework that extends existing knowledge on how strategy-making, as a cooperative endeavor between managerial levels, translates strategy into organizational activities. Findings show that legitimation of strategic objectives explains the extent to which tasks are carried out and objectives are accomplished. As an interplay resolution mechanism, legitimation is a property integrated into goals and means through mutual validation by both top management and organizational members.

No 570 - September 2004

Miguel A. Gallo - Kristin Cappuyns

FAMILY MEMBERS WHO DO NOT WORK IN THE FAMILY BUSINESS: HOW TO ENHANCE THEIR "UNITY" AND "COMMITMENT"

Abstract: This study builds on the results of a recent international study, "Success as a Function of Love, Trust and Freedom in Family Business" (Gallo et al., 2001), which introduced a new conceptual model identifying family unity and commitment as driving forces behind the success of Family Businesses (FBs). Whereas the earlier research dealt with family members who are active in the business, this study aims primarily to reflect what non-active family members, from their position as "outsiders", think about the business of which they, too, are a part. One of our principal hypotheses is that successful FBs are supported by families that place an emphasis on family unity and commitment. Secondly, based on a typology of family members according to their levels of effort, loyalty and idealism, the study identifies a number of rewards or motivators that can help to raise these levels over generations.
(Also available in Spanish).

No 571 - September 2004

Miguel A. Gallo - Kristin Cappuyns

EFFORT, LOYALTY AND IDEALISM

Abstract: The purpose of this pioneering study in the field of family business is to measure the degree of commitment to the family business among family members who do not actually work in the firm. After analyzing the characteristics of these people, we identify four very different groups. The existence of these four groups suggests that there is a 'natural evolution' in relations between families and their businesses. Based on the behavior of the people in each of the four groups, we aim to identify the factors that can significantly affect the degree of commitment of family members.
(Also available in Spanish).

No 572 - September 2004

Africa Ariño - Jeffrey J. Reuer

ALLIANCE CONTRACTUAL DESIGN

Abstract: Our purpose in this paper is to provide an overview of what we know about alliance contracts. After a short introduction to the contents of alliance contracts, we start by contrasting alliance contractual form and governance form. Next, we focus on two related constructs: contractual complexity and contractual completeness. We suggest that contractual complexity is a more adequate construct to investigate in the absence of information about the transaction contemplated in the contract. After that, we present the measures of contractual complexity used in past studies. Then, we go over the determinants of contractual complexity by considering their influence on contracting costs and benefits given environmental and behavioral uncertainty. Conclusions and suggestions for research are offered at the end.

No 573 - October 2004

Juan I. Canales - **Joaquim Vilà**

STRATEGY FORMATION EFFECTS ON MANAGERIAL ACTION: STRATEGY IN THE BACK OF YOUR HEAD

Abstract: This paper examines the interplay between top and middle level managers as strategy-making settles and in subsequent managerial action. It reports on an exploratory case study at a car service company that has an aggressive expansion strategy. The study examines the context and characteristics of the strategy-making process and the specific evolution of fourteen strategic initiatives. Of particular interest was that the interplay between top managers and middle managers was resolved through a legitimizing mechanism. This interplay took place through deliberation and agreement, with extensive participation, and developed into shared views of strategy which provided legitimation. Once settled, strategic initiatives were subsequently developed in harmony with the strategic intent. This agreement provided guidance to carry out strategic initiatives and was a source of resilient strategic conversation. From analysis of the case, a model presenting how strategic intent interacts with the creation of strategic initiatives is presented. This model aims at overcoming the mutually exclusive bottom-up and top-down sources of influence, integrating both in a process model.

No 574 - October 2004

Pablo Fernández

MARKET RISK PREMIUM: REQUIRED, HISTORICAL AND EXPECTED

Abstract: The market risk premium is one of the most important but elusive parameters in finance. It is also called equity premium, market premium and risk premium. The term 'market risk premium' is difficult to understand because it is used to designate three different concepts: 1) *Required* market risk premium, which is the incremental return of a diversified portfolio (the market) over the risk-free rate (return of treasury bonds) required by an investor. It is needed for calculating the required return to equity (cost of equity). 2) *Historical* market risk premium, which is the historical differential return of the stock market over treasury bonds. 3) *Expected* market risk premium, which is the expected differential return of the stock market over treasury bonds.
Many authors and finance practitioners assume that the *expected* market risk premium is equal to the historical market risk premium and to the *required* market risk premium. The CAPM assumes that the *required* market risk premium is equal to the *expected* market risk premium.
However, the three concepts are different. The *historical* market risk premium is equal for all investors, but the *required* and the *expected* market risk premium are different for different investors. We also claim that there is no *required* market risk premium for the market as a whole: different investors use different *required* market risk premiums.

No 575 - October 2004

Rama Velamuri - Sankaran Venkataraman

AN EMPIRICAL STUDY OF THE TRANSITION FROM PAID WORK TO SELF-EMPLOYMENT

Abstract: We explore the relationship between the probability of a transition from paid work to self-employment and three explanatory variables: paid income, predicted income, and income for ability. We use panel data for heads of households from the PSID SRC sample for eight pairs of years. Our results show that therelationship between paid income and self-employment is not linear. We then break up paid income into two components: a) predicted income based on human capital, demographic, and locational variables, and b) income for ability. Again, we find nolinear relationship between self-employment and either predicted income or income for ability. We then test for curvilinear relationships between these three variables (i.e., paid income, predicted income, and income for ability) and the transition to self-employment. We find that individuals with low incomes are more likely to take up self-employment. Further, income for ability is a stronger predictor of the transition to self-employment than predicted income. We show that the relationship between ability and self-employment is U shaped: very low ability and very high

ability individuals are more likely to take up self-employment than medium ability individuals. We use prospect theory to explain this result.

Studies and Monographs

No 13 - September 2004
Marc Sachon - Daniel Albiñana
SECTOR ESPAÑOL DEL AUTOMOVIL: ¿PREPARADO PARA EL E-SCM?

Abstract: La industria del automóvil ha experimentado una profunda transformación en los últimos diez años. Por un lado, ha aumentado la presión de los consumidores sobre los fabricantes para que lancen nuevos modelos más personalizados. Por otro lado, la continua rebaja de los márgenes, que en ocasiones apenas rozan el 5%, ha llevado a los grandes fabricantes de automóviles a subcontratar muchos de sus servicios con el objetivo de reducir costes. Esta tendencia ha multiplicado el número de proveedores con los que trabajan los fabricantes del sector.
El estudio, basado en 72 empresas Pyme proveedoras del sector de automoción en España, tiene dos objectivos: a) analizar el estado actual de la infraestructura tecnológica para la integración virtual de la cadena de suministro del sector de automoción en España, y b) identificar desafíos en el proceso de integración virtual desde el punto de vista de las Pymes.

No 14 - July 2004
Sandra Sieber
LA GESTION VIRTUAL DE LAS RELACIONES ENTRE EMPRESAS

Abstract: Aunque históricamente el objetivo de los SI y de las TIC ha sido la integración de la información procedente de las distintas áreas de la empresa en un único sistema, en la actualidad, la integración se extiende a la información generada por el resto de los participantes en la cadena de suministros, desde clientes hasta proveedores.
Las TIC han permitido la automatización de diferentes tipos de interacción (uno a uno, uno a muchos, o muchos a muchos). Esto no sólo afecta a los costes de los procesos de gestión internos o entre empresas, sino que puede llegar a suponer la transparencia de mercados o cadenas de suministro, lo que a la postre es el gran objetivo. Es lo que conocemos como la *extended enterprise*.
Este estudio repasa las diferentes maneras en que las TIC han afectado a las relaciones de las empresas, tanto internas como externas, demostrando que la aparición de Internet y de las denominadas iniciativas B2B (*Business to Business*) son tan sólo un paso más de una larga evolución.

No 15 - September 2004
Lluís G. Renart - Francesc Parés - Carlos Cabré
DOSSIER SOBRE CRM (CUSTOMER RELATIONSHIP MANAGEMENT)

Abstract: Este estudio presenta los principales conceptos relacionados con el marketing relacional o *Customer Relationship Management* (CRM): qué es un CRM; cuáles son sus principales beneficios potenciales; por qué fallan muchos proyectos de CRM, y cómo evaluar *a priori* la viabilidad potencial de un proyecto de CRM. La exposición de los principales conceptos teóricos se complementa con la presentación de tres casos prácticos de aplicaciones exitosas del concepto de CRM, estudiados a fondo y publicados por los autores: Spainsko; Hewlett-Packard Designjet Online, y la cadena de jugueterías Imaginarium. En estos tres casos se pone en evidencia el diseño y buen funcionamiento de estrategias de marketing relacional que no incluyen la emisión de una tarjeta de fidelización ni la atribución a los clientes de puntos canjeables por regalos.

No 16 - October 2004
José R. Pin - Esperanza Suárez
LA EXTERNALIZACION DE LA ADMINISTRACION DE PERSONAL EN LA ESTRATEGIA DE RECURSOS HUMANOS

Abstract: La dirección de recursos humanos ha variado de la función meramente administrativa al enfoque estratégico. Ello lleva consigo la concentración de sus recursos en las funciones que más valor añadido proporcionan. Una forma de conseguirlo es la externalización o el *outsourcing* de algunas de las tareas, principalmente las administrativas y, dentro de ellas, las de gestión de nóminas. Mediante el análisis de la bibliografía, el estudio de cincuenta empresas y la descripción en profundidad de casos, el IRCO-IESE, con el patrocinio de ADP (primera empresa en gestión de nóminas), el informe analiza las condiciones para realizar una buena externalización de estas tareas.
La gestión de las nóminas es delicada, un error en las mismas es rápidamente detectado y desmotiva a las personas. El estudio da algunos consejos si hay que externalizarla. El primero, tener un conocimiento claro de los costes reales de la tarea interna. También, tener claros los criterios para tomar la decisión, que son de tres tipos: estratégicos, tácticos y operativos. El estudio aporta algunos datos sobre estos costes y en tres casos compara el número de horas utilizadas para la gestión de nóminas entre empresas que externalizan y que no lo hacen. Por último, el estudio pone de manifiesto las condiciones que recomiendan una externalización y las que no.

No 17 - October 2004
José R. Pin - Angela Gallifa - Luis López
LIBRO BLANCO SOBRE LAS MEJORES PRACTICAS PARA LA INTEGRACION DEL TRABAJADOR INMIGRANTE EN LAS EMPRESAS ESPAÑOLAS

Abstract: Dado que todo apunta a que los flujos migratorios no van a disminuir en el futuro, parece necesario adoptar medidas

que faciliten la integración de los trabajadores extranjeros, que en muchos casos se basan en darles la oportunidad de tener acceso a los mismos servicios básicos que el resto de la población. Esta integración, a día de hoy, no se está realizando en la sociedad española, ya que la percepción que se tiene de los inmigrantes es de mano de obra barata, por lo que estamos perdiendo la oportunidad de integrar a este colectivo que, por otro lado, es imprescindible para el desarrollo económico del país. Los inmigrantes contribuyen a la economía del país de manera significativa y van a ser importantes en el mercado laboral. Su afiliación a la Seguridad Social creció al 8,13% entre 2002 y 2004 (Euroíndice Laboral IRCO-IESE), mientras el sistema general lo hace al 6%. Además, sus gastos en este capítulo son inferiores a los ingresos.
La estructura de la obra se articula en tres grandes bloques temáticos que atienden, respectivamente, a: a) el contexto político, social y económico de la migración. En esta primera parte, los autores nos adentran, con una metodología impecable, en las características del mercado de trabajo español, para profundizar seguidamente en el perfil de los trabajadores extranjeros, las razones para migrar y los efectos de los flujos migratorios; b) la legislación sobre inmigración. Se realiza un minucioso estudio de la misma, con especial detenimiento en la evolución legislativa en Estados Unidos y Europa y, en concreto, en Francia, Reino Unido, Italia, Países Bajos y España, y c) el análisis de las reuniones habidas con un nutrido grupo de empresas españolas cuyas políticas en pro de la adaptación del trabajador extranjero, en ocasiones en "primera fase de prueba", son ejemplos de buenas prácticas en su integración.

No 18 - October 2004
Javier Santomá - Carmen Marcé - Eva Armengol
MEDIOS DE PAGO ELECTRONICOS. HACIA LA DESINTERMEDIACION BANCARIA

Abstract: Este estudio se propone estudiar la evolución de los medios de pago electrónicos, así como su relación con los distintos agentes que intervienen en el proceso de pago. Los medios de pago han sido un área que tradicionalmente ha atraído poco el interés de los académicos. Los medios de pago se constituyen hoy en una línea de negocio especialmente importante para la banca. También desde esa perspectiva se puede decir que las instituciones financieras han mostrado poca comprensión sobre la importancia de esta área de actividad.

Other publications

Ramón Casadesus-Masanell
"Dinámica competitiva y modelos de negocio", *Universia Business Review*, No 4, fourth quarter, 2004, pages 8-17.

Abstract: Este artículo introduce la noción de la competencia en modelos de negocio, presenta el concepto de ciclo virtuoso e ilustra cómo un buen diseño de modelo de negocio genera rentabilidades superiores sostenibles. El enfoque de la formulación estratégica desde el punto de vista de los modelos de negocio ofrece una nueva perspectiva para abordar aspectos fundamentales de estrategia tales como las amenazas a la sostenibilidad de la ventaja competitiva y los riesgos y virtudes del crecimiento empresarial.

Nuria Chinchilla - Consuelo León - Joan B. Tarrés
"Ser empresa familiarmente responsable: La primera responsabilidad corporativa", in the book "Manual de la empresa responsable", edited by Manuel Soriano, *Club de Excelencia en Sostenibilidad*, Biblioteca Empresarial Cinco Días, 2004, pages 189-208.

Abstract: La empresa que pretenda liderar su sector en el siglo XXI tendrá que asumir un nuevo aspecto: la satisfacción del empleado por medio de planes de desarrollo profesional y apoyo a la conciliación de su vida familiar y profesional.
El modelo EFR (Empresa Familiarmente Responsable) constituye una pauta para realizar la evaluación y diagnóstico de la empresa, a fin de saber en qué fase se encuentra. Para ello, se estudian cuatro elementos: las políticas formales consideradas familiarmente responsables, los facilitadores (liderazgo, comunicación, responsabilidad y estrategia), la cultura (frenos e impulsores) y los resultados. Pero las iniciativas tomadas desde la empresa sólo son complementarias de otras muchas medidas tomadas por distintos agentes sociales, entre ellos el Estado y las Administraciones públicas.

Nuria Chinchilla - Steven Poelmans
"La conciliació de la vida laboral, familiar i personal", col.lecció Prospectiva, *Pla Estratègic Metropolità de Barcelona*, 2004, 139 págs.

Abstract: Aquest estudi és el resultat de l'encàrrec realitzat a l'IESE pel Pla Estratègic Metropolità de Barcelona, en el marc dels informes de prospectiva iniciats l'any, sobre les diferents polítiques empresarials i públiques que s'estan portant a terme en l'ambit de la UE referents a la vida laboral, familiar i personal and l'objectiu que serveixin de referència per a un millor assoliment d'aquest objectiu en l'Area Metropolitana de Barcelona.

José R. Pin
"El futuro de la formación de directivos. El papel de las escuelas de dirección", "Especial Formación. Dirigir Personas", *AEDIPE*, No 31, September 2004, pages 14-18.

Abstract: El mundo está en continua transformación. Lo que se aprende en un momento determinado queda obsoleto muy rápido. El directivo debe buscar instituciones que le permitan el reciclaje. Estas instituciones deberán orientarse al aprendizaje en todas las etapas de la carrera del directivo. Son los programas *Executive*, compatibles con el ejercicio profesional. Entre ellos,

el MBA. Su orientación debe bascular desde impartir conocimientos a desarrollar competencias. Enfocarse en el aprendizaje personal y el *coaching* individual. Tener una amplia gama de metodologías de aprendizaje y crear espacios para la reflexión y el diálogo respecto al futuro y el sentido de la carrera.

Ignacio Urrutia

"Análisis de los clientes para mejorar su posicionamiento estratégico", *Estrategia Financiera*, No 210, October 2004, pages 40-46.

Abstract: El cambio de paradigma que se está produciendo en el mundo empresarial nos obliga a replantearnos las herramientas que maneja el directivo para tomar decisiones, el nuevo paradigma está adornado, de forma muy sutil, con ideas que hacen muy atractivo su seguimiento; son muchos los que consideran que el modelo capitalista definido por la frase "maximizar el valor para el accionista" está agotado, se debe pasar a otro que tiene que ver con un modelo más globalizador, que es el de maximizar el valor ciudadano de la empresa, que permite entender que debe haber un equilibrio entre las pretensiones de los diferentes participantes del sistema de valor empresarial.
Este cambio de paradigma ha provocado que cada vez en más ocasiones las empresas decidan colaborar con instituciones sin ánimo de lucro, no para ayudarlas filantrópicamente sin contraprestación, sino buscando de la relación el valor que cada uno puede aportar; en este sentido, los sistemas de información contables, en este caso los podríamos considerar como sistemas de información económicos, deben evolucionar en función de las necesidades de sus directivos.

Conferences and Seminars

Rafael Andreu

On Septembre 30-October 1, attended, in Paris, the *5th European Conference* on Knowledge Management, organized by ECKM'04, where he presented the paper "Strategy implementation: Capability and firm-specific knowledge development".

Abstract: Strategy implementation can be viewed as a process of capability development which implies learning. So, a relevant question becomes what kind(s) of knowledge are involved. Drawing from basic characteristics of the likely knowledge types involved, we deduct a set of conditions for effective strategy implementation, which are also related to motivation, preferences and incentive systems. Testable propositions are deduced that may guide future research and practice in this field.

He also chaired a session on "Learning and knowledge capture in projects".

Antonio Argandoña

On October 1-3, attended, in Barcelona, the *Transatlantic Business Ethics Conference*, where he presented the paper "Unity and success in business".

Abstract: An organization is a group of persons who coordinate their actions to achieve certain goals in which all have an interest, although that interest may stem from very diverse motives. The concept of the success of an organization must therefore take into account not only the achievement of the common goal, but also the achievement of the particular goals of the organization's members: in a sense, the organization's goal must be to satisfy the needs both of its customers and of its members. Organizational members will act out of different types of motives, giving rise to three key variables in any organization: effectiveness (difference between resources obtained and resources used); attractiveness (ability to attract and retain members by virtue of what they do in the organization); and unity (ability to motivate members by the consequences of their actions for others). In a word, the organization's goal will be to increase its unity, while maintaining a certain minimum of effectiveness and attractiveness.

Africa Ariño

On October 6-8, attended, in Nijmegen, The Netherlands, at the Centre for Strategy and Alliances *Workshop* on the Dynamics of Cooperation, where she presented the paper "The role of justice theory in strategic alliance negotiations", co-authored by Peter S. Ring.

Abstract: We report data from a revelatory qualitative case study of a failed attempt to negotiate an international joint venture agreement. We analyze issues of justice and the role that their occurrence in the course of the negotiations may have played in this outcome. These potential antecedents of the failure were derived from theories of organizational justice. The results support the view that organizational justice theory, particularly interactional justice, can play an important role in explaining alliance negotiation outcomes.

Manel Baucells

On October 24-27, attended, in Denver, the *INFORMS Annual Meeting*, where he presented the paper "A field study of stakes, frequency, domain, and framing in decisions under uncertainty", co-authored by Cristina Rata.

Abstract: Our survey analysis of 261 real decisions suggests that the sum of frequent small decisions amounts to more than the sum of less frequent but more important decisions. Framing and domain have a strong influence on the probability of taking risks. Whether the decision is monetary or not does not seem to influence risk attitudes, which are similar across groups.

Miguel A. Gallo

On September 8-11, attended, in Copenhagen, the *15th Annual Conference*, organized by the Family Business Network (F.B.N.), on the theme "The family firms in the wind of change", where he presented the paper "Family protocols in Spain: A survey on 10 years of experience", co-authored by Salvatore Tomaselli.

Abstract: The idea of the "Family Protocol" is rooted in the stream of research into Strategic Planning in Family Businesses, started in the 1980s. Most of the literature on this topic is prescriptive and few authors have attempted to analyze the practical results of Family Protocols. This paper presents some of the findings of a survey conducted by the authors between October 1999 and June 2002 to investigate the results of Family Protocols in a sample of Spanish family businesses that wrote their protocols in the early 1990s.
After describing the objectives, design, conceptual model and methodology of the survey, we describe: 1) the influence of certain structural characteristics of the family and the business on the way the protocol was drafted and implemented; 2) the dynamic relationships among the variables that can influence the success or failure of a family protocol.

He also gave, together with Salvatore Tomaselli in the *Main Conference*, the workshop "Writing, implementing and maintaining family protocols in an unstable world".

Miguel A. Gallo - Kristin Cappuyns

On September 8-11, attended, in Copenhagen, the *15th Annual Conference*, organized by the Family Business Network (F.B.N.), on the theme "The family firms in the wind of change", where they presented the paper "Family members who do not work in the family business. How to enhance their 'Unity' and 'Commitment'".

Abstract: The study builds on the results of a recent international study, "Success as a Function of Love, Trust and Freedom in Family Business" (2001). This study, focusing on family members who are active in the business, introduced a new conceptual model that identifies family 'unity' and 'commitment' as driving forces behind the success of Family Businesses (FBs).
This study, in contrast, aims, first, to find out what non-active family members, from their position as "outsiders", think about the business of which they, too, are a part, one of our principal hypotheses being that successful FBs are supported by families that place an emphasis on family unity and commitment. Second, based on a typology of family members according to their levels of 'effort', 'loyalty' and 'idealism', the study proposes a number of rewards or motivators that can help to raise those levels over generations.

Javier Estrada

On October 6-9, attended, in New Orleans, the *2004 FMA Annual Meeting*, where he presented the paper "Countries vs industries in emerging markets: A normative portfolio approach", co-authored by Mark Kritzman and Sebastien Page.

Abstract: Should investors in emerging markets focus on diversifying across countries or diversifying across industries? This question, widely debated in developed markets and particularly in Europe, has received little attention in emerging markets. Using a normative approach that disentangles the impact of investor behavior from the opportunities offered by capital markets, we find that country effects dominate industry effects. It follows from our results that, despite the increasing globalization of emerging markets, investors should focus their diversification efforts on countries rather than on industries.

He also chaired the session "International portfolio diversification" and was a discussant in the session "International diversification at home and abroad" by Fang Cai and Francis E. Warnock.

Alejandro Lago

On September 1-5, attended, in Athens, the "*TRANSTEC 2004* (Transport Science and Technology Congress)", organized by the University of California, and the Greek Ministry of Tourism, where he presented the paper "Reconsidering the spatial analysis of congestion", co-authored by C. Daganzo.

Abstract: The presentation examined how traffic congestion develops in urban areas during the morning commute and showed that urban sprawl may aggravate congestion. Although traffic is inherently a dynamic phenomenon, the economic impact of congestion has always been evaluated with very idealized, steady-state models. These models often overlook three very important facts: the spatial distribution of population, trip timing, and the spatial extent of queues. Our model incorporates these three facts within a realistic analytical framework that is consistent with both traffic flow theory and departure time choice theory. As a result, we are able to explain how congestion costs and commuter travel choices depend on the distribution of population and the availability of freeway space. We unveil unexpected situations where ramp-metering can be beneficial and others where the provision of more freeway storage can be counterproductive.

Johanna Mair

On September 27-28, attended, in Gent, the *3rd EABiS Colloquium*, organized by the European Academy of Business in Society, where she presented the paper "Entrepreneurs in service of the poor. Models for business contributions to sustainable development".

Abstract: Despite the magnitude of the social entrepreneurship phenomenon, a number of questions are still unanswered: What exactly does it mean? Who benefits from it? Who are social entrepreneurs? Why is social entrepreneurship such a powerful concept? In an attempt to establish a clear definition of social entrepreneurship this paper looks at social entrepreneurship through the lens of sustainable development and argues that

it could play a powerful role in efficiently contributing to the achievement of recognized sustainable development goals.

On October 9-10, attended, in Fontainebleau, the *Professional Development Workshop*, organized by the Academy of Management, EABIS and INSEAD, where she presented the paper "Social entrepreneurship. The contribution of individual entrepreneurs to sustainable development".

Abstract: Social entrepreneurship is a phenomenon that has resisted definition. The focus on organizational structures and/or what constitutes a worthy social cause has created a diverse set of terminology. Observing the positive social impact of entrepreneurs addressing basic needs, this paper recognizes their unique role in efficiently contributing to achieving sustainable development goals. From this perspective, the term 'social' can be much better defined. The frameworks proposed in this paper should guide much needed further research and facilitate decision making about more focused support from a financial as well as a learning perspective.

Víctor Martínez de Albéniz

On October 24-27, attended, in Denver, the *INFORMS Annual Conference 2004*, where he presented the paper "Competition in the supply option market".

Abstract: We propose a competition model where a buyer purchases some commodity component from a pool of suppliers, through option contracts. The suppliers compete for capacity allocation and supply deliveries by submitting reservation and execution prices to the buyer. We characterize the suppliers' Nash equilibria in pure strategies. We show that, in equilibrium, suppliers tend to be clustered in small groups of two or three suppliers each, and that supply chain inefficiencies are bounded.

Domènec Melé

On September 27-28, attended, in Gent, the *3rd EABiS Colloquium*, organized by the European Academy of Business in Society, where he presented the paper "Business enterprise: A relational approach".

Abstract: The concept of the business enterprise is crucial in understanding the role of business in society and its corresponding responsibilities. Many of the theories of the business enterprise used in management today focus on just one aspect (very often, the economic aspect). In this paper, we adopt a Neo-Parsonian approach, based on four interdependent elements: 1) adaptive mechanism; 2) goal mode; 3) integration standards, and 4) values orientation. It is argued that a business enterprise is a relation of four elements: 1) wealth creation; 2) corporate governance and management; 3) organizational integration, and 4) organizational culture. This approach provides a holistic view of the firm based on these four dimensions, underlining the interdependence among them. Applying the same approach to two current theories of the firm (agency theory and stakeholder theory), the fourth dimension (values orientation) is found to tie in with several concepts related to philosophy and ethics.

On October 22-23, attended, in Nottingham, the "Inter-Disciplinary Corporate Social Responsibility Research Conference", organized by the International Center for Corporate Social Responsibility at the University of Nottingham, where he presented the paper "Rival philosophical approches to business ethics".

Abstract: Four major groups of rival theories or approaches in business ethics can be distinguished: profit-oriented; principle-oriented; agent-oriented; and human excellence-oriented. Within each group, numerous theories compete against one another. The variety of rival theories, which perplexes many managers and students alike, requires proper treatment. The paper discusses each theory and their respective shortcomings and limitations. It is argued that although each theory affords pertinent insights, the theories are not all equally correct or appropriate. Some suggestions are outlined for further developments in business ethics theory.

José R. Pin - Lourdes Susaeta

On October 22, attended, in Santo Domingo, the *XXXIX Asamblea Anual* of CLADEA (Consejo Latinoamericano de Escuelas de Administración), on the theme "Gestión y competencias frente al desafío de la integración de los mercados", where they presented the paper "El proceso de transferencia de políticas y prácticas de recursos humanos en la empresa multinacional: un modelo ecléctico".

Abstract: El objetivo de este trabajo es responder a la pregunta: ¿Cómo y por qué se produce la transferencia de políticas y prácticas de recursos humanos dentro de la empresa MNC, cómo se implementan (tras el proceso de negociación) e interiorizan en la subsidiaria?
La aportación que el trabajo pretende hacer a la bibliografía, que estudia la transferencia de las prácticas de recursos humanos dentro de la empresa MNC, radica fundamentalmente en dos puntos: 1) la diferenciación entre decisión de transferencia y procesos de negociación, implementación e interiorización, y 2) intento de dar respuesta a la pregunta de investigación desde un marco de trabajo ecléctico en que se integran las distintas aproximaciones teóricas, que no son excluyentes entre sí sino que se complementan unas a otras en el estudio de los componentes del proceso.

Serge Poisson de Haro (Ph.D. Candidate)

On September 13-14, attended, in Leeds, the *Business Strategy and the Environment Conference*, organized by the ERP Environment and University of Leeds, where he presented

the paper "Corporate sustainable development practices: A preliminary model for a multiple case study in Spain".

Abstract: Integrating sustainable development into corporate practices has become a high priority on many corporate agendas worldwide. Despite growing international attention to the implications of sustainable development at the corporate level, there has been limited empirical research into the development process of Sustainable Development Practices (SDPs) at the firm level. This paper is the first phase of a research project aimed at understanding why and how Sustainable Development Practices (SDPs) develop at the firm level. First, we look at the reasons or influencing factors that explain the commitment of companies to sustainable development. Legislation, stakeholder pressures, economic opportunities and ethical motives are among the most commonly identified factors that drive companies to adopt a particular type of corporate behavior when considering sustainable development. In particular, they impact the level of strategic importance of sustainable development for companies, and the level of companies' capabilities to deal with sustainable development issues. Secondly, we aim at understanding how companies actually develop SDPs. Depending on their corporate behavior, companies adopt a development mode on a continuum ranging from standard adoption to more emergent processes, all with varying degrees of stakeholder involvement. Thirdly, we propose a preliminary model to explain why and how SDPs develop, and present our methodology. Finally, we introduce the next phase of three case studies in the electrical utilities sector in Spain.

Miguel A. Rodríguez

On September 27-28, attended, in Gent, the *3rd EABiS Colloquium*, organized by the European Academy of Business in Society, where he presented the paper "Sustainability in the boardroom".

Abstract: In recent years, there has been a virtual explosion of interest in corporate governance. Corporate scandals and the need to protect minority shareholders' interests are just two of the reasons behind the development of corporate governance codes in numerous countries and corporations. At the same time, the concepts of 'sustainable development', 'corporate responsibility', and 'corporate citizenship' have taken root in the business world. Although there is an extensive body of research dealing with corporate governance and sustainable development separately, less attention has been paid to the interaction between the two.
This paper attempts to bridge the aforementioned gap by examining how corporate governance systems are evolving in order to take account of current thinking on sustainable development. The paper presents a Model of Sustainable Corporate Governance that emerges from an analysis of the governance systems of the 18 leading corporations in the market sectors considered by the Dow Jones Sustainability World Index (DJSWI).

Juan Roure

On September 8-10, attended, in Turku, Finland, the *EISB 34 Annual Conference*, on the theme "New economy comes of age - Implications for ageing entrepreneurs, enterprises and economies", where he presented the paper "Las empresas familiares y sus actividades como inversores de capital riesgo", co-authored by Amparo San José and Rudy Aernoudt.

Abstract: A través del estudio de dos casos de empresas familiares implicadas activamente en la inversión en empresas en fases tempranas, el trabajo muestra la diversidad de los enfoques que la empresa familiar puede adoptar. Los casos seleccionados muestran cómo las alternativas para la inversión en capital riesgo varían desde la participación en un fondo, en condiciones semejantes a otros inversores, a la creación conjunta de grupos informales de inversión, que funcionan de forma similar a los grupos de inversores de tipo *business angel*, en el que participan los principales socios o miembros de la familia.

José L. Suárez

On September 29, attended, in Barcelona, the *Barcelona Meeting Point 2004*, where he presented the paper "Políticas de vivienda en Europa".

Abstract: Visión rápida de las políticas de vivienda en los países de la Unión Europea. Para ello se clasifican los países según sus políticas se decanten por la propiedad, Bélgica, Irlanda, Luxemburgo o España, y los que se decanten por el alquiler, como Países Bajos, Suecia, Francia y España.
De esta manera se describen las últimas tendencias que se han dado a nivel europeo, como la desintervención del Estado o la decantación por la propiedad, y se muestran los últimos datos sobre los regímenes de tenencia.

Ignacio Urrutia

On September 22-25, attended, in Gent, the *European Sport Management Congress*, organized by the European Association Sport Management, on the theme "Innovation in co-operation", where he presented the paper "Analysis of the economic and athletic effects of the innovative recruiting methods of Real Madrid: Zidanes and Pavones".

Abstract: It is now four years since Florentino Pérez became Chairman of Real Madrid football club, and we consider this an opportune moment to analyze whether his innovative 'Zidanes and Pavones' recruitment policy, based on world-class stars ('Zidanes') and talented players from the youth team ('Pavones'), has been successful in achieiving the club's strategic goals. Klenosky et al. (2001) consider recruiting a key activity across all levels, and yet there has been only a limited amont of empirical research into the recruiting process itself.
We argue that it was not until the 2003-2004 season that Real Madrid full applied the 'Zidanes and Pavones' model. We further suggest that that is because, before then, Real Madrid had players who belonged to neither the 'Zidane' nor the 'Pavones' category.

It was this third class of players, we contend, that caused player salaries to skyrocket to levels that were unreasonable when compared with the players' ability on the field. Furthermore, these other players have filled positions and blocked the entry of what might have been new 'Pavones'. In our opinion, it was not until the summer of 2003, with the appointment of new coaches, that the "'Zidanes-Pavones' model was fully applied, with all its consequences.

On October 6-8, attended, in Toledo, the *VII Jornadas de Gestión y Evaluación de Costes Sanitarios*, organized by Fundación Signo, where he presented the paper "La gestión estratégica de los costes hospitalarios a través del sistema de costes ABC y la matriz de valor".

Abstract: La razón económica nos debe hacer pensar que un hospital se mantendrá en el tiempo cuando los elementos clave de éxito bien coordinados faciliten y cubran las necesidades de cada uno de los participantes del hospital; parte de estos elementos clave son: las acciones humanas, las necesidades humanas y el modo de coordinar tanto las acciones como las necesidades. Toda persona que participa en el hospital debe ser consciente de que aporta algo y que tiene el derecho de recibir algo por su aportación. Las acciones que realiza la persona son las que van a configurar su productividad en el sistema asistencial y su retribución en el sistema de distribución de los recursos económicos.
El objetivo del trabajo es relacionar los mapas estratégicos con los sistemas de costes por actividades; en esta relación surge una nueva herramienta, que es la matriz de valor. Con ella, el directivo tiene la oportunidad de coordinar tanto las acciones como las necesidades. Por este motivo, la matriz de valor ayuda a la dirección a identificar y visualizar la situación de la empresa, diagnosticar su diseño y sacar conclusiones para tomar las mejores decisiones.

On October 14-16, the *25th SUERF Colloquium*, on the theme "Competition and profitability in European financial services: Strategic, systemic and policy issues", led by **José M. Campa** and organized in association with Banco de España, was held at IESE in Madrid. At this Colloquium, papers were presented, analyzing competitiveness, profitability, strategies, macro-economic developments, both present and future, and their repercussions on the financial stability of European financial services.

Taking part from IESE were **Jordi Canals**, **José M. Campa** and **Jordi Gual**, and from Banco de España, Jaime Caruana, Governor, and Fernando Restoy, Director of the Department of Monetary and Financial Studies.
Keynote speakers were: Anthony M. Santomero, President of the Federal Reserve Bank of Philadelphia, and Malcolm D. Knight, General Manager of the Bank for International Settlements in Basel.

Awards

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

Manel Baucells, whose work has centered around the field of decision analysis. One of his main areas of research has been the economic and legal aspect of the "hold-up" problem in co-owner situations. Another area of interest is sequence type negotiation models and the search for external options in negotiation. A third area of interest is the study of preference aggregation and its implications for decision-making processes within groups when there are multiple criteria. More recently, he has studied the behavior of decision-makers, using "Prospect Theory", the dominant descriptive theory in the study of decision-making under uncertainty. His work has contributed significantly to the area of stochastic dominance, and he has proposed various proofs that have helped support empirical studies that have been carried out in this field. He also has contributed widely to the field of decision theory, as evidenced by his many publications and prizes, and his international network of collaborators.

Pablo Fernández, who, after making significant contributions to the area of derivatives valuation, has centered his research on company valuation. In this area, his work has had an important impact on both the academic and the business world. His work has covered diverse areas of company valuation, with special emphasis on understanding the different evaluation methods, their characteristics and challenges, and the economic actors involved: analysts, fund managers, executives leading mergers and acquisitions, arbitration courts, and ordinary courts. He has focused particularly on understanding the mistakes made in company valuation. His work has been published in numerous academic and mainstream publications, and he has published three important books on his areas of expertise. He holds third place on the Social Science Research Network's (SSRN) top authors listing, behind Michael Jensen of Harvard Business School and Eugene Fama of the University of Chicago.

Steven Poelmans, who has focused his research on the well-being of employees and business leaders, in an effort to understand the beliefs and mechanisms underlying healthy and unhealthy employment practices. To that end, he has studied stress in relation to three sources: work; family and work compatibility; and the lack of personal self-control. He has also investigated specific employment policies designed to help to reduce stress in the workplace. He has participated in numerous international studies focused on work-related stress that have been published in leading academic journals. Many of these studies have explored the effects of restructuring processes that companies have undergone as a result of growing competition. As a founder and academic director of IESE's International Center on Work and Family, he has also spearheaded a number of projects in the area of work-family conciliation. In addition, he was the founding member and organizer of an academic track on this topic for the European Academy of Management, and has published two books in his area of specialization. Lastly, his work on self-control and HR policies has started to gain significant international attention.

IESE - Research Seminars

Accounting and Control

October 14

Keynote speaker: Ilia D. Dichev, University of Michigan Business School

"What are stock investors' actual historical returns?"

Abstract: This study is based on the observation that stock investors' returns are determined by two factors: the returns on the securities they hold and the timing of their capital flows into and out of these securities. However, existing evidence typically uses buy-and-hold returns to assess the return experience of stock investors, essentially ignoring the effects of capital flow timing. This paper suggests a new and more accurate measure of stock investors' historical returns, which involves dollar-weighting of returns and properly reflects the effect of investors' timing. Theoretically, the essence of dollar-weighted returns is that they value-weight both the cross-section and the time-series of returns. In practical terms, dollar-weighted returns are computed as IRRs from investment projects in which initial market values and contributions from investors (e.g., stock issues) enter with negative signs, and distributions to investors (e.g., dividends, stock repurchases) and final market values enter with positive signs. The empirical results indicate that aggregate dollar-weighted returns are systematically and considerably lower than buy-and hold returns. The difference is 1.3% for the NYSE/AMEX market over 1926-2002 and 5.3% for Nasdaq over 1973-2002, and averages 1.5% for 19 major stock markets around the world over 1973-2004. Thus, this study provides comprehensive evidence that stock investors' actual returns are considerably lower than those from passive holdings and from those documented in the existing literature on historical stock returns. These results have implications for the debate on the equity premium, for the literature on long-run returns following capital flows, for building successful investment strategies, and others.

October 28

Keynote speaker: Stanley Baiman, The Wharton School, University of Pennsylvania

"An incentive effect of multiple sourcing"

Abstract: We consider a supply chain with one manufacturer who assembles an end-product consisting of two components (A and B), where each component is purchased from multiple outside suppliers. The manufacturer's decision as to the contract to offer each supplier is complicated by two factors: 1) each potential supplier is self-interested and privately-informed as to his marginal cost of production, and 2) any A parts delivered in excess of B parts (or vice versa) cannot be inventoried but must be disposed of at no value. Thus, the manufacturer must choose the supplier contracts so as to coordinate or balance their production, while taking into consideration their self-interested behavior. We demonstrate that increasing the number of suppliers mitigates (but does not entirely eliminate) the production distortions arising from these two factors. Hence, we show that increasing the supplier base can have efficiency enhancing effects that have not been previously described in the literature.

Financial Management

September 14

Keynote speaker: Francesca Cornelli, London Business School

"Investor sentiment and pre-issue markets"

Abstract: What role do sentiment investors play in the pricing of newly listed stocks? We derive conditions under which we can distinguish between sentiment and rational pricing behavior and test for the rationality of small investors' demand for new stock issues using data from pre-issue (or 'grey') markets in Europe. Under sentiment, the model predicts asymmetric relations between the prices at which small investors trade new stock issues in the grey market and 1) the subsequent issue price set by the investment bank; 2) prices in the early after-market, and 3) the degree of stock price reversal in the long run. Our empirical results suggest that sentiment demand is present and influences the pricing of newly listed firms.

General Management

October 4

Keynote speaker: Philip R. Ruppel, McGraw-Hill Trade

"New trends in business publishing"

October 7

Keynote speaker: Jeffrey J. Reuer, Kenan-Flagler Business School, University of North Carolina

"Sequential divestiture through initial public offerings"

Abstract: This study situates initial public offerings (IPOs) within an extended merger and acquisition (M&A) process and considers private firms' decisions to go public prior to divestiture rather than undergo an outright sale. We develop the argument that IPOs can ameliorate ex ante transaction costs due to search costs and information asymmetries in the M&A market. The empirical evidence suggests that sequential divestiture is more likely in industries with spatially-dispersed firms and for firms with significant intangible resources. Investments in strategic alliances attenuate the impact of intangibles on the propensity of firms to divest sequentially through IPOs.

Information Systems
October 5
Keynote speaker: Uday S. Karmarkar, John E. Anderson Graduate School of Management at UCLA
"Information chains in the global information economy"

Abstract: Business information services are intermediaries that collect, collate, package and distribute information of value to professional users. We consider two technologies that such intermediaries may use for delivering information. First, a packaged design that uses physical media like CD-ROMs to distribute information. Second, an online service that delivers such information via the Internet or other online networks. We model a market where subscribers may choose between "self-service", where they collect and collate information directly from sources, and a third party service provider who provides either a packaged design or an online service.
Subscribers are indexed by their volume of usage for the service. In a duopoly, we show that providers with online or package technologies will serve different market segments. The package provider's limited ability to provide current information, combined with decreasing search costs in an online service, will make a package provider increasingly vulnerable to being driven out of the market by the online provider.

Research Seminars

Africa Ariño

On September 22, at HEC (Jouy-en-Josas, France), presented the paper "Entrepreneurial alliances as contractual forms"

Abstract: Advancing upon taxonomical research on interfirm alliances, we investigate the design of entrepreneurial firms' alliances in more fine-grained terms by focusing on the specific contractual provisions that firms negotiate into their alliance contracts. Drawing upon transaction cost arguments, we examine the determinants of the contractual complexity of collaborative agreements in the German telecommunications industry. The findings reveal that alliance contracts vary greatly in their complexity, yet contracts for non-equity alliances tend to be no more or less complex than those for equity alliances on average, which challenges the view that the latter unambiguously afford firms greater control than the former. Furthermore, multivariate findings on the roles of transaction-specific investment, relational capital, search costs, and so forth demonstrate that firms' contractual and governance choices have distinct antecedents.

Miscellaneous

Manel Baucells

Has been appointed member of the Board of the Decision Analysis Society. The post is held for three years, and the appointment is based on the result of a vote among the society's members.

Ramón Casadesus-Masanell

On October 15-17, attended, in Boston, the *Strategy Conference 2004*, organized by the Strategy Group at Harvard Business School, where he chaired the panel "Theoretical perspectives".

Vicente Font

On October 8, inaugurated the *Seminario Interdiciplinar*, organized by the Instituto de Empresa y Humanismo at the University of Navarra, on the theme "Marketing y Valores", where he gave the lecture "Emociones, marca y consumo", based on the paper of the same title written by Rosa Fité.

Abstract: La preocupación creciente por la efectividad y rentabilidad de la publicidad aconseja investigar las causas del éxito o fracaso de esa actividad. Un aspecto relevante es la relación entre las sensaciones, emociones y sentimientos que se buscan con el anuncio y el discurso interno del consumidor antes y después de la compra y prueba del producto.

Pedro Nueno

On September 10, attended, in Barcelona, the *International Lawyers Network Seminar*, where he gave the lecture "Challenges and advantages after the entry of the Eastern European states into the European Union".

On October 17, attended, in Oviedo, the *VII Congreso Nacional de la Empresa Familiar*, where he gave the lecture "La gestión de la innovación en la empresa familiar".

On October 19, attended, in Barcelona, the CEO Program of the Young Presidents Organization (Seniors), where he gave the lecture "Global business development and the perspective from China".

Juan Roure

On September 8-10, attended, in Cartagena de Indias, Colombia, the *7th Foro Interamericano de la Microempresa*, organized by the InterAmerican Development Bank, on the theme "Clima cambiante, responsabilidades compartidas", where he took part in the panel "Angeles de negocio: El papel de los inversionistas en la creación de nuevas empresas" by giving the lecture "El papel de los *business angels*: Claves para el desarrollo de la actividad inversora".

Abstract: El autor expuso la experiencia del IESE en la creación de redes de inversores privados de riesgo, *business angels*, y en la formación de éstos. El programa de capacitación de *business angels* desarrollado por el IESE suscita interés porque ha conseguido movilizar elementos clave para el despegue de este tipo de inversión: la promoción y difusión de la figura del *business angels*, la capacitación de los inversores, la activación de potenciales inversores neófitos, la colaboración entre inversores con distinto grado de experiencia y la creación de redes de *business angels*. La experiencia del IESE es aplicable a otros entornos, como el de muchos países latinoamericanos.

Marc Sachon
On October 21, gave a lecture on "Reflections on RFID", in the Aula Magna of the University of Navarra. His presentation was part of the annual conference of the Logística Navarra association, which this year addressed "Better logistics practices and new technologies".

Book reviews

José R. Pin
Reviewed the book "La retribución y la carrera profesional: Teoría y práctica", by **Sandalio Gómez**, *Capital Humano*, No 181, October 2004, pages 134-135.

Teaching materials

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

Accounting and Control

La Levantina
(C-727 - 0.104.014)

La Levantina lleva medio año implantando un cuadro de mando integral. En el caso se explica lo que han hecho para poder discutir las razones de la implantación, qué han hecho bien, qué deberían haber hecho mejor y los próximos pasos en la implantación.

Fernández A.; 11 pages.

Economics

The digital merger (A)
(ECON-413-E - 0.304.020)

In May 2002, Canal Satélite Digital and Vía Digital, the only two platforms offering satellite pay-TV in Spain, in both cases since 1997, officially announced their merger. This appeared to signal the start of a new episode in the 'digital soap opera' that had begun when the Spanish government promoted the launch of a second digital platform to compete with the incumbent operator. The battle between the two digital platforms had flared up even before they started broadcasting and had raged throughout the first five years of their existence. And yet, considering the current state of pay-TV in Spain, and in Europe as a whole, it was quite possible that this episode would be the last.
(Also available in Spanish).

Gual J.; Jódar S.; 16 pages.

The digital merger (B)
(ECON-414-E - 0.304.053)

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

Gual J.; Jódar S.; 6 pages.

Interest rates
(ECONN-223-E - 0.304.044)

This is a simple technical note about interest rates, their determining factors and the information they provide for decision-making. An explanation is provided of the concept, the components and the determinants of interest rates, the relation between interest rates for different lending terms (by means of the yield curve), and the meaning of changes in the time structure of interest rates.
(Also available in Spanish).

Argandoña A.; 5 pages.

Aggregate demand
(ECONN-225-E - 0.304.049)

Looking at the overall economy, the note explains the determinants of the various components (private consumption, private investment, public expenditure, exports and imports) and their role in determining a country's gross domestic product.
(Also available in Spanish).

Argandoña A.; 8 pages.

Entrepreneurship

Naturhouse
(E-65-E - 0.604.021)

The case discusses the evolution of the Kiluva Group of companies from 1986 to 2003. In particular, it focuses on how the entrepreneur Félix Revuelta developed the business model for franchising the Naturhouse concept of outlets for dietary food supplements. The firm experiences explosive growth, especially between 1997 and 2003, and Revuelta faces several challenges in taking the firm from 35 million Euros in revenues to over 100 million Euros in just five years.
(Also available in Spanish).

Velamuri R.; 11 pages.

Financial Management

Central de Alimentos, S.A.
(F-756 - 0.204.009)

La empresa Pastas Alimenticias del Norte, S.A. (Palnosa) recibe el ofrecimiento de Central de Alimentos, S.A. (Casa) de convertirse en su distribuidor en una zona en la que aún no tienen presencia. El director general y el director financiero deben evaluar el ofrecimiento de Casa, que propone unas condiciones de crédito que supondrían un cambio en la política de créditos de la empresa.

Mons J.; 13 pages.

Central de Alimentos, S.A. - Nota del Instructor
(FT-62 - 5.204.011)

(Caso F-756).
Uso restringido a Instituciones Académicas.

Mons J.; 9 pages.

Sol Meliá, S.A.
(F-758 - 0.204.018)

La gestión de los inmuebles que albergan la actividad hotelera de Sol Meliá ha sido crítica en el desarrollo de la compañía, como suele ser en su sector. A final de 2002, la situación del sector hotelero y turístico a nivel mundial, y sus propias circunstancias, aconsejan revisar la política inmobiliaria.

Moreno L.; Suárez J.L.; 21 pages.

The Expansion of AMMA into the Seniors Housing Industry
(F-759-E - 0.204.019)

AMMA is a subsidiary of the Industrial Corporation of the Caja de Ahorros de Navarra savings bank. It has three old people's homes, and has launched a major expansion plan. The financing of this plan –apart from being important in itself– could affect the company's structure.
(Also available in Spanish).

Iriberri M.; Suárez J.L.; Torres M.; 22 pages.

AC Hotels. Investment in new hotels (A)
(F-760-E - 0.204.037)

AC Hotels is planning to invest 700 million euros to open new urban hotels. It needs a simple but rigorous procedure for analyzing each project.
(Also available in Spanish).

Martínez Abascal E.; Prada A.; 11 pages.

Exercises in Investment Project Analysis
(FE-36-E - 0.204.042)

Exercises to practice the main tools for Investment Project Analysis explained in technical note FN-517-E.
(Also available in Spanish).

Martínez Abascal E.; 13 pages.

General Management

La familia Pujol
(DG-1402 - 0.303.038)

El caso relata la problemática de las relaciones, a lo largo de varios años, entre los miembros de la segunda generación en una empresa familiar. La actitud de algunos de ellos, la maduración de un negocio, no seguir las indicaciones del consejo de administración y no cumplir con el protocolo familiar, conducen a la separación de los negocios.

Gallo M.A.; 4 pages.

Merger of three. The Integration of Allianz, AGF and Athena in Spain
(DG-1404-E - 0.303.045)

At the end of 1997 Allianz, the German insurance group, acquired AGF, a key player in the French market. With this move Allianz not only reinforced its strategy of multilocality, but also added momentum to the ongoing consolidation process in the European and global insurance sector. In the course of the merger implementation process several issues appeared; among the most prominent, the integration of existing businesses (subsidiaries) in other than the domestic markets. This case series focuses on the Spanish market and illustrates Allianz's endeavor to integrate three previously autonomous and organizationally and strategically distinct subsidiaries (Allianz-Ras, AGF-Unión Fénix, Athena).

Lupu R.; Mair J.; 18 pages.

Grupo Goiría: dos años después
(DG-1410 - 0.303.061)

El caso describe los procesos de sucesión seguidos en el grupo durante los últimos cinco años. De una manera especial detalla el proceso de preparación de la segunda y tercera generación de la familia, y el de la implantación del protocolo familiar. La problemática creada por la separación de un yerno del fundador del grupo, que parecía positivamente superada, reverdece con fuerza cuando esta persona decide iniciar una empresa que es competidora directa de uno de los negocios de la familia, con financiación procedente de la indemnización recibida del grupo.

Gallo M.A.; 5 pages.

North American Hitech
(DG-1455 - 0.304.035)

Chapman, presidente del consejo de administración de North American Hitech, se pregunta cuál es el valor aportado por su consejo a la empresa. Para ello encarga a una consultora especializada un análisis del consejo y los consejeros. Analizando los resultados de la evaluación realizada por la consultora, el caso permite abordar varios problemas que pueden aparecer en los consejos de administración: en las reuniones de los consejeros, en la estructura, en los comités, etc. El caso plantea la importancia de tener un consejo eficiente que ayude a la empresa a tomar las mejores decisiones estratégicas. Actualmente, el cumplimiento de las normas de buen gobierno por parte de las empresas cotizadas es una condición necesaria, pero no suficiente.

Tàpies J.; Vergés S.; 20 pages.

Compins S.A. - Nota del Instructor
(DGT-31 - 5.304.038)

(Caso DG-1457).
Uso restringido a Instituciones Académicas.

Tàpies J.; 3 pages.

Information Systems

Terra Lycos 2004
(SI-142-E - 0.104.012)

This case analyzes the evolution of Terra in Spain since May 2000, when it announced the purchase of the US portal Lycos (ranked in fourth place). In the face of a fall in income and growing competition in the portal industry, Terra Lycos needs to rethink how to best use its strengths.
(Also available in Spanish).

Valor J.; 15 pages.

Análisis del mercado del software de código abierto
(SIN-50 - 0.104.011)

El objetivo de esta nota es analizar el mercado que se ha generado alrededor del software de código abierto. La falta de homogeneidad, tanto por parte de la oferta como por parte de la demanda, obliga a disponer de marcos adicionales que faciliten el análisis. En este trabajo se ha utilizado el modelo de la cadena de valor *on-line*. Con la aplicación de ese marco de análisis se intenta explicar la posición de las empresas en este nuevo contexto, sus estrategias de posicionamiento y la forma en que estos movimientos afectan a la demanda del software.

Armelini G.; Miralles F.; Valor J.; 31 pages.

Managing People in Organizations

Ram Bawhnani: luck or talent?
(DPO-28-E - 0.404.012)

The case recounts the life and career of Ram Bawhnani, owner of a wholesale store in Tenerife, Indian citizen, and currently third largest shareholder of Bankinter. The main events of his life are described, from his birth, Hindu childhood and first business trip to Japan to his arrival in Tenerife, where he took over the management of the store and later began his large scale operations on the stock market, focused mainly on banks.
(Also available in Spanish).

Alvarez de Mon S.; Sánchez MªJ.; 16 pages.

Marketing

Grupo Banco Sabadell 1996
(M-1178 - 0.504.026)

El caso describe los dilemas relacionados con la evolución de la identidad gráfica corporativa del Banco Sabadell, desde su fundación en 1881. Se describe el cambio de IGC del propio Banco Sabadell, hecho en 1991. Posteriormente, tras la adquisición del Banco Natwest en España, altos directivos del Banco Sabadell deben decidir el nuevo nombre del banco Natwest, así como su nueva identidad gráfica, de entre las propuestas presentadas por dos prestigiosos diseñadores gráficos.

Farga L.; Hartmann V.; Renart L.G.; 32 pages.

Production, Technology and Operations Management

Fundación del Teatro Lírico: Teatro Real
(P-1064 - 0.604.018)

El Teatro Real de Madrid es un teatro de ópera de primera categoría mundial. El caso presenta la forma en que el teatro enfoca sus operaciones para dar un "servicio de 5 estrellas". Muestra la utilización del método clásico: planificación, preparación y lanzamiento, en un contexto moderno pero con procedimientos basados en la tradición teatral.

Riverola J.; 33 pages.

Pearson Construction Co., Inc. (PCCI)
(PE-62-E - 0.604.016)

Exercise in optimizing the total cost of a small project by changing the duration of certain activities, when there are penalties for delays and rewards for early completion. The exercise is complemented by a Montecarlo simulation to evaluate the proposed solution.
(Also available in Spanish).

Ribera J.; 2 pages.

Business Custom Games (BCG) - Teaching Note
(PT-43-E - 5.604.015)

(Case P-1055-E).
Use is restricted to Academic Institutions.

Ribera J.; 12 pages.

Occasional Papers

NOTE: Occasional papers may be consulted on the Internet at http://wwwfm.iese.edu/research/op.html

OP-05/1 - September 2004
Christian Seelos
FINDING A PATH IN THE SUSTAINABILITY JUNGLE. A FRAMEWORK FOR CORPORATE ACTION

Abstract: Collective concerns about sustainable development and proposals about how to achieve sustainability have produced a confusing body of terminology that is more like a jungle of issues than a framework to enable focused action. Businesses, in particular, with their global reach, influence, capabilities and supposed deep pockets, are expected to contribute more towards sustainability; and yet the lack of clear definitions has left a vacuum of corporate guidance. Corporate Social Responsibility (CSR) has become a synonym for corporate action towards sustainability, but companies continue to struggle to understand how to deal with this issue. This paper looks at some important drivers that link the overall discussion of sustainability with the business world. It presents a framework for corporate action that facilitates a practical approach grounded in existing market realities. By separating social responsiveness (social compliance) from social responsibility (CSR), it provides a two-phase approach that gives priority to credibly implementing social compliance without missing opportunities for leadership and excellence. The importance of social compliance in legitimizing, strengthening and building trust in market regulatory institutions is emphasized. It is argued that experimenting with unfocused CSR often is a zero-sum game for society, and that CSR without an explicit social compliance framework lacks credibility. From the basis of a convincingly implemented social compliance framework, corporations may express their social responsibility as a voluntary measure and create social value more directly, without compromising their ability to create economic value. Because of the urgency and need for prioritization to achieve sustainable development, it is proposed that corporations shift their CSR focus towards developing countries. Three models that have been identified as opportunities for corporations to contribute to this goal are discussed.

OP-05/2 - September 2004
Domènec Melé
ETICA EMPRESARIAL: ENSEÑANZAS CLAVE DE LA IGLESIA CATOLICA

Abstract: Las enseñanzas de la Iglesia católica sobre ética empresarial tienen su referencia principal en la orientación de toda la actividad de la empresa a las personas y al bien común. La empresa es concebida como una comunidad de personas donde éstas han de poder desarrollarse al servir a la sociedad proporcionando adecuados bienes y servicios. La finalidad de la empresa está en mantenerse como una comunidad que lleva

a cabo esa misión de servicio. Los beneficios son enteramente necesarios, pero no son el fin absoluto de la empresa. En el trabajo y en su organización, así como en el consumo y en las transacciones comerciales, ha de reconocerse la primacía de las personas, sin reducirlas a meros instrumentos de producción y respetando sus derechos. Directivos y empresarios han de asumir sus responsabilidades sociales y tratar de vivir en la empresa las virtudes propias de un cristiano.

OP-05/3 - September 2004
Antonio Argandoña
UNITY AND SUCCESS IN BUSINESS

Abstract: An organization is a group of persons who coordinate their actions to achieve certain goals in which all have an interest, although that interest may stem from very diverse motives. The concept of the success of an organization must therefore take into account not only the achievement of the common goal, but also the achievement of the particular goals of the organization's members: in a sense, the organization's goal must be to satisfy the needs both of its customers and of its members. Organizational members will act out of different types of motives, giving rise to three key variables in any organization: effectiveness (difference between resources obtained and resources used); attractiveness (ability to attract and retain members by virtue of what they do in the organization); and unity (ability to motivate members by the consequences of their actions for others). In a word, the organization's goal will be to increase its unity, while maintaining a certain minimum of effectiveness and attractiveness.
(Also available in Spanish).

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