University of Navarra

Newsletter Research Division

IESE Business School

No 128
November - December 2005

In this issue

Journals

Javier Estrada

"Adjusting P/E ratios by growth and risk: the PERG ratio", ***International Journal of Managerial Finance*****, Vol. 1, No 3, November 2005, pages 187-203.**

Abstract: The purpose of this study is to compare the performance of a low-P/E strategy relative to that of two alternative value strategies, one based on the PEG ratio and another on the PERG ratio (a magnitude introduced in this article). Design/methodology/approach –The data used consists of a sample of 100 US companies between January 1975 and September 2002. Portfolios are formed on the basis of different valuation ratios, and their performance is compared in order to determine the best-performing strategy. Findings –Portfolios sorted by PERG ratios outperform, on a risk-adjusted basis, those sorted by both P/E ratios and PEG ratios. This outperformance occurs regardless of whether portfolios are rebalanced never, every ten years, or every five years. Research limitations/implications –The sample of stocks is not large. The results could be validated by using a larger sample of US stocks and a longer time period, as well as by using a sample of stocks from several international markets. Practical implications –The PERG ratio proposed in this article improves on the PEG ratio, adjusting the latter by risk. That, plus the fact that PERG-based strategies outperform on a risk-adjusted basis strategies based on both P/Es and PEGs, should make it an attractive tool to add to the arsenal of valuation tools used by analysts. Originality/value –A new valuation tool is proposed, called the PERG ratio, that adjusts P/E ratios by both growth and risk (or, similarly, PEG ratios by risk).

Domènec Melé

"Exploring the principle of subsidiarity in organisational forms", ***Journal of Business Ethics*****, Vol. 60, No 3, September 2005, pages 293-205.**

Abstract: The paper starts with a case study of a medium-sized company in which a strong and successful change in the organisational form and job design took place. A bureaucratic organisation with highly-specialised jobs was converted into a new organisation in which employees became much more autonomous in managing their own work. This not only entailed new techniques and managerial systems but also a new anthropological vision. Bureaucratic rules were reduced, but not eliminated completely, and management became less authoritarian. Employees could therefore apply greater entrepreneurial spirit, developing their talents in pursuit of the company's common goals. It is argued that this new organisational form is ethically superior to the one it replaces, and reflects the basic requirements of the principle of subsidiarity. The ethical principle of subsidiarity holds that a larger and higher-ranking body should not exercise functions which could be efficiently carried out by a smaller and lesser body; rather, the former should support the latter by aiding it in the coordination of its activities with those of the greater community. While the principle has usually been applied in a political context, this paper explores the principle as a moral base for organisational forms within business organisations. Finally, the principle of subsidiarity is analysed in the context of business organisations and proposed as an ethical guideline for organisational forms. This would help to mitigate the effects of those bureaucracies in which individuals, with their dignity, freedom, diversity and capacity for

undertaking business activities with entrepreneurial spirit, are often not fully appreciated.

Ignacio Urrutia - Scott D. Eriksen
"Application of the balanced scorecard in Spanish private health-care management", *Measuring Business Excellence*, Vol. 9, No 4, December 2005, pages 16-26.

Abstract: The objective of this paper is to address the question of whether the Balanced Scorecard (BSC) can be utilized in non-profit organizations, in particular, hospital sector organizations. A secondary objective addresses the issue of whether the BSC can be utilized employing the methodology encountered in the literature.
Design/methodology/approach: A case is presented of a private Spanish hospital, specializing in psychiatric patients, which is owned by a religious congregation and which utilizes a very primitive and informal information system. The case describes the design of the strategic map and the BSC for this hospital.
Findings: The paper concludes that the BSC is applicable to any type of organization, albeit with modifications; a BSC for non-profit organizations must be modified to include a mission perspective, thus supporting Kaplan's model for non-profit organizations. Hospitals should also include an additional perspective which provides specific information on social demographic factors regarding the hospital's operating environment.
Originality/value: The contribution of this paper is threefold. First, the case supports Kaplan's inclusion of a mission perspective for non-profit organizations. Second, it further modifies the non-profit BSC by including an additional perspective which provides specific information on social demographic factors regarding the hospital's operating environment. The authors are unaware of any instance where this additional perspective has been included in the model. Finally, the case provides a fully developed BSC and strategy map for a hospital which can be used as a template for other health-care organizations.

Rama Velamuri - Sankaran Venkataraman
"Why stakeholder and stockholder theories are not necessarily contradictory: A Knightian insight", *Journal of Business Ethics*, Vol. 61, No 3, pages 249-262.

Abstract: The normative foundations of the investor centered model of corporate governance, represented in mainstream economics by the nexus-of-contracts view of the firm, have come under attack, mainly by proponents of normative stakeholder theory. We argue that the nexus-of-contracts view is static and limited due to its assumption of price-output certainty. We attempt a synthesis of the nexus-of-contracts and the Knightian views which provides novel insights into the normative adequacy of the investor-centered firm. Implications for scholarship and management practice follow from our discussion.

Books

Pablo Cardona - Pilar García-Lombardía
"How to develop leadership competencies", *Eunsa*, October 2005, 201 pages.

Abstract: This book provides the reader with all the ingredients for developing leadership in a company. The first part will enrich his knowledge of management competencies, the different types of competencies, and why companies need competency-based leadership. The second part will help him to diagnose his own strengths and areas for improvement. The third part is a perfect guide to help the leader improve as a person and as a coach. Lastly, the Annexe and Appendices contain complementary information and tools to ensure that the whole process is professionally managed and governed from the start. With these high quality ingredients and a reader who is willing to improve, success in acquiring personal, professional and business leadership is guaranteed.

Pablo Cardona - Carlos Rey
"Dirección por misiones", *Ediciones Deusto*, November 2005, 143 pages.

Abstract: El futuro de las empresas pasa por un cambio (urgente) en los métodos de gestión. A igualdad de tecnologías, procesos y estructuras que son fácilmente copiados, el principal factor diferencial de una empresa y su principal fuente de creación de valor radica en los aspectos intangibles (el servicio al cliente, la innovación, el desarrollo de competencias, etc.). Pero los intangibles sólo se pueden lograr gracias a las personas comprometidas con el proyecto y la misión de la empresa, asignatura todavía pendiente en muchas de las empresas de nuestros días.
Aunque muchas empresas han elaborado una misión y se han comprometido con unos valores, estos esfuerzos no acaban de tener impacto real en el día a día. La propuesta de los autores es una rectificación y cambio de dirección hacia un nuevo modelo de gestión que nace de la misión de la empresa: la dirección por misiones.

Kimio Kase - Francisco J. Sáez - Hernán Riquelme
"Transformational CEOs: Leadership and management success in Japan", *Edward Elgar Publishing*, November 2005, 224 pages.

Abstract: "Transformational CEOs" questions why some Japanese firms succeeded in the 1990s despite an economy that failed. Regardless of the burst of the 'bubble' economy, a number of Japanese companies have maintained or extended their international leadership in particular sectors. The authors argue that whilst some of the reasons for success are plain common sense –operational effectiveness and superior CEO leadership–

some are Japan-specific and point to a break with the traditional leadership rationale.

Joan Enric Ricart - José Luis Alvarez - Julia Grifa

"Los accionistas y el gobierno de la empresa", ***Ediciones Deusto*****, November 2005, 429 pages.**

Abstract: En los últimos años, el gobierno corporativo está en la agenda de directivos empresarios, organizaciones e instituciones de la sociedad civil, nacional e internacional, además de reguladores y gobiernos. La mayoría de estas reformas se han centrado en dos aspectos.
Primero, la transparencia de las actividades y cuentas de las empresas, así como en las garantías de la información pública que proporcionan.
Segundo, en el consejo de administración, como "pieza de resistencia" de los sistemas y procesos sobre el largo plazo de la empresa que constituye el gobierno corporativo. La junta general de accionistas ha sido un tema comparativamente relegado hasta ahora en la activación del buen gobierno corporativo.
Este libro contribuye a paliar este déficit. Estima la importancia fundamental de las juntas generales de accionistas como el momento jurídico, político y social en que los accionistas pueden ejercer mejor su voz e influencia. Proporciona una serie de prácticas avanzadas y ejemplos prácticos de cómo mejorar su preparación, convocatoria y celebración. Y reflexiona sobre el acto de incrementar en las juntas generales de accionistas el nivel democrático de las empresas.

Sandra Sieber - Josep Valor - Valentín Porta

"Los sistemas de información en la empresa actual. Aspectos estratégicos y alternativas tácticas", ***McGraw-Hill*****, November 2005, 280 pages.**

Abstract: La toma de decisiones sobre tecnologías de la información y comunicaciones (TIC), con conocimiento de causa y con el convencimiento de lo que se está realizando, es todavía una de las asignaturas pendientes para muchos de los gestores actuales. En numerosas empresas, las decisiones sobre qué tipo de plataforma tecnológica cabe utilizar, qué sistemas informáticos son necesarios para implantar en el próximo ejercicio, o incluso qué cantidad de dinero hay que invertir en TIC, son delegadas a los responsables funcionales a cargo de la informática, creando una cierta desconexión entre el posicionamiento estratégico de la empresa y los planes y funcionalidades de las TIC. Este libro ataca directamente esta problemática.
Su lectura ayudará a los directivos de las unidades de negocio y gestores funcionales a establecer un diálogo adecuado con los responsables de las tecnologías de la información y, con toda seguridad, compartir la responsabilidad sobre las decisiones que se tomen en la empresa. Fundamentado en casos prácticos y en la experiencia como consultores y docentes de los autores, el libro proporciona un enfoque eminentemente práctico sin descuidar el rigor académico.

Alejo J. Sison - **Joan Fontrodona** - Iñaki Vélaz

"Tras la euforia. Guía ética para directivos en la nueva economía", Prentice-Hall Pearson Educación, December 2005, 2nd edition, 319 pages.

Abstract: La primera edición de este libro tuvo lugar en plena crisis de la "nueva economía". El libro es una reflexión sobre los aspectos éticos que aparecían en las decisiones y actuaciones empresariales relacionadas con el auge de las *dotcoms* y de los negocios virtuales. Cada capítulo se dedica a un área funcional y concluye con unos puntos de reflexión. Muchos de los análisis y predicciones que allí se hacían demostraron ser ciertos pocos meses después, lo cual lleva a pensar que las recomendaciones que se recogían en esta "guía ética para directivos de la nueva economía" siguen manteniendo su validez y actualidad. En esta segunda edición se mantiene el prólogo que **Rafael Termes** escribió para la primera edición del libro.

Estudios y Ediciones IESE has published the book "Improving management. A selection of the best cases from IESE", November 2005, 297 pages, which contains contributions by **Rafael Andreu**, **Pablo Cardona**, **Albert Fernández**, **Carlos García Pont**, **Johanna Mair**, **Joan Mons**, **Luis Palencia**, **Francesc Parés**, **José R. Pin**, **Lluís G. Renart**, **Josep Riverola**, **José Mª Rodríguez**, **Marc Sachon**, **Javier Santomá**, Christian Seelos, **Sandra Sieber**, **Josep Valor** y **Rama Velamuri**. The Spanish version "Mejorar la gestión de empresas. Algunos de los mejores casos del IESE" has been published by McGraw-Hill.

Abstract: The fourteen experiences described in this book allow the reader to simulate decision making in a variety of industries and business areas: from choosing growth markets or defining strategies to fend off new competitors to managing people in multicultural environments.
The book is a guide, so you can discover and analyze for yourself the uncertainties surrounding business decision making. As you read it, you will need pen and paper, but also a sharp intellect, imagination, and the sense of responsibility that comes with decision making in large organizations. It may prove a demanding exercises, but learning is guaranteed. Anyway, who said decision making was easy?

AEDE (Asociación de Editores de Diarios Españoles) has published "Libro Blanco de la Prensa Diaria 2006", edited by **Juan M. de Toro** of IESE and Ignacio Bel of Deloitte & Touche. The first five parts were researched and written by **Juan M. de Toro**, 435 pages.

Abstract: El libro recoge las principales coordenadas en las que se ha movido el sector durante el año 2004 y la correspondiente previsión del año 2005 con los datos ya conocidos.
El objetivo del informe no es tan sólo el de presentar unas cifras frías y aisladas, sino principalmente el permitir conocer a través de ellas y de su análisis la marcha de este sector tan importante dentro del campo de la información en España.

En cuanto a los resultados ofrecidos del año 2004, se puede ver que dicho año ha sido bueno en líneas generales para la prensa diaria en España: los lectores crecieron un 6%, la difusión controlada llegó a los 4.117.000 ejemplares diarios, un 2,4% más que el año anterior, y la audiencia o número de ejemplares leídos superó por vez primera los 20 millones en este período.

Contributions to books

Santiago Alvarez de Mon

"La gestión de personas: ¿enseñar o educar? Apuntes desde el ámbito académico", in the book "La dirección y el desarrollo de personas: Un reto para el siglo XXI", edited by Salvador Torres, Biblioteca AEDIPE de Recursos Humanos, *Pearson-Prentice Hall*, November 2005, pages 291-304.

Abstract: El capítulo aborda la cuestión del desarrollo de personas desde el ámbito de una escuela de negocios. A partir de la distinción entre educar y formar, se aborda la aventura del aprendizaje humano desde una triple perspectiva: conocimientos, habilidades y valores. En definitiva, se trata de que los directivos sean personas, para que desde su realidad interior sean capaces de gobernar las instituciones.

Antonio Argandoña

"La teoría de la acción y la teoría económica", in the book "Estudios de teoría económica y antropología", edited by Rafael Rubio de Urquía, Enrique M. Ureña and Félix Muñoz Pérez, *Unión Editorial*, December 2005, pages 615-646.

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

Fabrizio Ferraro - Erica Salvaj

"Las redes de propiedad y de consejos de administración del IBEX 35", in the book "Los accionistas y el gobierno de la empresa", edited by Joan E. Ricart, José L. Alvarez and Julia Grifa, *Ediciones Deusto*, November 2005, pages 179-211.

Abstract: El análisis de redes nos permite estudiar e identificar cómo está conformada la estructura de relaciones entre empresas y quiénes son los actores más importantes de estas estructuras. Los autores han aplicado el análisis de redes a las redes de consejos de administración y de propiedad de las empresas que forman parte del IBEX 35, con el objetivo de identificar cómo está conformada la estructura de control de las empresas más grandes de España, las relaciones entre éstas y quiénes son los actores claves en estas dos redes.

José R. Pin - Esperanza Suárez

"Una vez más: ¿Nos motiva realmente el sueldo?", in the book "Pagar bien y no sólo con dinero. Guía para acertar en la remuneración", edited by Gabriel Ginebra et al., *Editorial Ariel*, November 2005, pages 39-67.

Abstract: El capítulo analiza las relaciones entre retribución y motivación de los empleados. Describe esta relación con base a los tres tipos de motivos: extrínsecos, intrínsecos y trascendentes. Establece las leyes de la motivación humana y cómo influyen en los sistemas de compensación económica: la teoría de la equidad da consistencia a los procesos retributivos. EL capítulo también indica la influencia de las expectativas en la valoración de la retribución por parte de los empleados y cómo el modelo de Vroom ayuda a la conceptualización para comprender cómo funciona. Para los autores, la retribución: "se lleva tanto en el bolsillo como en la cabeza". El trabajo finaliza con una referencia a los posibles cambios en la retribución en los "tiempos posmodernos".

Carlos Sánchez-Runde

"La influencia de Estados Unidos en la dirección de personas en España", in the book "La dirección y el desarrollo de personas: Un reto para el siglo XXI", edited by Salvador Torres, Biblioteca AEDIPE de Recursos Humanos, *Pearson-Prentice Hall*, November 2005, pages 335-356.

Abstract: Desde el final de la segunda guerra mundial, Estados Unidos ha ejercido una influencia muy profunda, desde un punto de vista tanto intelectual como práctico, en la evolución del campo de la dirección de personas. En este capítulo se repasan las claves de esa influencia, así como las pautas y nuevas tendencias americanas que podrían seguir influyendo en la dirección de recursos humanos en España.

Guido Stein

"Personas y resultados: El liderazgo pragmático", in the book "La mente del líder", edited by Warren Bennis, Manfred Kets de Vries, Oren Harari et al., *Ediciones Deusto*, November 2005, pages 181-213.

Abstract: El autor propone unas claves originales del liderazgo pragmático, que entrañarían una forma renovada de dirigir a las personas, en la que el paradigma de la eficacia se complementaría y, por tanto, se superaría, por el paradigma de la fecundidad.

El acento en la fecundidad no es otra cosa que la consecuencia de desarrollar el talento de cada persona de la organización en un clima en el que impera la confianza exigente y abierta a la ilusión y la creatividad. A esta obviedad le acontece lo que a las demás obviedades, que suelen ser difíciles de advertir.

"La ventaja competitiva sostenible: dirigir personas a través de los cambios", in the book "Dirigir en la incertidumbre", edited by Rosabeth Moss Kanter, Richard T. Pascale, Pankaj Ghemawat et al., *Ediciones Deusto*, December 2005, pages 203-236.

Abstract: Las personas son el motor de cambio más poderoso y más flexible, por lo que acertar en el modo de dirigirlas constituirá el fundamento de la ventaja competitiva propiamente sostenible que toda empresa desea. El autor analiza la estrategia de Lincoln Electric utilizando una docena de criterios, en los que destaca la ponderación del factor personal.

IESE - Working Papers

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

No 614 - November 2005
Pablo Fernández
VALUING COMPANIES WITH A FIXED BOOK-VALUE LEVERAGE RATIO

Abstract: We develop valuation formulae for a company that maintains a fixed book-value leverage ratio and claim that it is more realistic than to assume, as Miles-Ezzell (1980) do, a fixed market-value leverage ratio. The value of tax shields depends only on the present value of the net increases of debt. The value of tax shields in a world with no leverage cost is the tax rate times the current debt plus the present value of the net increases of debt. We also show that the appropriate discount rates for the equity cash flows and for the expected value of the equity are different.

No 615 - November 2005
Johanna Mair - Claudia Thurner
MIDDLE MANAGERS IN A MEDIUM-SIZED FIRM: THEIR INVOLVEMENT IN THE INTERNATIONALIZATION STRATEGY PROCESS

Abstract: While prior research has emphasized middle managers' important role in the strategy process and the benefits of their involvement, little is known about their role in the strategy process in medium-sized firms and, specifically, their participation in the internationalization strategy process (ISP). Our analysis of interviews conducted with the complete layer of middle managers at a medium-sized firm is intended to shed light on these issues by examining the extent and effect of middle managers' involvement in the formulation phase of the ISP. The medium-sized Italian firm chosen for our sample was going through a period of radical change as it expanded its international activities beyond its cultural boundaries. We found that not all the firm's middle managers perceived themselves to be involved in formulating the internationalization strategy. The perception of involvement was dependent on ownership of the outcome of internationalization. Middle managers with revenue accountability perceived themselves to be involved in strategy formulation. Furthermore, this perception of increased involvement was tightly linked to a more opportunity-oriented attitude toward internationalization. We suggest that medium-sized firms can actively manage middle managers' attitudes and behavior toward internationalization by managing perceptions.

IESE - Studies and Monographs

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

No 31 - November 2005
José R. Pin - Miguel Quintanilla - Angela Gallifa
LIBRO BLANCO SOBRE LAS MEJORES PRACTICAS INTERNACIONALES EN POLITICAS DE ACOMPAÑAMIENTO (PLANES SOCIALES)

Abstract: En este libro se recogen –mediante un estudio de la legislación internacional comparada y entrevistas a las empresas– las mejores prácticas relativas a los planes de acompañamiento social que deben realizarse en los ERE (expedientes de regulación de empleo). El libro, además de describirlas y evaluar las que se aplican, expone casos españoles y extranjeros de PAS. El resumen ejecutivo indica que los PAS deben ser anteriores a los ERE, de los que éstos deberían ser un caso particular.

Other publications

Javier Gómez
"Exchange rate behavior and exchange rate puzzles: Why the 18th Century Might Help", *Revista de Historia Económica*, XXIII, 2005, pages 143-174, co-authored by Rafael Torres and Fernando Pérez de Gracia.

Abstract: This article explores the behavior of exchange rates in Spain during the 18th century. We posit that exchange rates were the result of both government intervention on nominal currency values and the bills of exchange market's estimate of the value of the currency. We analyze the exchange rates quoted in London on three Spanish cities between 1699 and 1826. After a brief overview of the functioning of the Spanish monetary system and

of exchange rate determination, we assess the extent to which the exchange rate responded to market fundamentals by testing some theoretical models of exchange rate determination. The results suggest that purchasing power parity held during the 18th century, with the exchange rate tracking quite closely the behavior of inflation differentials. Deviations from PPP appeared at the end of the century, due mostly to changes in the real exchange rate caused by the bilateral trade balance between Spain and Great Britain and, maybe, to productivity differentials.

Kimio Kase

"Essay on Japan's sports marketing to venture a hypothesis about the way it operates", *Strategy and Sponsorship Review*, December 2005, pages 1-6.

Abstract: A recent strike by professional baseball players provides a suitable occasion for reconsidering a question that has always begged serious discussion: why do companies sponsor sports activities?
In Japan, tradition often bears on management decisions, and a company that owns a sports team does so because it always did. In this brief essay, based on circumstantial evidence gleaned from newspaper and journal clippings, and from conversations with a small number of experts, we venture a hypothesis: first, that an appropriate business model justifying and governing sport marketing is necessary, and second, that the lack of such a model may lead the whole activity astray.
The management of professional baseball and football activities is discussed and compared to reach the foregoing hypothesis.

José R. Pin

"Los nuevos retos éticos en la empresa", *INALDE*, No 15, November-December 2005, pages 48-54.

Abstract: Una de las razones para la ética en la empresa es precisamente que la empresa está formada por personas. Por tanto, debe contribuir a su mejora. Mejora que se produce, entre otras cosas, por la adquisición de virtudes (y la renuncia a los vicios). Ayudar a ello, apoyando los actos que las desarrollan, es un objetivo de la empresa posmoderna. Los códigos éticos tienen en esto su fundamento real. Si hablamos de excelencia, no se trata de impedir que se cometan actos malos, sino de ayudar además a que se realicen buenas acciones que desarrollen las virtudes de los componentes de la empresa.

Alfred Prada - Izabela Kordecka - **Jaume Llopis**

"Análisis de la estrategia de Nestlé en los últimos 25 años", *Estrategia Financiera*, No 223, December 2005, pages 14-28, (IESE, case DG-1214).

Abstract: El artículo analiza las estrategias seguidas por los dos directores generales de Nestlé, Helmut Maucher y Peter Brabeck, entre 1980 y 2002.
Bajo la dirección de Maucher, se produjo un cambio en la estructura organizativa de la compañía y su estrategia pasó a formularse e implementarse como respuesta a los cambios en el entorno. En esta etapa, entre 1997 y 2004, el beneficio neto de Nestlé creció un 60,6%.
Por su parte, la estrategia formulada por Peter Brabeck, que asumió la dirección del grupo en 1997, se basaba en la eficiencia operativa, la innovación y renovación, comunicación y *"whenever, wherever and however"*. El objetivo último era conseguir un crecimiento interno del 4%, y a tenor de los resultados de los años 2000 y 2004, se ha conseguido. Para completar este artículo, el actual director de finanzas y control de Nestlé España, Enrique Grabulosa Perpiñá, explica brevemente en una entrevista cuál es la actual estrategia financiera de la compañía.

Conferences and Seminars

Antonio Argandoña

On December 5-6, atended, in Warsaw, the *EABIS 4th Annual Colloquium*, where he presented the paper "Is there a role for social responsibility in a market economy?"

Abstract: This paper attempts to justify the role of Corporate Social Responsibility (CSR) in the neoclassical economic paradigm. Based on an analysis of the purposes of the firm in society, we discuss the various areas of the conventional economy in which CSR may be introduced. Special emphasis is given to the necessary conditions for the maximization of efficiency and the creation of relationships of cooperation that maximize shareholder value. We conclude that there is a normative role for CSR, understood as a form of ethical responsibility of the company and its managers.

Manel Baucells

On November 13-16, attended, in San Francisco, the *INFORMS 2005 Annual Meeting*, where he presented the paper "Time and uncertainty integrated", co-authored by Franz H. Heukamp and Antonio Villasís.

Abstract: The parallels between decisions under risk and intertemporal choice have been noted several times in the literature. We take the proverb "the future is uncertain" literally, and propose a model that integrates Hyperbolic Discounting within Prospect Theory. In that framework, discounting of certain or uncertain future events is the result of attaching a probability less than one to their occurrence. Non-exponential discounting is the result of using a non-linear probability weighting function. We provide behavioral axioms and the corresponding representation theorem that supports this interpretation. In a series of experiments we test the validity of the model.

Joan Fontrodona

On November 13-16, attended, in Madrid, the *International Conference on Engineering and Computer Education*, where he presented the paper "Computer ethics: A syllabus for teaching ethics in computer science", co-authored by Miguel J. Rodeño and José A. Gutiérrez.

Abstract: Teaching ethics at engineering and computer science schools is essential for two reasons: we want students to do their job well as a service to society, and more and more professional associations require these studies as part of their accreditation as a computer scientist (IEEE-CS, ACM). This paper focuses on several topics: 1) it proposes a syllabus and methodology for a Computer Ethics course of 30 hours in the last year of an undergraduate degree; 2) it details the content of the syllabus; 3) it lists the Computer Ethics resources that teachers may use to prepare this course. We conclude that a Computer Ethics course must be put in place in universities and that we have the resources to do it.

Carlos García Pont

On December 8-11, attended, in Lisbon, the *4th International Conference* of the Iberoamerican Academy of Management, where he presented the paper "How do subsidiaries design their strategies? Notions towards a theory on subsidiary strategy".

Abstract: The purpose of this paper is to perform an in-depth study of a particular subsidiary in order to determine how it understands, defines, and implements its own strategy. The extensive attention that subsidiary role and subsidiary initiative-taking have received in the field has tilted our conception of subsidiary strategy either to fulfilling a role imposed by HQ or to generating initiatives that add value to the corporation. However, a fuller understanding is obtained if we take a more general approach and define subsidiary strategy as determining the basic long-term goals and objectives of an enterprise, and adopting courses of action and allocating the necessary resources to achieve those goals. Through an inductive study, our qualitative and quantitative evidence suggests that subsidiaries determine their long-term goals as an enterprise, comparing their position within the MNC with that of other subsidiaries. They achieve their goals by bargaining for resources and 'manipulating' the subsidiary's ordinary pattern of relationships with other MNC entities and clients. These ideas may serve as a basis for developing a more complete theory of subsidiary strategy.

Franz Heukamp

On November 13-16, attended, in San Francisco, the *INFORMS 2005 Annual Meeting*, where he presented the paper "Time and risk combined", co-authored by Manel Baucells and Antonio Villasís.

Abstract: The aim of the research is to study the psychological connection between time and risk. Departing from the idea that time discounting is basically due to the intrinsic uncertainty engrained in future rewards, we explore the relationship between the probability weighting function (Kahneman and Tversky, 1979) and time discounting for future money rewards, both at the theoretical and experimental level.

Tanguy Jacopin

On December 5-6, attended, in Warsaw, the *EABIS 4th Annual Colloquium*, where he presented the paper "Towards a theory of NGO activist behavior: From 'consumer response' to 'NGO activist request'", co-authored by Joan Fontrodona.

Abstract: Corporate Responsibility (CR) has become a key issue in recent years. Nevertheless, lack of consumer awareness of effective CR practices is a serious obstacle to its development. This paper proposes a way to reduce the gap between CR practices and consumer perceptions and advocates a new theory based on the study of NGO activist behavior.

Alejandro Lago

On November 13-16, attended, in San Francisco, the *INFORMS 2005 Annual Meeting*, where he presented the paper "Managing inventory through the synchronization of orders and customers", co-authored by Víctor Martínez de Albéniz.

Abstract: We consider an inventory problem where linear ordering costs and selling prices vary over time, and demand is generated by a stream of non-stationary Poisson arrivals. We provide conditions under which the myopic base-stock policy is optimal. This corresponds to synchronizing the arrival of a customer to the placement of an order. We specialize the results to the Bass demand model, with falling prices and costs.

Johanna Mair

On December 5-6, attended, in Warsaw, the *EABIS 4th Annual Colloquium*, where she presented the paper "Sustainable development: How social entrepreneurs make it happen".

Abstract: This paper demonstrates that entrepreneurs who create innovative organizations and service provision models are contributing to sustainable development. The processes, structures and outcomes of their initiatives are contrasted with more traditional efforts. World leaders have recently renewed the momentum for 'buying' sustainable development through massive allocation of development funds. The paper argues that such traditional approaches have repeatedly failed in the past and are unlikely to overcome the more fundamental hurdles to create development. Building on the findings of a three-year research project, the paper presents case studies to demonstrate how so-called 'social entrepreneurs' succeed in creating social and economic development in a poor country context. The process of discovery and creation from the ground up, in contrast to traditional design-driven development processes and strategies, is illustrated. The cases show how social entrepreneurs cater to

various levels of needs: the basic needs of individuals, the institutional needs of communities, and the needs of future generations. The impact of social entrepreneurial activity on sustainable development measures such as the Millennium Development Goals is demonstrated. The findings suggest that social innovation may change the very structures and systems that recreate the circumstances for poverty, and that development processes need to consider the link between social and economic development.

Víctor Martínez de Albéniz

On November 13-16, attended, in San Francisco, the *INFORMS 2005 Annual Meeting*, where he presented the paper "Pricing in a duopoly with a lead time advantage".

Abstract: We analyze the price competition between two suppliers offering two different lead times to a buyer. The buyer replenishes inventory using a base-stock policy with each supplier. In essence, the fast and expensive supplier is used only in emergencies, while the slow and cheap supplier receives the bulk of the orders. Based on the buyer's behavior, the suppliers set static prices that maximize their long-term average profit. We study the equilibrium of the pricing game.

Núria Mas

On November 17-18, attended, in Paris, the *CEPR Conference* on "The effectiveness of competition policy: Issues and methods", where she presented the paper "Industry characteristics and anti-competitive behavior. Evidence from the EU".

Abstract: This article analyzes the Commission´s decisions from January 1990 to February 2004 to see whether the Commission follows the prescriptions of economic theory when deciding whether a practice that goes against the antitrust rules has taken place. Our results suggest that the Commission is more likely to decide against firms in cases involving a horizontal practice that is very likely to reduce social welfare. Our findings also indicate that the Commission is more likely to decide against firms in very concentrated sectors or in industries with high R&D intensity. Finally, we also analyze whether there is selection bias in the Commission's choice of cases to investigate. Our results confirm that the Commission is more likely to pursue cases that affect a large industry or final consumers. However, the selection bias does not seem to be very significant.

Domènec Melé

On December 14, attended, in Madrid, the *Conferencia anual de Etica, Economía y Dirección, organized by EBEN-España*, where he presented the paper "Etica y ciudadanía empresarial en las cinco mayores empresas farmacéuticas del mundo".

Abstract: Las cinco mayores compañías farmacéuticas del mundo (Pfizer, GlaxoSmithKline, Sanofi-Aventis, Novartis y Lilly) tienen un amplio apartado dedicado a ciudadanía corporativa en sus páginas web y publican unas amplias memorias anuales sobre sus actividades en este tema. Esto proporciona, sin duda, una imagen corporativa positiva. Sin embargo, en los últimos años están recibiendo un gran número de críticas y el aprecio y reputación que ha gozado el sector farmacéutico durante años se está erosionando.
En este trabajo, en primer lugar se analizan sumariamente los aspectos éticos y de ciudadanía empresarial que afirman llevar a cabo estas cinco empresas, y también las principales críticas formuladas contra el sector. Se hace notar a continuación que estamos ante un complejo entramado de relaciones entre partícipes de la actividad de las empresas farmacéuticas, al tiempo que se cuestionan las visiones aportadas por empresas y críticos por su parcialidad. Buscar la verdad es una clave ética fundamental, por supuesto, también aquí. Para encontrar una buena solución se sugiere, pues, conocer la realidad en aquello que es relevante con la mayor objetividad posible. Se trata de superar tanto las comunicaciones empresariales encaminadas a "quedar bien" como las críticas exageradas, seguramente encaminadas a contrapesar y corregir posibles abusos. Finalmente, se sugiere la necesidad de diálogo y cooperación entre todas las partes implicadas: empresas, gobiernos y organismos reguladores, aseguradoras, médicos, organizaciones no gubernamentales y otras entidades de la sociedad civil.

Pinar Ozcan

On December 14-15, attended, in Copenhagen, the *Copenhagen Conference on Strategic Management*, organized by the Copenhagen Business School, where she presented the paper "Star-ups in nascent markets: Building a strong alliance portfolio from a low-power position".

Abstract: The purpose of this study is to uncover the processes through which executives of firms can form a strong alliance portfolio with deep ties to a large number and variety of prominent partners. With a multiple-case inductive design, we traced the interorganizational activities of six entrepreneurial firms in the nascent market of wireless gaming over a span of 12 months. The emerging framework explains that executives form a strong alliance portfolio by approaching prominent partners early, approaching complementary partners simultaneously, maintaining redundant ties, and avoiding competitor ties. At the organization level, we show that in a nascent market where roles are blurred and connections are scarce, executives of entrepreneurial firms can use certain strategies to benefit from the characteristics of the market while managing the dangers that are embedded in it. These firms can achieve a strong portfolio, which can lead to a central position in the market network.

Pablo Sánchez

On December 1-3, attended, in Boston, the *Business Solutions for Alleviating Poverty Conference*, organized by Harvard Business School, where he presented the paper "Understanding

low-income market business models: Process development and main components", co-authored by Joan E. Ricart and Miguel A. Rodríguez.

Abstract: Most MNC ignore the reality of low-income markets and how to develop a business model that satisfies the real needs of poor people in a profitable manner. First, corporations should change their current dominant logic and established perceptions about the low-income segment in order to start new ventures in these markets. We identified three sources of learning for generating knowledge and understanding local landscapes: the value innovation process; the experimentation gained during the pilot phase; and knowledge coming from partners and social networks. Finally, our study emphasizes three elements which seem to be especially critical in business models: the use of new and advanced technologies adapted to the local context and customers' needs; the development of partnerships; and the integration of the corporation into local social networks. As we have seen in Amanco Guatemala and Philips India, all these elements contribute to the development of innovative business models that radically reduce the MNC's traditional cost structure while increasing customer value.

On December 8-11, attended, in Lisbon, the *4th International Meeting* of the Iberoamerican Academy of Management, on the subject "Management, knowledge and flexibility", where he presented the paper "Social embeddedness in low-income markets: Influential factors and positive outcomes", co-authored by Joan E. Ricart and Miguel A. Rodríguez.

Abstract: Because low-income markets remain mostly unexplored and most companies do not know them, it has been argued that developing embedded ties and alliances with traditional and non-traditional partners is critical in order to better understand customer needs and market characteristics. Following this logic, in this paper we explore the antecedents and consequences of becoming socially embedded in low-income markets. Our findings suggest that a firm has a bigger incentive to build embedded ties and partnerships under three conditions: underdeveloped market-oriented ecosystem; high psychic distance of a firm with respect to low-income markets; and high number of product complementarities offered by the firm. In turn, becoming socially embedded can be beneficial for obtaining fine-grained information, increasing operational efficiency, gaining trust and legitimacy and having prior access to new markets. At the same time, the social network in which a firm is embedded provides network resources that can be a source of competitive advantage.

Christian Seelos

On December 1-3, attended, in Boston, the *Business Solutions for Alleviating Poverty Conference*, organized by Harvard Business School, where he presented the paper "How social entrepreneurs enable human, social and economic development", co-authored by Johanna Mair.

Abstract: This paper is structured around a rich description of Sekem, a social enterprise established to make a contribution to Egyptian society in several dimensions –economic, social, and cultural. The case is set in a poor-country context characterized by the absence of political and economic institutions to cater to the needs of the poor and create conditions in which people are able to respond to economic opportunity. Central to the case is the story of an entrepreneur with a strong social mission, Dr. Ibrahim Abouleish. When he created Sekem, Abouleish transformed a piece of desert into fertile land that today houses several commercial companies as well as cultural and social institutions, including a theater, a medical center, and schools. The paper argues that social entrepreneurs such as Dr. Abouleish are able to overcome the hurdles to socio-economic and sustainable development in poor countries by building vital infrastructure, creating social capabilities that allow people to respond to economic opportunity, and discovering and creating the conditions for scaling up and financial viability.

Sandra Sieber - Josep Valor

On December 10-14, attended, in Las Vegas, the *International Conference on Information Systems*, organized by AIS (Association for Information Systems), where they presented the paper "Facts and fallacies in the adoption of information technologies by Spanish companies".

Abstract: In this paper, we contend that due to the particularities and widespread use of new ICT, traditional ways of explaining IT adoption in companies –rational decision making, technology diffusion models, and the psychology of the decision maker– are insufficient to explain some observed cases of ICT diffusion. We prove that there is a new role played by the user community in the technology adoption process, brought about by factors such as the existence of a strong development community (in the case of OSS), or widespread access to Internet technology. A mixed two-phase method was used for this study. In the first phase, through a qualitative analysis of some significant cases we depicted under what conditions a significant adoption of a particular technology (OSS) might unfold, showing that in some circumstances user groups could play a significant role. In the second phase, an exploratory quantitative analysis was carried out to verify the new dimensions of the technology adoption process. The results showed a high influence of social factors such as peer group adoption and user pressure. For reasons of geographical proximity the research was carried out in Spanish companies, but we believe that, as with similar adoption studies, the results are generalizable, as there are no culturally specific dimensions that we could identify. Conclusions and further research are outlined.

Ignacio Urrutia

On November 25-26, attended, in Canberra (Australia), the *Annual Meeting* of the SPORT Management Association of Australia & New Zealand, where he presented the paper "Assessment methodology of corporate sponsorship and maecenasship".

Abstract: Corporate citizenship has become a watchword, influencing the behavior of a host of enterprises. Firms considered to be the backbone of national economies sponsor sporting activities More often than not, decision-makers base their decisions on a "hunch" or feeling, or on indicators such as TV audience share, number of viewers, etc., that have no proven relationship with the enhancement of corporate or brand image. And yet, it is understood that the basic purpose of corporate sponsorship of sport and other social activities is to communicate the company's values and mission, in other words, the corporate belief system (Mullin, Hardy et al. n.a.). Bearing this purpose in mind helps us to understand: 1) what kind of message the firm's sponsorship must put across; 2) how a firm can strengthen its image or brand by choosing appropriate activities to sponsor and avoiding those that do not fit its belief system, etc. Based on the resource-based view of the firm (Barney, Wright et al. 2001; Barney 2001; Barney 2001), we use the variables shown in the attached matrix (see Annex) as a working hypothesis, namely: 1) belief system (here tentatively named "proto-image of the firm"), 2) brand potential, and 3) corporate social responsibility. This matrix offers two advantages: 1) it helps firms to choose among sponsorship options, and 2) it helps them to view the issue from a three-dimensional perspective (but represented two-dimensionally).

Josep Valor

On December 10-14, attended, in Las Vegas, the *International Conference on Information Systems*, organized by AIS (Association for Information Systems), where he presented the paper "Offshoring and its implications for the I.S. discipline".

Abstract: This paper examines the impact of off-shoring (understood here as the transfer of IT activities to countries such as India or the Philippines) on the academic discipline of Information Systems. It is a conceptual paper in which we try to answer questions such as: Are business schools teaching students the right topics in IS and IS-related subjects? If not, what should they be teaching? What mechanisms should business school faculty have in place to track what is relevant today and, more importantly, what will be relevant when their students reach the labor market?

Antonio Villasís (PhD candidate)

On November 13-16, attended, in San Francisco, the *INFORMS 2005 Annual Meeting*, where he presented the paper "Stability of risk preferences", co-authored with Manel Baucells.

Abstract: Are risk preferences stable? To answer this question, in a first session we present subjects with certain basic risk preference choices. This preference elicitation is repeated three months later, in a second session. We observe that the aggregate pattern of preferences is very similar in both sessions, and that it agrees with the results reported in the literature. Around 50% of the subjects agree with prospect theory on both domains. However, the percentage of individuals that change responses is high. We propose a stochastic choice model in which individuals' revealed preference is governed by some underlying preference, together with a random error. Estimating this model we find that a large percentage of the population (70%) has prospect theory as its underlying preference.

Awards

Antonio Argandoña

On November 10, was appointed Merit Member by the Economists Association of Catalonia.

On November 17, was awarded, in Madrid, the "Fomento de la Cultura Económica" prize, granted by the magazine "Mi Cartera de Inversión".

Steven Poelmans

Was a finalist in the Kanter Award. The jury considered the paper "A cross-national comparative study of work-family stressors, working hours, and well-being: China and Latin America versus the anglo world", co-written with various authors, one of the 20 best works published in the work-family field.

Xavier Vives - Lluís Torrens

On November 3, Societat Catalana d'Economia awarded them the *X Premi Catalunya d'Economia* for the study "Estratègies de les àrees metropolitanes europees davant de l'ampliació de la Unió Europea", published by Pla Estratègic Metropolità de Barcelona.

IESE - Research Seminars

Accounting and Control

November 17

Keynote speaker: Linda Vincent, Kellogg School of Management, Northwestern University

"Valuation implications of defined benefit pension plans"

Economics

December 15

Keynote speaker: Marta Noguer, Ryerson University, Toronto

"Lost in translation? An empirical investigation of language barriers to international trade"

Abstract: This paper uses the simple structural model in Anderson and van Wincoop (2003) to analyze the relevance of language differences as barriers to international trade. The results challenge the current belief that language differences constitute important

barriers to international trade. The divergence in the results stems from the use of a microfounded gravity equation and the inclusion of relevant controls. When using disaggregated trade data, we find that language barriers vary significantly across sectors, playing a relatively important role in trade of differentiated goods and equipment and machinery.

Finance

November 8

Keynote speaker: Eva R. Porras, Instituto de Empresa

"Fundamentals versus contagion proxies to explain financial assets price changes"

Abstract: There is a general consensus that expected returns are notoriously difficult to predict for many reasons, including modeling and econometric problems. The bubble and contagion literature proposes fundamentals and contagion proxies as explanatory of financial asset price changes. This paper uses mean and semi-parametric methods to analyze the explanatory value of some of these variables. The goal of this study is to determine which variables have higher explanatory value, as well as their differential impact throughout the distribution of returns. The findings suggest that none of the twelve models used to proxy fundamentals have any explanatory value for price changes. The three models used to proxy contagion variables are found to be significant regardless of the methodology used: OLS, panel data or quantile regression. Also, in the three models, the effect of the independent variable is found to increase with the quantile.

November 30

Keynote speaker: Florencio Lopez de Silanes, Ecole Normale Supérieure, Paris-Jourdan Sciences Economiques

"The law and economics of self-dealing"

General Management

November 28

Keynote speaker: Rob Grant, Georgetown University

"What can the study of sports teams tell us about the creation and development of organizational capability?"

December 19

Keynote speaker: Cristian Dezs, Stern School of Business, New York University

"Entrenchment and changes in performance following CEO turnover"

Abstract: In this paper, I investigate whether CEO turnovers –forced, as well as voluntary– are accompanied by changes in firm performance; and whether governance provisions associated with managerial entrenchment affect these changes. Using data on CEO turnovers in the 800 largest U.S. companies occurring over the period 1980-2000, I present evidence that firms with entrenched CEOs exhibit significantly poorer performance in the year prior to forced turnover, and significantly larger performance increases during the three years following forced turnover. More importantly, I show that these larger performance increases are the result of improved management rather than reversion to the mean. This evidence provides strong support for the hypothesis that entrenchment hampers firm performance by protecting inferior CEOs.

December 20

Keynote speaker: Pratima Bansal, Ivey, Western Ontario

"The social aspects of strategic decision-making"

Abstract: Most strategic decisions involve both social and financial aspects. However, the theoretical arsenal relies heavily on a rational decision making framework, which deals more comfortably with the financial aspects of a strategic decision than its social aspects. How these soft, normative, and ambiguous social issues are incorporated into the hard realities of meeting shareholder expectations is not well understood.

This research project aims to fill the gap by investigating how organizations address the social aspects of strategic decisions. It does so by developing grounded theory based on 137 interviews with the top management team members involved in strategic decisions in 19 companies.

Several firms in this sample aimed to quantify the social aspects of social decisions, in order to accommodate them within their already existing rational strategic decision-making processes. Most, however, recognized that the social dimensions of strategic issues often belie quantification. This research shows that many firms used social processes to address the social aspects of strategic decisions. As a result, the alternatives considered by the top management team were adjusted, while keeping intact the rationality of the decision making process.

Managerial Economics

November 28

Keynote speaker: Antonio Villasís, University of Navarra

"Stability of risk preferences"

Abstract: (see page 10).

Managing People in Organizations

November 4

Keynote speaker: Edel Conway, Dublin City University Business School

"Unraveling the complexities of high commitment management: An employee perspective"

Abstract: Research in HRM has faced criticism for failing to adequately focus on employee experiences of HR practice (Gibb, 2001). In particular, the 'high commitment' models presented in

the literature fail to acknowledge the employee perspective and the complexity of the commitment construct. This research explores the impact of employee attitudes towards HR practices on the affective, continuance and normative dimensions of commitment. The empirical research is based on a survey of employees in three financial services organizations in Ireland (N = 288). The findings provide evidence to suggest that attitudes towards HR practices can impact on different forms of commitment, with possibly different performance outcomes. We propose a model that highlights the need for HRM researchers to focus more on the level of the employee and to recognize the complexities surrounding the commitment construct.

November 22
Keynote speaker: David L. Patient, Sauder School of Business, University of British Columbia
"Communicating negative news: The relationship between power distance, empathy, and managerial interactional justice"

Abstract: Managers frequently need to communicate to employees unfavorable news, such as cuts in scarce resources. However, they can also "make bad times worse" by communicating information in ways deemed low on interactional justice. In a study of 132 managers, we found that a) a manager's level of power distance relates inversely to the tendency to demonstrate interactional justice when communicating bad news, and b) empathic concern mediates this relationship. We also found that the differences in interactional fairness between low and high power-distance communicators can be reduced by increasing the manager's empathy for the victim of bad news.

December 15
Keynote speaker: Christopher Earley, NUS Business School
"Exploring new directions for cross-cultural OB: Cultural intelligence and global teams"

Abstract: In an increasingly diverse business environment, managers must be able to navigate the thicket of habits, gestures, and assumptions that define their coworkers' differences. Foreign cultures are everywhere –in other countries, certainly, but also in corporations, vocations, and regions. Interacting with individuals within them demands perceptiveness and adaptability. And the people who have those traits in abundance aren't necessarily the ones who enjoy the greatest social success in familiar settings. Cultural intelligence, or CQ, is the ability to make sense of unfamiliar contexts and then blend in. It has three components –cognitive, physical, and emotional/motivational. Although it shares many of the properties of emotional intelligence, CQ goes one step further by equipping a person to distinguish behaviors produced by the culture in question from behaviors that are peculiar to particular individuals and those found in all human beings. In their surveys of 2,000 managers in 60 countries, the authors found that most managers are not equally strong in all three of these areas of CQ. The authors have devised tools that show how to identify one's strengths and have developed training techniques to help people overcome weaknesses. They conclude that anyone reasonably alert, motivated, and poised can attain an acceptable level of CQ.

December 16
Keynote speaker: Julie Battilana, INSEAD
"Individuals as institutional entrepreneurs: The enabling role of individuals' social position"

Abstract: While early neo-institutional studies did not explicitly tackle the issue of agency, more recent studies of institutional entrepreneurship have brought it to the forefront. Institutional entrepreneurship has been presented as a promising way to account for institutional change endogenously. However, this notion faces the paradox of embedded agency. To overcome this paradox, it is necessary to explain under what conditions actors are enabled to act as institutional entrepreneurs.
Some neo-institutional theorists have already addressed this issue. Their studies focus mainly on the organizational and organizational field levels of analysis. In this paper, I aim to complement their work by examining under what conditions individuals are most likely to engage in institutional entrepreneurship. By doing so, I take into account the individual level of analysis that neo-institutional theorists often neglect. Relying on Bourdieu's conceptualization of fields, I propose that individuals' social position is a key variable in understanding how they are enabled to act as institutional entrepreneurs despite institutional pressures.

Marketing

November 3
Keynote speaker: Juan Ignacio Peña, Universidad Carlos III, Madrid
"Basilea II y los mercados de transferencia del riesgo de crédito: La nueva industria bancaria"

Abstract: Credit derivatives seem to have been healthy for the banking system. By enabling the unbundling of financial risks (splitting, say, the interest-rate and credit risk in a corporate bond), they have allowed finer tuning of risk management.
Alan Greenspan, chairman of the U.S. Federal Reserve, has attributed the resilience of his country's banks in 2001 and 2002 –when Enron, WorldCom and the Argentine government defaulted– to credit derivatives, which spread the burden of the defaults across a broad group of banks and other institutions.

November 10
Keynote speaker: Ozge Turut, Harvard Business School
"When should a firm go radical? Signaling market potential through innovation strategy"

Abstract: Unlike the market potential for incremental innovations, the market potential for radical innovations is typically highly uncertain. We model an incumbent firm's decision to pursue

radical or incremental innovation when facing a rival entrant. Each firm receives a private signal regarding the market potential for radical innovation (high or low), and the reliability of these signals can differ across firms. We show that when the entrant's signal is relatively unreliable, the incumbent may pursue incremental innovation even though it receives a high private signal; it does so to avoid validating the high market potential for radical innovation to the entrant, which in turn reduces the entrant's incentives to invest. When the incumbent's signal is relatively unreliable, the incumbent may pursue radical innovation even when it receives a low private signal; this reduces the incentives of the entrant to invest in radical innovation because of the fear of having to share the future market.
We extend our framework to incorporate the possibility that firms' actions are not observed but they need to decide whether to pre-announce their innovation strategies. We find that a firm will pre-announce that it is pursuing radical innovation only if the reliability of its signal is lower than its rival's, i.e., when the firm has a disadvantage in assessing the returns to radical innovation. When a firm's signal is reliable, the desire to avoid validating the market potential induces the firm to remain silent about its innovation plans.
Our work has important managerial implications for when to expect incumbents to rush into radical innovations and, conversely, when to expect them to stick to incremental ones. Furthermore, we offer advice on when firms should conceal their innovation plans till they have completed product development and when they should pre-announce their intentions well in advance of new product launch. Our perspective is novel in that we incorporate firms' asymmetric perceptions of future rewards and the possibility that rival actions may reveal information regarding market potential.

December 12
Keynote speaker: Valéria Noguti, INSEAD
"Interpersonal similarity extrapolation between domains"

Abstract: There are several ways in which people are influenced by other people. One of these ways is by learning other people's preferences. Someone whose preferences are perceived as similar/dissimilar to self preferences in a given domain is likely to be perceived as having similar/dissimilar preferences to the self in other domains. In this paper we call this effect similarity extrapolation. We propose attribute substitution as a psychological mechanism to explain similarity extrapolation. The attribute substitution model, based on Kahneman & Frederick (2002), is represented by a two-stage mechanism in which two attribute substitutions occur: 1) first, the agreement between the self and another person in domain X substitutes for a general similarity impression with the self, then 2) this impression, activated in the first stage, substitutes for perceived agreement in domain Y. Thus, extrapolation of similarity would occur from domain X to domain Y through a similarity impression. As alternative explanations for the effect, we contrast three mechanisms: liking, consensus, and lay theories. The liking mechanism is similar to the attribute substitution model but liking is the attribute that substitutes for agreement from one domain to the other.
According to the consensus mechanism, the degree of similarity between the self and another person in a domain may influence people's natural tendency to infer their own opinions are shared by the majority of the population. By the last mechanism –lay theories– people may indeed believe that agreement in a domain between the self and someone else holds in different domains.

Production, Technology and Operations Management
December 19
Keynote speaker: Fernando G. Bernstein, Fuqua School of Business, Duke University
"Incentives and flexibility in a decentralized multi-product assemble-to-order system"

Abstract: In this paper, we explore the impact of decentralized decision making on the behavior of assemble-to-order systems. Specifically, we consider a system where three components (two product-specific and one common) are used to produce two end products to satisfy stochastic customer demands. Component capacity decisions must be made before a single selling season, while end-product assembly decisions are made after observing demands. We study the system under both centralized and decentralized decision making. In the latter case, an assembler chooses wholesale prices to pay three independent suppliers and also makes end-product production decisions, while the suppliers choose component capacities. In the decentralized system we prove that, for any wholesale prices, there exists a unique Pareto-optimal equilibrium in the suppliers' capacity game. We show that the assembler's optimal wholesale prices lie in one of two regions –one leads to capacity imbalance and one does not. Similar to other decentralized supply chain settings, we find that decentralization leads to understocking in terms of component capacities. However, we also identify new types of inefficiencies related to the multi-component, multi-product setting studied here. We find that capacity imbalance occurs less frequently in the decentralized system, and that its presence in that system depends on the distributions of end-product demands (unlike the centralized system). In addition, we demonstrate that in some situations the wholesale prices in the decentralized system can alter the assembler's profit margins, so that end-product production priorities are reversed from those in the centralized system. Finally, by comparing the decentralized system to one where the common component is replaced by two dedicated components, we find that the apparent flexibility provided by a common component may actually hurt the assembler's performance in a decentralized system.

Research Seminars

Fabrizio Ferraro

On December 6, at Bocconi University, in Milan, presented the paper "Economics language and assumptions: How theories can become self-fulfilling".

Abstract: Social science theories can become self-fulfilling by shaping institutional designs and management practices, as well as social norms and expectations about behavior, thereby creating the behavior they predict. They also perpetuate themselves by promulgating language and assumptions that become widely used and accepted. We illustrate these ideas by considering how the language and assumptions of economics shape management practices: theories can "win" in the marketplace for ideas, independent of their empirical validity, to the point where their assumptions and language become taken for granted and normatively valued, therefore creating conditions that make them come "true."

Javier Gómez

On November 23, at Banco de España, presented the paper "Financial development and the asymmetry of monetary policy", co-authored by Luis Carranza y José E. Galdón-Sánchez.

Abstract: In this paper we develop a simple model of the relationship between financial markets and investment by entrepreneurs in the presence of a Central Bank. The model allows us to analyze how the level of financial development affects the way credit spreads –and therefore the volume of credit and output– react to monetary policy actions. We show that in countries where financial markets are poorly developed, lending rates may react in an asymmetric manner to monetary expansions and contractions: monetary contractions generate a larger output impact than expansions. Other implications of the model are in line with those in the literature. Cross-country empirical evidence for this asymmetry is provided.

On December 2, at Departamento de Fundamentos de Teoría e Historia Económica, Universidad de Málaga, presented the paper "Financial development and the asymmetry of monetary policy", co-authored by Luis Carranza y José E. Galdón-Sánchez.

Abstract: (see abstract above).

Miscellaneous

Alberto Fernández

On November 15-16, attended, in Oviedo, the *Foro por la Industria*, where he gave the lectures "Infraestructuras de conocimiento: Claves para el impulso del Principado" and "Las personas: El activo más valioso de las organizaciones", as well as moderating the roundtables of the tracks "Infraestructuras de conocimiento" and "Capital humano".

José Ramón Pin

On November 28-30, attended, in Madrid, the *Conference* on "La función pública al servicio de los ciudadanos. ¿Qué función pública demandan los ciudadanos?", organized by IMAP (Instituto Madrileño de Administración Pública), where he gave the lecture "Selección y formación de directivos públicos: Una propuesta".

Abstract: La tesis es que cualquier proceso de reforma de la Administración tiene que apoyarse en la capacidad de liderazgo de los directivos públicos. Por eso es tan importante la selección y la formación. En la ponencia propone un *Spoil System* de circuito cerrado, ampliado, para la selección de directivos públicos mediante la certificación de personas cualificadas, funcionarios o procedentes del sector privado. Para el desarrollo se propone la formación en centros homologados y la elección de un itinerario profesional.

Lluís G. Renart

On November 9-10, attended, in Barcelona, the *Setmana de la Internacionalització de Catalunya-2005 conferenc*e, where he took part in Workshop no 3 of the "Fòrum de l'Observatori de Mercats Exteriors", giving the lecture "Estratègies de les empreses davant les successives ampliacions de la Unió Europea i davant la creixent globalització dels mercats".

Joan E. Ricart

On November 25-28, attended, in Prague, the *Annual Meeting* of the Academic Council of EIASM, where he acted as discussant in the panel "The Role of Academic Associations in Developing Post-Doctoral Careers".

On December 5-6, attended, in Warsaw, the *EABIS 4th Annual Colloquium*, where he presented the project "Incorporating CSR in the general management curriculum: Course and curriculum design", a project managed by Christian Seelos under the leadership of Joan E. Ricart (General Management), **Domènec Melè** (Business Ethics) and **Rama Velamuri** (Entrepreneurship).

Abstract: The purpose was to set up awareness, response and learning systems to recognize, understand and translate social issues in core classes in the MBA curriculum. The goal was to develop practices that could be compared and adapted in other schools. Initial focus was on General Management courses, but the idea was to eventually extend the process to other functional areas in the school.

Juan Roure
On November 30, attended, in Valencia, the *IV Conferencia Internacional APTE*, where he gave the lecture "Reconciliación entre inversores y emprendedores. Business Angels".

José A. Segarra
On November 15, attended, in Valencia, the *Seminario* on "La reforma concursal", organized by Consejo General del Poder Judicial en la Ciudad de la Justicia, where he gave the lecture "Viabilidad real de las empresas y proceso concursal".

Guido Stein
On November 17, attended, in Pamplona, the *Foro de Empresarios de Navarra*, organized by Confederación de Empresarios de Navarra (CEN), where he gave the lecture "Dirigir, entre la ingenuidad y el cinismo".

Book reviews

José R. Pin
Reviewed the book "The HR Value Proposition", by David Ulrich and Wayne Brookbank, Harvard Business School Press, 2005, in *Capital Humano*, No 193, November 2005, pages 97-98.

Teaching materials

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

Entrepreneurship

Stratitek B.V.
(E-72-E - 0.605.005)

The directors of Stratitek have been approached by a company wishing to buy an investor's 50% shareholding in Stratitek and must determine the current value of their company for the negotiations.

Johnson R.; 4 pages.

Star Parks
(E-73-E - 0.605.008)

Palamon Capital Partners is assessing an opportunity to buy a group of European amusement parks. The transaction will be large and will have to be completed quickly.

Johnson R.; 9 pages.

Early-Stage Companies & Financing Valuations: The Venture Capital Method
(EN-5-E - 0.604.025)

Method used by venture capitalists to value start-ups and early-stage companies.

Johnson R.; 13 pages.

Assessing Non-US Markets for Private Equity Investments
(EN-6-E - 0.604.026)

A model for evaluating the climate for venture capital and private equity investments in countries around the world.

Johnson R.; 22 pages.

Financial Management

Grupo Santander: medidas de blindaje
(F-784 - 0.205.018)

A partir de las decisiones que se analizan en el Grupo Santander, se estudian las reformas de las prácticas de gobierno corporativo dentro de la empresa, en especial la relativa a la eliminación de las medidas de blindaje existentes en los estatutos.

Oleaga M.; Campa J.M.; 15 pages.

Debt and Equity Financing
(FN-518-E - 0.204.035)

Main concepts in debt financing. Cost of debt. Effects of debt. When debt adds value to the company.
(Also available in Spanish.)

Martínez Abascal E.; 26 pages.

Vidal Case Resolved
(FN-529-E - 0.205.027)

This note provides an example of financial analysis, diagnosis and forecasting, as applied to the case "Vidal e Hijos" (F-540-E). The note should serve to clear up any remaining doubts after students have tried to resolve the case by themselves. The note deals with the following main issues: Business analysis; income statement analysis; balance sheet analysis; diagnosis; income statement and balance sheet forecast; and action plans. It is useful as a guide, so that the student can practice the model of analysis presented in technical notes FN-530-E and FN-531-E.
(Also available in Spanish.)

Martínez Abascal E.; 21 pages.

Operational Finance (I): Analysis and Diagnosis
(FN-530-E - 0.205.019)

This note has two goals: 1) To provide a simple model of analysis and diagnosis of the profit and loss statement and balance sheet (with special emphasis on the balance sheet). 2) To explain the financing required by current operations or how to finance the current assets (net working capital). For example, how a new production strategy or a new marketing plan will affect the income statement and balance sheet. Parts: Analysis of the business. P&L understanding and analysis. Balance sheet terms and analysis. Diagnosis. Questions for evaluation. Spanish-English glossary of terms. The reader is guided to understand the coherence between a company's business situation and its financial statements. The note has been used successfully in MBA and Executive Education Programs as an introduction to financial analysis and is most appreciated by functional managers with no financial background.
(Also available in Spanish.)

Martínez Abascal E.; 28 pages.

Operational Finance (II). Financial Forecasting
(FN-531-E - 0.205.020)

This technical note goes together with FN-530-E and covers two main issues: 1) Forecasting P&L and balance sheets to see how the company will be in the future. The numbers used are few and simple. 2) Action plans or decisions to solve the problems, if any. Parts: Forecasting P&L. Forecasting balance sheet. Action plans. Financing growth. Value chain. Questions for self-evaluation. Summary of financial analysis and forecasts. The note has been used successfully in MBA and Executive Education Programs as an introduction to financial analysis and is most appreciated by functional managers with no financial background.
(Also available in Spanish.)

Martínez Abascal E.; 17 pages.

General Management

The Sekem Initiative
(DG-1466-E - 0.304.072)

"The Sekem Initiative" portrays a complex set of circumstances that frames Sekem's decisions to further grow and develop the initiative along its historical path of holistic development in the social, economic and cultural spheres. The case documents the history of the initiative and lays out the major constituents and their internal and external relations. Sekem was founded by Ibrahim Abouleish, an Egyptian who had been living, studying and working in Austria prior to his return to Egypt in 1977, the year he established Sekem. Literally starting from nothing, i.e., a piece of desert land north of Cairo, Abouleish showed tremendous resourcefulness, creativity, and perseverance. Driven by a strong belief in his personal mission, Abouleish built up the Sekem initiative, which in 2003 consisted of three main parts: the Sekem group of companies, the Egyptian Society for Cultural Development, and the Cooperative of Sekem Employees, together employing more than 2,000 people. Sekem was also a hub managing a large network of associated farmers and companies within Egypt and abroad. It also ran a medical center for the local community, a kindergarten, primary and secondary schools, an adult training center, special needs education programmes, and an academy for applied arts and sciences. In 2003, Abouleish won the Right Livelihood Award, also known as the "Alternative Nobel Prize", in recognition of Sekem as the blueprint of the organization of the 21st century. Abouleish has also received an award as an "outstanding social entrepreneur" from the Schwab Foundation of the World Economic Forum. Abouleish's objective was to heal Egyptian society from the wounds of the past and foster holistic development to create economic, social and cultural value in a sustainable manner.
(Also available in Spanish.)

Seelos C.; Mair J.; 28 pages.

The Sekem Initiative - Teaching Note
(DGT-34-E - 5.305.007)

Case DG-1466-E.
(Also available in Spanish.)
Use is restricted to Academic Institutions.

Seelos C.; Mair J.; 9 pages.

Nissan: The Ghosn Era
(DG-1482-E - 0.305.057)

Nissan's turnaround under the steersmanship of Carlos Ghosn is analysed from the viewpoint of change process. This case is part of a four-case study to identify entrepreneurs' mental schemata. The profit arithmetic (PA) approach is explained. Cross-cultural management is also discussed.
(Also available in Spanish.)

Kase K.; Riquelme H.; Sáez F.J.; 24 pages.

Nissan: The Ghosn Era - Teaching Note
(DGT-42-E - 5.305.064)

Case DG-1482-E.
Use is restricted to Academic Institutions.

Kase K.; 14 pages.

Managing People in Organizations

A Question of Credibility
(DPO-5-E - 0.403.015)

The persuasive role of character was seriously devalued during the Enlightenment. The rise of experimental science emphasised the goal of neutrality, which was thought to be guaranteed only through radical detachment: subject and object were thus torn asunder.

Leggett B.; 2 pages.

DMR (C)
(DPO-55 - 0.405.021)

En este caso se describe la decisión del equipo de socios de DMR de comprar la compañía en una operación de MBO, así como el método de reparto.

Susaeta L.; Pin J.R.; 3 pages.

DMR (D)
(DPO-56 - 0.405.022)

El caso recoge el correo electrónico que Fernando Francés envía a todos los empleados de la compañía explicándoles la reorganización necesaria para llegar al objetivo de salir a bolsa.

Susaeta L.; Pin J.R.; 3 pages.

DMR (C y D) - Nota del instructor
(DPOT-13 - 5.405.027)

Cases DPO-55 and DPO-56.
Use is restricted to Academic Institutions.

Susaeta L.; Pin J.R.; 8 pages.

Persuasion: A Rhetorical Approach
(DPON-5-E - 0.403.019)

Aristotle saw rhetoric as the art of persuasion. In this technical note, the terms persuasion and rhetoric are used interchangeably. In other words, there are three kinds of proof available to the practitioner: ethos (depending on the persuader's character), pathos (depending on the persuader's ability to create the right atmosphere), and logos (depending on the persuader's ability to form the right argument). To put this conceptual basis to practical use in our everyday communication, we have the five canons of rhetoric: invention, arrangement, style, memory, and delivery.

Leggett B.; 8 pages.

Logos: The Art of Arguing for Consent
(DPON-6-E - 0.403.023)

Aristotle distinguished three modes of persuasion; "the first depends on the personal character of the speaker (ethos); the second on putting the audience into a fit state of mind (pathos); the third on the proof, or apparent proof, provided by the speech itself". This note discusses the third of these: logos or the art of argumentation.

Leggett B.; 12 pages.

Leadership Through Speeches: A Visionary Model
(DPON-7-E - 0.403.024)

Painting a picture of what could be is the essence of visionary rhetoric. It is partly utopian and is built on the imagination in order to motivate listeners to think about what may be possible. It greatly depends on the personal credibility of the speaker (ethos), as the speaker is "selling" something that has not yet fully materialized.

Leggett B.; 10 pages.

Why "Persuasion" and why are we Suspicious of it?
(DPON-13-E - 0.404.024)

We live and work in a world where persuasion is an essential skill for almost all of us, irrespective of our position, situation or status. It is a feature not only of our professional and business lives but of our domestic ones as well.

Leggett B.; 3 pages.

Persuasion and Avoiding the Manipulative Art
(DPON-19-E - 0.405.014)

Unfortunately, many see persuasion and manipulation as synonymous. In reality, they are very different concepts. Propaganda is manipulative, for example, as it tries to make us dependent, while persuasion always leave us free to say "No", as the authors Jowett & O'Donnell tells us. In the first part of this article we look at manipulation, and follow this up by contrasting it with persuasion. In this way, we may see persuasion in a more positive and useful way…

Leggett B.; 6 pages.

Reputation and the "Golden Rule"
(DPON-20-E - 0.405.015)

You may ask, how are we to conduct ourselves when meaning and perception are often ambiguous, in a market place where people are ambitious and often aggressive? How can we build and maintain a good reputation in such an environment? One way is to observe the Golden Rule as a minimum standard for our behavior. Because the Golden Rule as a minimalist standard has emerged in almost every civilised society, it can be categorised as universal and a useful guidepost for our behaviors, attitudes, opinions and beliefs right across cultural boundaries. It is almost as if it were part of the human condition or, as Stephen Covey would phrase it, part of the human consciousness.

Leggett B.; 7 pages.

The Three Languages of Verbal Communication
(DPON-21-E - 0.405.016)

William Isaacs, in his book "Dialogue and the Art of Thinking", tells us that people speak any combination of three different languages: the languages of "feeling", "meaning", and "action" (power). According to the author, becoming aware of another person's and our own preference can give us an enormous advantage in understanding and communicating successfully. The three modes of language, as we will see, are not separate entities, but are often mixed in particular combinations. What mixture of languages do we speak? What languages are those around us speaking? Do we know? Is this why we are often frustrated with our communication with others?

Leggett B.; 5 pages.

Storytelling in Organizations
(DPON-22-E - 0.405.017)

Doug Stevenson, the author of an informative and entertaining book, "Never Be Boring Again", tells us, "When you listen to a good storyteller, you hear the story with your head, heart and soul. You are not a passive listener, you are an active participant. As the storyteller is relating his or her experience, you are experiencing it as if it were your story. You feel what the storyteller feels; you see what the storyteller sees. You memorize and retain chunks of information contained in the story because you see the images, hear the sounds, and feel the emotions." You are, in fact, engaged at many levels over a period of time, so when the storyteller makes the point, it sticks. It sticks, because a story evokes both visual images and emotion.

Leggett B.; 7 pages.

Spin: A New Name for an Old Phenomenon
(DPON-25-E - 0.405.023)

Spin has been with us for as long as we have had any form of organized authority. It has also been with us on a personal basis simply because we are social beings. Whether it is the spin doctor of a large organization spinning for his boss, or simply colleagues at work spinning stories about themselves and those associated with them, or political spin doctors working for Blair or Reagan, the existence of spin has to be accepted. It won't go away just because we don't like it. But spin is not persuasion.

Leggett B.; 9 pages.

Reducing Tension when Speaking
(DPON-26-E - 0.405.024)

Nowadays more and more executives and consultants are finding it necessary to present proposals and new products to clients, boards of directors, and many other audiences, whether they be internal or external to their companies. This creates an additional strain which often results in tension and nerves. The pressure is on to put our stories across well. Indeed, the pressure is on for results. However, this takes time and practice. This note outlines the principle exercises involved.
(Also available in Spanish.)

Leggett B.; 4 pages.

Dealing with Uncertainty
(DPON-27-E - 0.405.025)

Most of us feel the uncertainty of our lives somewhat unnerving at times. In many ways we feel unanchored and vulnerable to the winds of change. Uncertainty seems to affect the world around us at an economic, social, political, and even religious level. Stephen Toulmin, in his interesting book "Return to Reason", calls on us to redress this feeling of uncertainty by going back to a healthier balance between rationality and reason as we struggle to better understand the world we live in.

Leggett B.; 4 pages.

Agilent Technologies' Shared Services Center in Barcelona - Teaching Note
(DPOT-15-E - 5.405.030)

Case DPO-17-E.
(Also available in Spanish.)
Use is restricted to Academic Institutions.

Rodríguez J.M.; 3 pages.

Marketing

El valor de la marca y sistemas de valoración
(MN-348 - 0.505.009)

Esta nota trata de describir someramente la evolución de la marca en los últimos años, así como el sistema más idóneo para determinar su valor. Se detallan los sistemas vigentes de valoración de marcas más actuales y se hace una breve crítica de los mismos.

Por último, se señala un método de valoración original de los autores.

Pérez C.; Toro J.M.; 15 pages.

Inteligencia comercial
(MN-350 - 0.505.019)

Nota técnica sobre la relevancia de la aplicación de la inteligencia comercial al negocio y su relación con la orientación comercial de la organización; se presentan las fases de su puesta en práctica, herramientas disponibles y sus limitaciones. Se incluye un capítulo de recomendaciones de orden práctico.

García D.; Segarra J.A.; 19 pages.

Production, Technology and Operations Management

Fundación del Teatro Lírico: Teatro Real - Teaching Note
(PT-45-E - 5.605.029)

Case P-1064-E.
(Also available in Spanish.)

Riverola J.; 11 pages.

Occasional Papers

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

OP-05/17 - November 2005
Brian Leggett
A RHETORICAL APPROACH TO COMMUNICATION

Abstract: The basic principles of persuasion were formulated and developed over hundreds of years in Ancient Greece and Rome by philosophers, sophists and rhetoricians such as Isocrates, Aristotle, Cicero, and Quintilian, mainly for those interested in public affairs. At the centre of this development was Aristotle's rhetorical triad of *ethos*, *pathos* and *logos*, which formed the basis of communication training and written and oral discourse from the fourth century B.C onwards. This formula was added to by the great Roman rhetoricians, who advocated a more practical formula of invention, arrangement, *style*, *memory* and *delivery*.

OP-05/18 - December 2005
Marc Sachon
LA COLABORACION EN CADENAS DE SUMINISTRO GESTIONADAS CON TECNOLOGIA RFID: RESULTADO DEL ESTUDIO PRELIMINAR

Abstract: Este estudio tiene como objetivo abordar algunas de las cuestiones sobre el impacto del RFID *(Radio Frequency Identification)* en la cadena de suministro e identificar tanto los beneficios como los desafíos de esta nueva tecnología. Algunas de las principales preguntas que plantea son: ¿Cuáles son los beneficios principales del RFID y quién se beneficiará? ¿Qué impacto tendrá en los costes y en las decisiones estratégicas de la empresa? ¿Cómo se usará la información y cuál será el nivel de implantación en la cadena de suministro?
El informe preliminar que se presenta resume los resultados más destacados del cuestionario que fue completado por catorce empresas (en su mayoría medianas) de varios sectores.
Estos resultados forman parte de la fase preliminar de un estudio europeo de mayor escala.

Research Newsletter
Editor: Silvia Jiménez, Research Division
Published: IESE Business School, University of Navarra
Av. Pearson 21 - 08034 Barcelona, Spain
Tel.: (+34) 93 253 42 00 / Fax: (+34) 93 253 43 43
E-mail: silvia@iese.edu