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## Journals

**Bruno Cassiman - Masako Ueda**

"Optimal project rejection and new firm start-ups", *Management Science*, Vol. 52, No 2, February 2006, pages 262-275.

*Abstract:* We study the decision of an established firm to commercialize innovations. An innovation can be exploited by the established firm as an internal venture, pursued by a new firm start-up as an external venture, or not commercialized at all. The limited commercialization capacity of the established firm in the short run results in an option value of waiting. In this setup, start-up firms emerge when the established firm is generating many innovations or is selective because the option value of waiting is high, or both. The model predicts that innovations commercialized through internal ventures are characterized by a higher fit with the internal resources of the established firm, a higher cannibalization of the established firm's existing businesses, and a lower profitability than innovations commercialized through external ventures. The model furthermore generates predictions on the relation between firm performance and spin-off performance.

**Javier Estrada**

"The Fed model: A note", *Finance Research Letters*, Vol. 3, March 2006, pages 14-22.

*Abstract:* The negative relationship between market P/E ratios and government bond yields seems to have become conventional wisdom among practitioners. Both (limited) empirical evidence and a (misleading) suggestion that the model originated in the Fed are used to support the model's plausibility. The evidence in this note, from 20 international markets, seriously questions the wide acceptance and use of this model.

**Christian Seelos - Johanna Mair**

"Social entrepreneurship. The contribution of individual entrepreneurs to sustainable development", *The ICFAI, Journal of Entrepreneurship Development*, March 2006, pages 30-46.

*Abstract:* Social entrepreneurship is a phenomenon that has resisted attempts to establish a clear definition. A 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 catering to basic needs, this article recognizes their unique role in efficiently contributing to the achievement of sustainable development goals. With this perspective, the term "social" can be much better defined. The frameworks proposed in the study should guide the much needed further research and facilitate decision-making about more focused support, from a financial as well as a learning perspective.

**Josep M. Rosanas**

"Indicadores de gestión, incentivos, motivación y ética en el control de gestión", *Contabilidad y Dirección*, special issue on "Nuevas tendencias en control y contabilidad de gestión", No 3, March 2006, pages 129-150.

*Abstract:* Los escándalos recientes en el mundo de los negocios han tenido un efecto desfavorable en la confianza de las personas y las instituciones hacia las empresas en general, y a la forma en que son dirigidas. En muchos países se ha elaborado legislación adicional, con controles más estrictos, que se supone mejorarán en un futuro. Este trabajo argumenta que es difícil que así sea si no se cambian otras cosas, que tienen que ver no tanto con el gobierno de las empresas al nivel del consejo de administración, como con el sistema de control diario que evalúa las personas y les da premios y castigos. Los sistemas actuales, que han



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puesto mucho énfasis en incentivos monetarios elevados, son una de las raíces del problema. Lo que realmente se necesita es un cambio de mentalidad por parte de los directivos y de los académicos, que ponga más énfasis en la cooperación entre las personas que en los modelos basados en variables económicas únicamente.

## **Pablo García Ruiz - Carlos Sánchez-Runde**

"Teoría de sistemas y propiedades emergentes en las organizaciones. Una aproximación al estudio de la consistencia interna en los sistemas de gestión de recursos humanos", *Revista Internacional de Organizaciones*, No 0 (inaugural issue), April 2006, pages 23-43.

*Abstract:* Este trabajo se propone desarrollar la hipótesis de consistencia o "ajuste horizontal" entre las prácticas de gestión de recursos humanos. Siguiendo las sugerencias de Delery (1998), aún poco exploradas, se centra en los "tipos de relaciones" que se establecen entre prácticas, en lugar de centrarse en las propias relaciones. Mediante el análisis de contenido de datos cualitativos, se proponen seis diferentes tipos de relaciones, que se consideran como propiedades emergentes de los sistemas de gestión de recursos humanos. Se distingue entre influencias activas y pasivas entre prácticas dentro del sistema. De esa forma se puede entender mejor cómo evoluciona la configuración de cada sistema. Estas seis propiedades se entienden como criterios para la evaluación de la consistencia interna de un sistema dado. Utilizar estas propiedades como criterios de consistencia ayuda a simplificar la complejidad -del estudio y también de la gestión- de los sistemas de recursos humanos.

## **Marvin E. González - Gioconda Quesada - Ignacio Urrutia - José V. Gavidia**

"Conceptual design of an e-health strategy for the Spanish health care system", *International Journal of Health Care Quality Assurance*, Vol. 19, No 2, March 2006, pages 146-157.

*Abstract:* The purpose of this article is to describe the design and development of an e-health strategy for the Spanish health care system. Using quality function deployment and benchmarking analysis as an analytical model, a strategy in e-health care is proposed. The case of a Spanish autonomous community (region) is used to build a general framework for e-health system development. Based on a multi-disciplinary literature, and the specific needs of a particular region, the process of e-health system development is analyzed and reduced to a series of phases that form an integrated method. Best practice managerial techniques are adapted to the healthcare industry and the inter-relationships between them are mapped in a theoretical model that results in the desired outcomes. The analysis produces a road-map to e-health system development consisting of several phases: analysis of the current situation of the system and determination of objectives; collection and analysis of customer expectations; development of an action plan through cross-evaluation of customer and system needs; cost and strategic analyses; and

evaluation and control systems. Managerial implications are provided. The strategy proposed in this article is a prototype and an ongoing study in Castilla-La Mancha.

## **Books**

### **Nuria Chinchilla - Consuelo León**

"Guía de buenas prácticas de la empresa flexible. Hacia la conciliación de la vida laboral, familiar y personal", *Comunidad de Madrid* (Consejería de Empleo y Mujer), March 2005, 94 pages.

*Abstract:* El libro describe el camino a seguir para ser una empresa familiarmente responsable (EFR), incorporando una explicación detallada de las distintas políticas de flexibilidad y de los servicios de apoyo al empleado, e ilustrando todo ello con ejemplos de buenas prácticas de empresas, grandes y pymes, pioneras en la aplicación de tales políticas en beneficio de la conciliación trabajo-familia de sus empleados.

### **Anthony Ferner - Javier Quintanilla - Carlos Sánchez-Runde**

"Multinationals, institutions and the construction of transnational practices", *Palgrave*, March 2006, 288 pages.

*Abstract:* This volume explores how multinationals transfer structures, policies and practices across national borders. It brings together contributions from some of the foremost experts in the field of employment relations. Strong empirical material is combined with an innovative and questioning theoretical approach. Together, the essays advance comparative institutionalist theory as a way of understanding multinational behavior, while incorporating a sensitivity to power and interests, both at the macro-level of the global economic system, and at the micro-level of the multinational itself.

## **Contributions to books**

### **Antonio Argandoña**

"On ethical, social and environmental management systems", in the book "Business Ethics, Corporate Governance and a Harmonious Society" (in Chinese), edited by Xiaohe Lu and Daryl Koehn, Shanghai, March 2006, pages 394-404.

*Abstract:* The cases of corruption reported by the media tend almost always to involve a private party (a citizen or a corporation) that pays, or promises to pay, money to a public party (a politician or a public official, for example) in order to obtain an advantage or avoid a disadvantage. Because of the harm it does to economic

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efficiency and growth, and because of its social, political and ethical consequences, private-to-public corruption has been widely studied. Private-to-private corruption, by contrast, has been relatively neglected and only recently has started to receive the attention it deserves. The purpose of this paper is to offer some thoughts on the nature and importance of private-to-private corruption; the legal treatment it receives in some of the world's leading countries; and the measures that companies can take to combat it, with special consideration of its ethical aspects.

## Jordi Canals - Joan Fontrodona

"Responsabilidad corporativa y gobierno de la empresa", in the book "La responsabilidad corporativa. Una propuesta para un entorno empresarial más eficiente y socialmente comprometido", edited by *Fundación de Estudios Financieros*, *Papeles de la Fundación*, No 16, April 2006, pages 35-54.

*Abstract:* Este trabajo colectivo es una iniciativa de la Fundación de Estudios Financieros con el objeto de esclarecer el concepto de responsabilidad social corporativa y proponer una serie de acciones en esta materia. Este capítulo, que es el primero del libro, analiza la naturaleza y fines de la empresa, con el objeto de enmarcar el papel de la responsabilidad social de la empresa. En este sentido, se plantea cuál es la función social de la empresa, para concluir que la responsabilidad social forma parte de la esencia misma de la actividad empresarial y no debe entenderse como un añadido. A continuación se centra en el gobierno de la empresa, para estudiar cuál es el papel de los órganos de gobierno, qué criterios de gobierno corporativo deben seguirse y cómo se puede impulsar la responsabilidad corporativa.

## Jordi Gual

"Instituciones para la defensa de la competencia en España: organización, medios y eficiencia", in the book "La modernización del derecho de la competencia en España y la Unión Europea", edited by Santiago Martínez-Lage and Amadeo Petitbó, *Fundación Rafael del Pino*, Madrid, March 2005, pages 367-378.

*Abstract:* El presente informe defiende un enfoque del artículo 82 basado en la economía, en un sentido similar a la modificación del artículo 81 y del control de las fusiones. En concreto, se defiende un enfoque de la política de la competencia basado en los efectos, en vez de en la forma. Dicho enfoque se centra en la presencia de efectos contrarios a la competencia que perjudiquen a los consumidores, y se fundamenta en el examen de cada caso concreto, a partir de la economía real y los hechos.

## José R. Pin

"Introducción" in the book "La antigua Roma. Valores para el éxito empresarial", edited by A. Ortega Parra, *Pearson Education*, 2006, pp. XV to XXI.

*Abstract:* Esta introducción recoge la importancia de los valores para el éxito de una empresa haciendo referencia al libro de

O'Reilly y Pfeffer "Hidden Value". Describe cómo lograr un liderazgo institucionalizado que genere dirigentes, como lo hizo la Roma republicana frente al liderazgo personal de Aníbal en Cartago. Acaba distinguiendo entre la institución y el líder, haciendo referencia al cesarismo y sus manifestaciones como errores a detectar y corregir si la organización quiere sobrevivir.

## Rama Velamuri - Marc Sosna

"European entrepreneurship: From deterministic government policy to market experimentation", in the book "Strategic management. New rules for old Europe", edited by Christian Scholz and Joachim Zentes, *Gabler*, March 2006, pages 83-119.

*Abstract:* We start off by evaluating the magnitude of the challenge facing Europe in its quest to achieve the goals articulated in the Lisbon EU Summit in March, 2000 of becoming the most competitive and dynamic knowledge-based economy in the world. To the extent that high growth regions are critical elements in the economic growth strategies of EU member states, we examine some of the world's high growth regions -Silicon Valley, Route 128, Shanghai, Bangalore, and Washington DC/Maryland- and explore the influence of such factors as military spending, immigration, entrepreneurship education, bankruptcy legislation and culture, and government interventions in driving regional growth. We conclude with some reflections on the stages in which government interventions might be necessary to drive regional growth and others in which market forces might offer the best results.

## IESE - Working Papers

**NOTE: Working papers may be consulted on the Internet at [http://wwwapp.iese.edu/research/res\\_search\\_adv.asp?lang=en](http://wwwapp.iese.edu/research/res_search_adv.asp?lang=en)**

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### Pablo Fernández - Jon Martínez

**RENTABILIDAD Y CREACION DE VALOR PARA LOS ACCIONISTAS DE LAS EMPRESAS ESPAÑOLAS Y DEL IBEX 35. 1993-2005**

*Abstract:* En este documento se analiza la evolución del IBEX 35 y de las 72 empresas españolas que cotizaron en bolsa (en el mercado continuo) desde diciembre de 1992 hasta diciembre de 2005. Los apartados del documento son: 1) El IBEX 35. Rentabilidad y creación de valor para los accionistas. 2) Nivel del IBEX 35 necesario para obtener la rentabilidad exigida por los accionistas. 3) Entradas y salidas del IBEX 35. 4) Creación de valor de 72 empresas españolas; 4.1) Aumento del valor para los accionistas; 4.2) Rentabilidad para los accionistas; 4.3) Creación de valor; 4.4) Mayor crecimiento de las empresas grandes hasta el año 2000. 5) Relación de la rentabilidad para los accionistas con el tamaño de las empresas. 6) Relación de la rentabilidad para los accionistas con la rentabilidad del año anterior. 7) Rentabilidad y



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volatilidad. 8) El ROE no es la rentabilidad para los accionistas.  
9) Creación de valor y rentabilidad para los accionistas en 2004.  
10) Crisis bursátiles históricas y plazos de recuperación.

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**Domènec Melé**

**ETHICS IN MANAGEMENT: EXPLORING THE CONTRIBUTION OF MARY PARKER FOLLETT**

*Abstract:* Mary Parker Follett never wrote on ethics in management nor on business ethics, both of which are now familiar topics. However, some implicit, and even a number of explicit, references to these matters can be found in her thought. What is more, underlying her whole approach to business and management are concepts that have a lot to do with ethics. Follett holds that the manager must accept standards established by professional managerial associations. Additionally, she is aware of the contribution of business management to individual development and to the welfare and culture of society. She also presents a seminal approach to stakeholder theory. Her concept of ethics is related to her dynamic vision of the individual and society. It overcomes subjectivism and the narrow view of an individualistic ethics, but it is not an ethics rooted in ethical principles or in human virtues.

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**Xavier Vives**

**STRATEGIC COMPLEMENTARITY IN MULTI-STAGE GAMES**

*Abstract:* We provide sufficient conditions in finite-horizon multi-stage games for the value function of each player, associated to extremal Markov perfect equilibria, to display strategic complementarities and for the contemporaneous equilibrium to be increasing in the state variables.

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**Miguel A. Ariño - Miguel A. Canela**

**ESTUDIO DE LA TASA DE CAMBIO DÓLAR-EURO**

*Abstract:* En este informe se describen los rasgos principales de la evolución de la tasa de cambio dólar-euro, usando datos diarios, desde la adopción efectiva del euro a principios de 1999 hasta finales de 2005. Se muestra cómo la trayectoria de esta tasa de cambio se puede caracterizar de distinta forma según la escala temporal adoptada.

En primer lugar, al examinar las variaciones en períodos superiores a seis meses, la trayectoria de la tasa dólar-euro se puede caracterizar mediante una sucesión de tendencias lineales. Sobre esta tendencia poligonal se superponen unos ciclos de entre uno y tres meses de duración. Por último, a escala diaria, muestra un comportamiento prácticamente impredecible, muy cercano a lo que en econometría se denomina ruido blanco.

Estas pautas no son exclusivas de la tasa dólar-euro, sino compartidas, en general, por las tasas de cambio contra el dólar de las monedas de flotación libre. Tomando el valor de cambio del

dólar contra una cesta de monedas utilizada por la Reserva Federal, se muestra que las pautas observadas pueden ser atribuidas a las variaciones en el valor "intrínseco" del dólar.

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**Adrian Caldart - Joan E. Ricart**

**A FORMAL EVALUATION OF THE PERFORMANCE OF DIFFERENT CORPORATE STYLES IN STABLE AND TURBULENT ENVIRONMENTS**

*Abstract:* The notion of "parenting styles", introduced by Goold, Campbell and Alexander, has been widely acknowledged by the Corporate Strategy literature as a good broad description of the different ways in which corporate managers choose to manage and organize multibusiness firms. The purpose of this paper is to present a formal test of the relationship between parenting style and performance. For this test, we developed a set of agent-based simulations using the Performance Landscapes framework, which captures and describes the evolution of firms led by different parenting styles in business environments with different levels of complexity and dynamism.

We found that the relative performance of each style is contingent upon the characteristics of the environment in which the firm operates. In less complex business environments, the Strategic Planning style outperforms the Strategic Control and Financial Control styles. In highly complex and highly dynamic environments, by contrast, the Strategic Control style performs best.

Our results also demonstrate the importance of planning and flexibility at the corporate level and so contribute to the wider debate on Strategic Planning vs. Emergent Strategies.

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**Ricard Gil**

**THE ECONOMICS OF IPR PROTECTION POLICIES**

*Abstract:* In this paper, we model competition between legal and pirate products. In our framework, the government affects this competition through police spending and taxes on legal products. Therefore, the government can choose the combination of spending and taxes that best fits its goals. We find that governments that focus entirely on eradicating piracy use lower levels of taxes and police spending than governments that focus on maximizing consumption, consumer surplus, welfare or government size. This result highlights the importance of demand side policies in the fight against piracy and poses a challenge to the traditional solo approach of supply side policies.

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**Adrian A. Caldart - Joan E. Ricart**

**CORPORATE STRATEGY IN TURBULENT ENVIRONMENTS: KEY ROLES OF THE CORPORATE LEVEL**

*Abstract:* This paper analyzes the evolution during the period 1986-2002 of the corporate strategy of Luján, a highly successful

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car components manufacturer headquartered in Spain, as a way to explore how the corporate level influences the successful evolution of a company exposed to a "turbulent" environment over a long period. We find that the corporate level plays three key roles. First, it drives a firm's evolution by developing a cognitive representation of the firm's competitive landscape. Second, it paces the company's evolution by alternately shifting the balance of organizational initiatives between static efficiency-based "local search" strategies, chosen in times of stability or economic slowdown, and dynamic efficiency-based "long jump" strategies, adopted during periods of major environmental turbulence. Long-jump corporate strategies, carried out through limited downside strategic initiatives such as real options and strategic alliances ("off-line long-jumps"), are particularly frequent in these circumstances. The third role consists of developing an organizational architecture that frames the self-organized coordination of the different business divisions. The Luján story clearly illustrates the important role of corporate strategy in a firm that must undergo radical transitions as a result of major environmental changes.

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**Bruno Cassiman - Patrick Glenisson - Bart Van Looy**  
**MEASURING INDUSTRY-SCIENCE LINKS THROUGH INVENTOR-AUTHOR RELATIONS: A PROFILING METHODOLOGY**

*Abstract:* In this pilot study we examine the performance of text-based profiling in recovering a set of validated inventor-author links. In a first step we match patents and publications solely based on their similarity in content. Next, we compare inventor and author names on the highest ranked matches for the occurrence of name matches. Finally, we compare these candidate matches with the names listed in a validated set of inventor-author names. Our text-based profile methodology performs significantly better than a random matching of patents and publications, suggesting that text-based profiling is a valuable complementary tool to the name searches used in previous studies.

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**Linda S. Goldberg - José M. Campa**  
**DISTRIBUTION MARGINS, IMPORTED INPUTS, AND THE INSENSITIVITY OF THE CPI TO EXCHANGE RATES**

*Abstract:* Border prices of traded goods are highly sensitive to exchange rates, but the CPI and the retail prices of traded goods are more stable. Our paper decomposes the sources of this stability for twenty-one OECD countries, focusing on the important roles of distribution margins and imported inputs in transmitting exchange rate fluctuations into consumption prices. We provide rich cross-country and cross-industry details on distribution margins and their sensitivity to exchange rates, imported inputs used in different categories of consumption goods, and weights in consumption of nontradables, home tradables and imported goods. While distribution margins damp the sensitivity of consumption prices of tradable goods to exchange rates, they also lead to enhanced

pass-through when nontraded goods prices are sensitive to exchange rates. Such price sensitivity arises because imported inputs are used in production of home nontradables. Calibration exercises show that, at under 5%, the United States has the lowest expected CPI sensitivity to exchange rates of all countries examined. On average, calibrated exchange rate pass-through into CPIs is expected to be closer to 15%.

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**Pablo Fernández - José M<sup>a</sup> Carabias - Julio Aznarez - Oscar Carbonell**  
**EURO STOXX 50: 1997-2005. SHAREHOLDER VALUE CREATION IN EUROPE**

*Abstract:* 2005 was a very good year for the shareholders of the companies in the Euro Stoxx 50. The shareholder value creation of these 50 companies was €292.9 billion. The companies that created most value for their shareholders were Total (€30 billion), Sanofi-Synthelabo (€23.2 billion) and Eni (€20.7 billion). The companies that destroyed most value were telecoms: Deutsche Telekom (€-14.8 billion), France Telecom (€-11.8 billion) and Telecom Italia (€-7.1 billion). In 2005, the Euro Stoxx 50 was slightly more volatile than the S&P 500.

Shareholder value creation in the three-year period 2003-2005 was €551 billion. The market value of the 50 companies included in the Euro Stoxx 50 was €2.1 trillion in 2005, although only €1.8 trillion were included in the index. SAP was the top shareholder value creator and Deutsche Telekom the top shareholder value destroyer during the eight-year period 1997-2005. A portfolio long in the companies that entered the index and short in the companies that abandoned the index had on average a 6.85% return in the 20 days prior to the index recomposition and a 0.97% return in the 20 days after the index recomposition.

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**Pablo Fernández - José M<sup>a</sup> Carabias**  
**96 COMMON ERRORS IN COMPANY VALUATIONS**

*Abstract:* This paper contains a collection and classification of 96 errors seen in company valuations performed by financial analysts, investment banks and financial consultants. The author had access to most of the valuations referred to in this paper in his capacity as a consultant in company acquisitions, sales, mergers, and arbitrage processes.

The errors are classified in six main categories: 1) Errors in the discount rate calculation and concerning the riskiness of the company; 2) Errors when calculating or forecasting the expected cash flows; 3) Errors in the calculation of the residual value; 4) Inconsistencies and conceptual errors; 5) Errors when interpreting the valuation; and 6) Organizational errors.



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## IEESE - Studies and Monographs

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**Jorge Soley - Elena Mendoza - Sílvia de Huerta**

**XBRL: HACIA UNA INFORMACION FINANCIERA TRANSPARENTE**

*Abstract:* En 2005 entraron en vigor las normas internacionales de información financiera (NIIF). El objetivo de las NIIF es acabar con la diversidad de prácticas contables utilizadas en todo el mundo y homogeneizar la información financiera de las empresas. En este proceso de homogeneización juega un importante papel el XBRL (eXtensible Business Reporting Language), un estándar de comunicación que otorga a cada concepto una definición única y común para todos.

Las empresas que utilizan XBRL pueden intercambiar entre ellas información financiera directa e inmediatamente inteligible y procesarla de forma rápida y sencilla. Al tratarse de un intercambio de datos totalmente automático, XBRL elimina duplicidades y reduce los riesgos de error, permitiendo un significativo ahorro de costes.

Además, el XBRL es un estándar abierto y desvinculado de cualquier tecnología específica, que se integra cómodamente en los sistemas de información de las empresas e instituciones. Un informe financiero basado en XBRL puede visualizarse y editarse con diferentes herramientas y aplicaciones, ya sea un navegador web, una hoja de cálculo o una aplicación de base de datos, entre otras.

Asimismo, con el XBRL las empresas no necesitan centrarse en cómo presentar los datos, y podrán ir más allá de la cuenta de resultados y ofrecer valor añadido en sus informes financieros.

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**Anaïs M. Hendriks - Consuelo León - Nuria Chinchilla**

**ESTADO DE LAS POLITICAS DE CONCILIACION EN HISPANOAMERICA**

*Abstract:* La conciliación de la vida laboral y familiar ha pasado a ser uno de los grandes temas que afectan al mundo social, empresarial y político de los últimos años, y lo será aún más en el futuro. Con la incorporación cada vez mayor de la mujer al mundo laboral, vivimos en un mundo compartido. Hombres y mujeres integran, actúan y forman a la vez el mundo del trabajo y la familia. Desde 1999, el IESE, a través del estudio IFREI (IESE Family-Responsible Employer Index), tiene una línea de investigación –conciliación trabajo/familia– que pretende detectar, analizar, evaluar y, en la medida de lo posible, sugerir aquellas políticas que desde la empresa favorecen la armonía entre estos dos ámbitos. La empresa que pretenda liderar su sector durante el siglo XXI como organización que busca el beneficio, que ofrece un servicio a la sociedad y satisface la demanda del mercado, ha de asumir un nuevo aspecto: la satisfacción del empleado no sólo a través de

políticas de remuneración, sino también por medio de planes de desarrollo profesional y apoyo a la conciliación de su vida personal y familiar con su vida laboral.

Durante el año 2005 el IFREI se ha extendido a diversos países del mundo, entre ellos varios de América Latina. Este documento de investigación pretende hacer una comparativa entre el panorama actual de las empresas en América Latina (analizando compañías de varios países de esta región, tales como Colombia, Brasil, México, Uruguay, Ecuador, Guatemala y Perú) con el panorama en España.

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**Anaïs M. Hendriks - Consuelo León - Nuria Chinchilla**

**ESTUDIO SOBRE EL ESTADO DE LA CONCILIACION TRABAJO Y FAMILIA EN LAS EMPRESAS DE LAS TERRES DE LLEIDA**

*Abstract:* Estudio entre empresas con sede en la provincia de Lleida realizado a petición de la Asociación de Empresarias de Lleida (ADELL) para obtener un primer diagnóstico de la situación de las empresas en lo referente a la conciliación de la vida laboral, familiar y personal. Para realizar el estudio se ha encuestado a 84 empresas de diferentes sectores de actividad y tamaño. Estos datos se han comparado con los resultados obtenidos de la última edición del estudio IFREI (IESE Family Responsible Employer Index) en el año 2005, y a través de esta comparación se ha observado la situación de las empresas estudiadas en referencia al tema objeto de análisis. Para la realización del análisis de los datos se ha seguido la metodología EFR, utilizada para evaluar y distinguir a las empresas familiarmente responsables en España desde 1999 hasta la actualidad a través del ya mencionado estudio IFREI.

## Other publications

**Pablo Fernández**

**"Tres valoraciones de una TI en un proceso de arbitraje",**  
*Estrategia Financiera*, No 226, March 2006, pages 14-24 (IESE, case F-750).

*Abstract:* El propietario de Telecomsin, S.A. (empresa de telecomunicaciones y sistemas de información), vendió el 20 de octubre de 1998 el 5% de las acciones de su empresa a AAA, S.A. por 36.000 euros y una opción de compra sobre el 44% del capital social de Telecomsin por 18.000 euros. AAA podía ejercitar la opción hasta el 31 de diciembre del año 2000. En caso de ejercitarse la opción, las acciones serán transmitidas mediante compraventa, por un precio total e invariable equivalente a 535.000 euros, comprometiéndose los accionistas a no distribuir dividendos antes de dicha fecha. Las partes del contrato acordaron ante notario que "todo litigio, discrepancia, cuestión o reclamación resultantes de la ejecución o interpretación del presente contrato se resolverá definitivamente mediante arbitraje en el marco de la Corte de Arbitraje".



## Conferences and Seminars

### Manel Baucells

On March 15-18, attended, in Paris, the workshop for decision theorists to discuss current research organized by Peter Wakker, Mohamed Abdellaoui, and Han Bleichrodt where he presented the paper "Time and Uncertainty Integrated".

*Abstract:* We propose a model that integrates risk and time preferences. The representation we obtain is compatible with both prospect theory and hyperbolic discounting. The model has a natural interpretation in which time is intrinsically uncertain, and the discounting of certain (or uncertain) future events is the result of attaching a probability less than one to their occurrence. Under this interpretation, hyperbolic (non-exponential) discounting is the result of having a non-linear probability weighting function.

Similarly, the common difference effect is the result of the common ratio effect. Our model is compatible with the available empirical results on delayed lotteries and on sign effect. The key behavioral axiom for our representation is that additive increments in time are treated as multiplicative increments of uncertainty, at an exchange rate that is independent of the date and the probability level. We test this behavioral axiom experimentally. Our method yields the intrinsic discount rates with no assumptions regarding the value function, which permits a parameter-free estimation of the magnitude effect.

### Nuria Chinchilla

On March 9-11, attended, in Princeton, New Jersey, the Conference on "Ethics, families and the corporation: How the family molds capitalism", organized by Princeton University, where she presented the paper "Why become a family responsible employer?", co-authored by Elizabeth Torres.

*Abstract:* In this paper we examine the reasons why companies might want to become family-responsible employers. Three models of the relationship between people and organizations are used to illustrate. In the mechanistic model, work-family policies are adopted as a marketing strategy. In the psycho-sociological model, companies use work-family policies to attract and retain talented employees. And in the anthropological/humanistic model, companies foster commitment through a family-responsible culture, as a consequence of treating employees as complete human beings.

### Roberto García

On 30-31 March, attended, in Aston, the 21st Workshop on Strategic Human Resource Management, organized by EISMAN, where he presented the paper "Corporate governance and labor management", co-authored by Miguel A. Ariño.

*Abstract:* Corporate governance can be seen to operate through a "double agency" relationship: a relationship between the

shareholders and corporate management, on the one hand, and a relationship between corporate management and the firm's employees, on the other. Corporate governance and labor management, far from being independent, are closely related. A particularly fruitful way to study how the governance of a corporation affects and is affected by the employment relationship has been to compare corporate governance across countries. The contributions of this paper to that literature are: 1) It brings issues discussed in the labor management literature to bear on the corporate governance debate. 2) Based on a sample of nearly 1,000 firms from 31 countries, it provides evidence of complementarities between corporate governance and labor management, in which extreme cases generally outperform mixed cases. 3) It shows that firm differences within countries are more important than scholars have assumed so far. In conclusion, we argue that corporate governance studies and practice should pay more attention to the labor management of firms and the different kinds of employment contracts.

### Franz Heukamp

On March 15-18, attended, in Paris, the workshop for decision theorists to discuss current research organized by Peter P. Wakker, where he presented the paper "Stochastic Dominance and Cumulative Prospect Theory".

*Abstract:* We generalize and extend the second-order stochastic dominance condition for Expected Utility to Cumulative Prospect Theory. The new definitions include preferences represented by S-shaped value functions, inverse S-shaped probability weighting functions, and loss aversion. The stochastic dominance conditions supply a framework to test different features of Cumulative Prospect Theory. In the experimental part of the paper we offer a test of several joint hypotheses on the value function and the probability weighting function. Assuming empirically relevant weighting functions, we can reject the inverse S-shaped value function recently advocated by Levy and Levy (2002a), in favor of the S-shaped form. In addition, we find generally supporting evidence for loss aversion. Violations of loss aversion can be explained by subjects using the overall probability of winning as a heuristic.

### Brian O'C. Leggett

On April 5-6, attended, in Reading, England, the Conference of the Spirituality in the Workplace Network, where he presented the paper "Persuasion and avoiding the manipulative art".

*Abstract:* This paper concerns the thin line between persuasion and influence in people's minds. Influence is a force, while persuasion is a process. They are different concepts. On the positive side, influence can produce an effect without apparent exertion of force, compulsion, or direct command. On the other hand, influence can also be exercised by clever Machiavellian or manipulative tactics. In persuasion, as Aristotle defines it, there is no coercive component. Persuasion aims to change or reinforce



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the attitudes, opinions or behavior of others through free consent, by way of a rhetorical process.

The link between ethics and persuasion is apparent to most people. But for some people persuasion has an aura of shadiness or wrongfulness. Much of this misconception originally came from Plato in his opposition to sophistry. But a large part of this misconception today can be ascribed to the daily thrust of political life, whether in the public forum or in our organizations.

Persuasion does not rob people of their ability to choose, it does not force or threaten them, and does not limit their options by deceit; it leaves people free to decide. It leaves them free to say yes or no. Aristotle, in his 'Rhetoric', placed personal credibility as the principal proof of any persuasive message. Integrity, of which honesty is a part, is perhaps the main ingredient of Aristotle's ethos.

## **Johanna Mair**

**On April 6-9, attended, in New York, the International Social Entrepreneurship Conference, where she presented the paper "Social entrepreneurship in and around institutional voids".**

*Abstract:* There is growing evidence of a significant relationship between entrepreneurship, economic growth and social development. One factor that prevents many developing countries from advancing along the road towards social and economic development is the weakness or absence of supportive institutions. By creating, transforming and de-institutionalizing institutions, social entrepreneurs address these institutional "voids" and enable the excluded to participate in markets and society. This paper uses an Institutional Theory perspective to inform the phenomenon of social entrepreneurship in developing countries. More specifically, it draws from the literature on Institutional Entrepreneurship and the findings of an in-depth case study in Bangladesh to examine how motivated entrepreneurs fill institutional voids. The paper contributes to a more robust theoretical view of social entrepreneurship and advances existing theory on institutional entrepreneurship. First, the paper conceptualizes institutional voids as opportunity spaces for social entrepreneurs; second, it consolidates the literatures on institutional and social entrepreneurship by introducing the concept of bricolage; and finally, it portrays social entrepreneurship as a process of de-institutionalization, in which cognitive and cultural systems that have achieved taken-for-granted status are challenged.

**On April 27-29, attended, in Minnesota, the 2006 Annual Conference on Ethics and Entrepreneurship, organized by Carlson School of Management, where she presented the paper "Social entrepreneurship in and around institutional voids".**

*Abstract:* See abstract above.

## **Pinar Ozcan**

**On April 21-25, attended, in Maryland, the Smith Entrepreneurship Research Conference, organized by Robert H. Smith School of Business, where she presented the paper "Startups in nascent markets: Building a strong alliance portfolio from a low power position", co-authored by Katheleen Eisenhardt.**

*Abstract:* After a long tradition of examining alliances at the dyadic level, scholars have recently turned their attention to alliance portfolios. 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 18 months. The emerging framework explains the process through which executives of these firms form a strong alliance portfolio through an early approach to partners, simultaneous approach to complementary partners, maintenance of multiple partners of the same type through a sequential-attention approach, and avoidance of ties with competitors. At the organization level, it shows 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. At the network level, this study contributes to the literature by taking a closer look at the formation and evolution of alliances as the building blocks of networks.

## **Fernando Peñalva**

**On 22-24 March, attended, in Dublin, the 2006 Annual Conference, organized by the European Accounting Association, where he presented the paper "Cost of equity and accounting conservatism".**

*Abstract:* High quality accounting information is expected to lower the cost of equity capital by reducing perceived risk, increasing liquidity and reducing transaction costs. Consistent with this argument, prior empirical evidence documents a negative relation between cost of equity and several measures of financial information quality (timeliness and persistence of earnings, accrual quality, predictability, smoothness, and value relevance). However, there is scarce research analyzing the relation between accounting conservatism and cost of equity capital. Francis et al. (2004) find that conservatism does not have an effect on the cost of equity. In this paper, we show that this a priori surprising result is driven by the inability of the firm-level proxy of conservatism chosen by Francis et al. to capture conservatism. Using a portfolio approach to measure conservatism, we find that conservatism in its different flavors (in the income statement, as asymmetric recognition of good and bad news; and in the balance sheet, as persistent understatement of assets) exhibits a robust negative association with proxies of the ex ante cost of capital, after controlling for known risk factors and innate determinants of this earnings attribute.

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## **Paula Brough - Michael O'Driscoll - Cary L. Cooper - Steven Poelmans, et al.**

**On March 2-4, attended, in Miami, the Annual Conference organized by the American Psychological Association, where they presented the paper "A cross-country comparison of antecedents and consequences of work-family conflict".**

*Abstract:* The recent growth in work-family conflict research has produced several theoretical models depicting the antecedents and consequences of work-family conflict. However, these models rarely include the three types of conflict (time-based, strain-based, and behavior-based conflict) and the two conflict directions [work-to-family conflict (WFC) and family-to-work conflict (FWC)]. In consideration of these limitations and of recent calls for cross-national research, this research tested a comprehensive theoretical model of work-family conflict in two countries. Managers in Australia (n=518) and New Zealand (n=510) completed a questionnaire examining the ability of workload, family demands, and both work and family conflict to predict job satisfaction, family satisfaction, and psychological health. Structural equation analysis demonstrated that the (modified) theoretical model presented an identical fit across the two samples. Family demands predicted all three types of FWC, whilst work demands predicted only time-based conflict and strain-based conflict. Only strain-based WFC and strain-based FWC directly predicted job satisfaction and family satisfaction, respectively. While Australia and New Zealand have markedly different governmental policies on parental leave allowances, the current research suggests that, regardless of national entitlements, the antecedents and the consequences of work-family conflict experienced by managers are comparable across these two countries. The reasons for this similarity and the implications for managers in other individualistic countries are discussed.

## **Josep Tàpies - Kristin Cappuyns**

**On March 21-24, attended, in Jyväskylä, the IFERA 2006 Annual Conference, where they presented the paper "The role of women at the backstage of family businesses in Spain".**

*Abstract:* A good deal of the success of family businesses is based on a circular relationship in which three intangible factors enhance each other: love for the family business; trust among different business factors; and freedom of behavior for family members (Gallo et al., 2001). This is the basis of the commitment of the family members to the business. But the question is how to get family members of later generations, who are not active in the business, committed to the family business's success. Some researchers have suggested that such commitment can be obtained through ownership and participation in family councils or General Meetings of Shareholders, or through a strong sense of responsibility (Carlock and Ward, 2001).

Nevertheless, there is no mechanism for measuring degree of commitment, and no way to foster it over the generations. Accordingly, the research outlined in this document seeks to enlarge the existing pool of knowledge by analyzing the situation in 98 Spanish family businesses, in which a total of 200 non-active

family members responded to questionnaires about their relationship to the business and the owning family.

The results reveal that most of the family businesses in Spain are built around a traditional family environment, in which women historically have acted as caretakers and nurturers within the home environment. The fact that this role system still exists in the family and in the business means that women have to some extent downplayed their contributions and accept minimum recognition for the effort they are willing to put into the business by proposing solutions for critical issues the business has to face.

## **Josep Tàpies - Rosa N. Trevinyo-Rodríguez**

**On March 21-24, attended, in Jyväskylä, the IFERA 2006 Annual Conference, where they presented the paper "Effective knowledge transfer in family firms".**

*Abstract:* One of the most critical organizational changes family businesses have to cope with at some stage in their lives is succession. When evaluating succession, two main targets are sought: quality and effectiveness. To meet these quality-effectiveness standards three elements must be transferred from the predecessor to the Next Generation Member(s): 1) Ownership/Power. 2) Management responsibility, and 3) Competence/Knowledge. We focus on the third element: Knowledge, as it tends to be the "taken-for-granted" factor. How –under what conditions and through what variables– effective intergenerational knowledge transfer takes place in family firms is at the heart of this paper. We present a Knowledge Transfer Model in Family Firms (KTFF) which describes several internal and external relationships in the Family-Enterprise-Next-Generation System. Although this is a conceptual approach, it may drive future empirical research aimed at providing support for the proposed interactions (relationships).

## **IESE - Research Seminars**

### **Economics**

**March 14**

**Keynote speaker: Fabio Castiglionesi, Universitat Autònoma de Barcelona**

**"Liquidity coinsurance, moral hazard and financial contagion"**

*Abstract:* We study the propagation of financial crises between regions characterized by moral hazard problems. The source of the problem is that banks are protected by limited liability and may engage in excessive risk-taking. The regions are affected by negatively correlated liquidity shocks, so that liquidity coinsurance is Pareto improving. The moral hazard problem can be solved if banks are sufficiently capitalized.

Under autarky, a limited investment is needed to achieve optimality, so that a limited amount of capital is sufficient to prevent risk-taking. With interbank deposits the optimal



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investment increases, and capital becomes insufficient to prevent excessive risk-taking. Thus bankruptcy occurs with positive probability and the crises spread to other regions via the financial linkages. Opening the financial markets is nevertheless Pareto improving; consumers benefit from liquidity coinsurance, although they pay the cost of excessive risk-taking. Finally, we show that in this framework a completely connected deposit structure is more conducive to financial crises than an incompletely connected structure.

## Entrepreneurship

*April 19*

**Keynote speaker: Stephan Billinger, London Business School**

**"Changing the firm's digital backbone: How information technology shapes the boundaries of the firm"**

*Abstract:* How does Information Technology (IT) change firm boundaries? Most of the research to date has considered the impact of technologies linking buyers and suppliers, focusing on electronic markets more than electronic hierarchies. Our paper takes a different view, focusing on overall firm boundaries, as opposed to individual make-or-buy decisions. Drawing on a large apparel manufacturer's vertical redesign, we show that IT both enables and constrains a firm's links to final and intermediate markets. We find that "mediating" technologies that link two parties (e.g. Electronic Data Interchange) are not as critical as "architectural" technologies (e.g. Enterprise Resource Planning systems) in shaping firm boundaries. By documenting the arduous process of firm boundary re-design, we explain how the boundaries of the firm emerge and operate. To do so, we consider how IT intertwines with process redesign, leading to greater organizational disintegration (a separation of the steps in the value chain) and organizational unbundling (separation of activities within each step of the value chain) within the firm. The firm's IT infrastructure, and in particular architectural IT, helps create easily re-configurable "vertical packages", i.e. configurations of business processes that fulfill a distinct business need. We show how an appropriately designed IT infrastructure enables the firm to become "vertically permeable", i.e. to open up its value chain, becoming partly integrated and partly open to markets. We also predict that recent developments in ERPs will have substantial impact on organizational form and firm boundaries.

## Financial Management

*March 7*

**Keynote speaker: Barbara G. Katz, Stern School of Business, New York University**

**"Moving toward the rule of law in the face of corruption: Re-examining the Big-Bang"**

*Abstract:* We investigate the claim that the establishment of property rights in an economy in transition creates its own demand for the enforcement of laws to protect those rights. Our model

contains a government engaging in activities to accomplish objectives that depend on public support for the enforcement of the rule of law, and agents who interpret the activities of the government as signals of the intent of the government to enforce the rule of law. The agents use the signals in their choice of whether to support the government's objectives. We establish conditions under which the activities chosen by the government maximize its benefits and, simultaneously, maximize the constituency in support of enforcement. These conditions provide a basis for the argument for the implementation of the Big-Bang policy. When these conditions do not hold, we show that, in pursuing its goals, the government reduces support for the enforcement of the rule of law, leading to an increase in corruption. Two characteristics play an important role in these conditions: the initial level of corruption and the types of activities the government chooses to undertake. We present examples showing that the initial level of corruption has the more dramatic effect on subsequent support for the rule of law.

## General Management

*March 2*

**Keynote speaker: Stefano Brusoni, Bocconi University**

**"Modularity as an entry strategy: The invasion of new niches in the LAN equipment industry"**

*Abstract:* This paper focuses on niche entry patterns in the LAN equipment industry in the 1990s. We analyze an original data-set of LAN equipment consisting of more than 1,000 hubs and switches marketed between 1990 and 1999. Modularity emerged as a design strategy that supported incumbent firms' efforts to enter new product niches in the hub segment. However, after the emergence of switches as an alternative to hubs, coupled with the introduction of a new standard, incumbents relying on a modular hub strategy were overtaken by a newcomer (Cisco). Moreover, the fastest followers were incumbents that had not previously relied on modular hub architectures. Our interpretation is as follows: modularity offers advantages of speed when changes occur within established boundaries. However, it also generates a 'tunnel effect' that prevents firms from developing products based on different problem-solving strategies. Such changes are more easily introduced by firms that do not rely on tightly-defined modular design rules.

*March 2*

**Keynote speaker: Pierre Dussauge, H.E.C. - School of Management**

**"Need for scale and alliance formation: Collaborative vs. autonomous production of aircraft, 1949-2000"**

*Abstract:* Research on alliance formation has focused to a large extent on resource complementarity between large, established incumbents and innovative start-ups as the main driver of collaboration, without contrasting the alliance option with autonomous production. Transaction cost economics, on the other

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hand, has examined the transaction-level determinants of the choice between internalization and externalization, ignoring for the most part the cooperative alternative. Building on these two literatures, we focus, in this paper, on firm-level factors that lead incumbents to choose between developing, manufacturing and commercializing a new product independently and doing it in cooperation with other incumbents. This focus leads us to emphasize resource additivity (i.e. scale) as one of the main drivers of the governance choice and thus view cooperation as a result of resource needs rather than resource availability. Our model not only takes into consideration the attractiveness of cooperation for accessing resources and reaching a critical mass, but also its costs and risks which cooperation experience reduces. Findings from a sample of 186 new products in the worldwide aircraft industry confirm our hypotheses, showing that aircraft manufacturers are more likely to form scale alliances than to autonomously undertake a new aircraft project when their resource endowment is weak and their collaborative experience is high. These findings contribute to the alliance formation research as well as to an emerging literature on project governance choices.

**March 27**

**Keynote speaker: Simon Chadwick, Birkbeck College**  
**"Rhetoric and reality in sport sponsorship – Establishing what relationship commitment really means"**

*Abstract:* In the dyadic relationship between sponsor and sponsee, there is evidence that both parties commonly profess their commitment to one another. Common notions of commitment are often associated with enduring relations, although evidence from the sponsorship literature contradicts this. Many sponsorship deals are short-term in nature with a low rate of contract renewal. In this context, the aim of the presentation therefore is to examine the determinants of commitment in the dyadic relationship between sponsor and sponsee as the basis for understanding how sponsorship partners are acquired, retained and then their relationships dissolved.

An initial review of printed and electronic media was undertaken to confirm the relevance of the study (n=174). This formed the basis for subsequent completion of critical incident interviews (n=16), which facilitated the development of a survey instrument. This was despatched to sponsors and sponsees, achieving a response rate of 60.4% (n=182). Returns were analysed using factor and multiple regression analyses in order to identify statistically significant determinants of commitment. A final research stage involving structured face-to-face interviews within six sponsorship dyads (n=12) were conducted to confirm the findings.

Following the review of printed and electronic media, commitment was confirmed as a commonly used term and the critical incident interviews highlighted commitment determinants including trust, communication and geographic location. Analysis of questionnaire returns indicated three variables (shared values, perceived benefits and opportunistic behavior) were statistically significant determinants of sponsorship commitment. Analysis of the dyadic interviews resulted in the development of a typology which

highlights the nature and characteristics of four sponsorship commitment types ('Calculators and Commercial', 'Cynics and Short-Termers', 'Carers and Communal', and 'Innocents and Indifferents'). In the light of these findings, the presentation concludes by examining the implications of this research.

**April 21**

**Keynote speaker: Henrik Bresman, INSEAD**  
**"Lessons learned and lessons lost: A multi-method field study of vicarious team learning behavior and performance"**

*Abstract:* As a means to understanding learning and performance differences across teams, this multi-method study examines vicarious team learning –the activities by which a team learns key aspects of its task from the similar experiences of others outside the team. Vicarious learning is well understood at the organizational and individual levels, but there is surprisingly little on the subject in the teams literature. A qualitative field study of six teams in the pharmaceutical industry is used to describe vicarious team learning behavior. A separate survey study of 43 teams in the same setting is used to further develop and test the construct. The paper argues that vicarious team learning behavior is an under-explored dimension of what makes teams and organizations effective.

**April 25**

**Keynote speaker: Andrea Fosfuri, Universidad Carlos III, Madrid**  
**"The penguin has entered the building: The commercialization of open source software products"**

*Abstract:* Open Source Software (OSS) has traditionally been considered a bottom-up movement where most of the significant activity takes place within a community of independent developers. In fact, due to the peculiar nature of the intellectual property rights regime, firms' interest in OSS products defies traditional wisdom. However, contrary to this view, this paper provides specific evidence of the commercialization of OSS products by profit-oriented organizations. Using a unique database of firms that announced releases of OSS products between 1995 and 2003, we find that the rate of OSS product introduction is correlated positively with hardware downstream assets and negatively with software downstream assets. Moreover, a large endowment of pre-entry software technology assets favors the shift to the new paradigm. The fear of cannibalization, the crucial role of absorptive capacity, and complementarities between hardware and software are plausible explanations for our findings.

## Managerial Economics

**April 27**

**Keynote speaker: Rakesh K. Sarin, the Anderson School at UCLA**  
**"Does more money buy you more happiness"**

*Abstract:* We introduce a discounted utility model that combines a reference point and satiation to model life cycle planning and



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life-satisfaction. We show that both satiation and reference points are important, and account for different aspects of dynamic preferences. Both features incorporate state variables that induce changes in preferences as those states vary. Hence, we can naturally insert projection bias in our model. In doing so, we formalize many of the ideas discussed in Loewenstein et al. (2003). We argue that projection bias successfully explains the hedonic treadmill, and several other observed phenomena in the research area of happiness and life satisfaction.

## Managing People in Organizations

March 16

Keynote speaker: Roderick I. Swaab, Kellogg School of Management, Northwestern University

"The impact of shared cognition: When what your group knows defines who you are and affects how you perform"

April 24

Keynote speaker: Valentina Bruk-Lee, University of South Florida

"The angry workplace: How interpersonal conflicts in organizations impact employee behavior and well-being"

## Research Seminars

### Toni Davila

On March 31, at Washington University, in Saint Louis, presented the paper "Early-Stage Startup Companies: The Evolving Portfolio of Management Control Systems", co-authored by George Foster.

*Abstract:* This paper uses a multi-method, multi-case field research design to study the evolving portfolio of the management control systems (MCSs) of 78 early-stage startup companies. We report analysis of: 1) The speed of adoption of financial planning and financial evaluation systems vis-à-vis six other MCS categories. 2) Variables associated with the rate of management control systems' adoption. Our results indicate that number of employees, presence of venture capital, and time to revenue are positively associated with the rate of adoption. Furthermore, the rate of adoption simultaneously affects company size. 3) The sequencing of adoption of financial planning systems vis-à-vis the adoption of strategic and human resource planning systems. 4) Performance implications of the rate of adoption of management control systems. In support of the often argued differences between entrepreneurs and managers leading to CEO replacement at this transition point, we find that CEOs who have adopted fewer MCS systems have shorter tenures. We also find evidence consistent with the association between company valuation and the adoption of management control systems.

## Miscellaneous

### Rafael Andreu

On March 20-22, attended, in Warwick, the "Organizational learning, knowledge and capabilities 2006" (OLKC06) conference held at Warwick University. He is a member of this conference's Advisory Committee.

### Nuria Chinchilla

On April 28-29, attended, in Bogotá, the III Congreso Internacional de la Familia on the subject "Rescatar al padre para reconciliarnos con la vida", organized by the Instituto de la Familia, where she gave the master lecture "Familia y trabajo como ámbitos de desarrollo humano". She also moderated the working session on "La familia gestora de un nuevo proyecto laboral".

### Philip Moscoso

On March 16-17, attended, in Prague, the III International Conference on Human and Organizational Factors in Planning and Scheduling, organized by the European Science Foundation, where gave the lecture "Leveraging human operators in the planning of production".

*Abstract:* The planning bullwhip very often is originated and amplified by the use of decision support systems. We study the effect in relation to the mitigating role that human planners may play. We use the case study methodology. Our findings indicate support for the main mechanisms underlying the planning bullwhip, namely the influence of planning frequency and number of planning levels. We conclude that, apparently, the opportunities for human planners to mitigate any effect are substantially constrained by the planning structure and the availability of up-to-date information.

### Victor Pou

Has written a presentation and analysis of the book by Michel Camdessus, former Managing Director of the International Monetary Fund and member of IESE's International Advisory Board, entitled "Andorra: De les excepcions a l'exemplaritat", published in April by the government of Andorra. The book was presented on April 20 in Andorra la Vella, at a ceremony organized by the Head of the Andorran government, Albert Pintat, in which **Victor Pou** introduced the speaker and his work, while Michel Camdessus gave his views on the reforms that he believes the Principality of Andorra must make in order to become an "exemplary" country.

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## Teaching materials

**NOTE: The updated bibliography may be consulted on the Internet at**

**[http://www.wapp.iese.edu/research/res\\_search\\_adv.asp?lang=en](http://www.wapp.iese.edu/research/res_search_adv.asp?lang=en)**

## Accounting and Control

**Soler y Pujol Arquitectos Asociados, S.L. (A)**  
(C-738 - 0.105.031)

Plantea la elaboración de los estados contables previsionales en base a la contabilización de las transacciones previstas para el próximo año.

Ocáriz J.; 4 pages.

**Soler y Pujol Arquitectos Asociados, S.L. (B)**  
(C-739 - 0.105.032)

Continuación del caso (A) preparando y analizando la información contables, antes de ir a negociar con un banco una eventual póliza de crédito.

Ocáriz J.; 4 pages.

## Decision Analysis

**T-Shirts for Eintracht Frankfurt**  
(AD-298-E - 0.105.037)

A special occasion T-shirt seller tries to estimate whether he should offer his T-shirts at a sports event. The case serves as an introduction to decision analysis: structuring of the decision, expected value, etc.

Guinand C.; Heukamp F.H.; 3 pages.

**T-Shirts for Eintracht Frankfurt - Teaching Note**  
(ADT-22-E - 5.105.038)

Case AD-298-E.

**Use is restricted to Academic Institutions.**

Guinand C.; Heukamp F.H.; 8 pages.

**Using IP Optimization to Assign Students to Families**  
(AD-300-E - 0.106.006)

David and some others in the group are involved in Club Solidario. David has convinced the group that it would be nice to use optimization to choose the teams of students that are to visit families in need.

Carbó D.; Domingo E.; García C.; Baucells M.; Baigorri J.; Rubiralta P.; Villavieja D.; 5 pages.

## Economics

**The Dollar, the Euro and the Yuan at the Start of the 21st Century**  
(ECON-417-E - 0.305.054)

This case presents recent trends in the dollar's exchange rate against the euro, on the one hand, and against the Asian currencies, mainly the yuan, on the other. It also examines the growing U.S. current account deficit, its possible causes, its relation to the political economy of the countries mentioned, and possible solutions.

(Also available in Spanish.)

Argandoña A.; 12 pages.

**El petróleo**  
(ECONN-226 - 2.306.003)

Explicación del mercado de petróleo, su estructura y su funcionamiento a lo largo de las últimas décadas.

Argandoña A.; 16 pages.

## Entrepreneurship

**Alacrity Housing Chennai (A)**  
(E-69-E - 0.604.029)

The case describes the values-based management of Alacrity Housing, a construction company founded by Amol Karnad. The company takes a firm stand against corrupt practices, and achieves market leadership in a very short space of time.

Velamuri R.; 26 pages.

**Alacrity Housing Chennai (B)**  
(E-70-E - 0.604.030)

The case is to be used after Alacrity Housing (A). In case (B), the difficulties faced by Alacrity Housing in the period 1994-2002 are



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described. The case outlines the very difficult external environment, as well as some controversial organizational changes that the founder, Amol Karnad, introduces. In 2002, the very survival of the company is in question.

Velamuri R.; 8 pages.

## **Alacrity Housing Chennai - Teaching Note**

(ET-3-E - 5.604.033)

Cases E-69-E and E-70-E.

**Use is restricted to Academic Institutions.**

Mitchell J.; Velamuri R.; 16 pages.

## **Genetrix**

(E-80-E - 0.605.020)

Genetrix is a biotechnology company whose mission is to develop new methods of diagnosis and advanced treatments for currently incurable human diseases. It aims to become a leading biopharmaceutical group in molecular and regenerative medicine. At the time of the case, Genetrix is trying to raise 20 million euros from individual private investors or business angels to finance its two new business ventures: Biotherapix and Cellerix. Its managers have also contacted international private equity firms and have presented the scientific programs of both new ventures to pharmaceutical and biotechnology companies. Its managers need to define a strategy that will protect the company's interests and guarantee future growth.  
(Also available in Spanish.)

Fité R.M.; Nueno P.; 26 pages.

## **Muebles Tallada: Management in a Family-Owned Business**

(E-85-E - 0.605.030)

This case follows the work of a consultant hired by the owner of a family-owned furniture manufacturer to help overcome a problem of wastage caused by surplus purchases of materials. In his conversations with the key people in the company, the consultant finds that it faces a range of problems deriving from the lack of a professional management team. He also finds major disparities between different people's perceptions of the company's state of health and future prospects.  
(Also available in Spanish.)

Nueno P.; 7 pages.

## **Financial Management**

### **Oleina Holding, S.A.**

(F-791-E - 0.206.004)

In the summer of 2004, meeting in the conference room of a hotel in Geneva, the three members of an arbitration panel from the International Court of Arbitration have to make a decision on a valuation dispute between Céreol and Ildom. The issue to be decided is the fair value of 49% of Oleina Holding S.A. These shares were sold by Ildom to Céreol in 2001 via the exercise of a put option granted by Céreol to Ildom in 1998.

Oleaga M.; Campa J.M.; 25 pages.

### **Euro D. Immobilière**

(FE-37-E - 0.205.013)

The impact of changing interest rates on net earnings is high on the agenda of the company's management. This case provides the opportunity to identify interest rate risk and to evaluate it. Additionally, information is given on derivative products on interest rates.

Santomá J.; 7 pages.

### **Derivatives Markets**

(FN-532-E - 0.205.029)

Overview of markets on which derivatives are traded, the way in which quotes can be obtained, and how margins are determined.

Panina O.; Heukamp F.H.; 11 pages.

### **The Binomial Option Pricing Model**

(FN-533-E - 0.205.030)

Presentation of the Binomial Option Pricing Model.

Heukamp F.H.; 6 pages.

### **Option Properties**

(FN-534-E - 0.205.031)

Summary of important non-model dependent properties of financial options.

Panina O.; Heukamp F.H.; 10 pages.

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## General Management

### **Prioridades en la agenda de la alta dirección**

(DGN-649 - 0.306.016)

Las prioridades básicas en la agenda de un alto directivo deberían estar presentes cuando éste se enfrenta a su trabajo del día a día. La práctica nos muestra, sin embargo, un directivo preocupado por los problemas urgentes que se derivan de la incertidumbre del negocio, un entorno turbulento y los movimientos de la competencia. En este escenario incierto, preguntas importantes como: ¿qué nos proponemos?, ¿quiénes somos?, ¿cómo queremos competir?, pasan a un segundo plano en pro de la urgencia del corto plazo. Las tareas urgentes terminan relevando a las importantes, y la dirección de la empresa pierde como referencia el norte que marcó en la fase de planificación. El objetivo de esta nota técnica es, precisamente, reflejar cómo directivos de éxito en empresas de primera línea conciben su trabajo, cómo organizan sus prioridades y qué factores clave tienen en mente para dirigir el día a día de sus organizaciones sin caer en la urgencia cortoplacista y teniendo como referencia el horizonte competitivo.

Pastoriza D.; Ricart J.E.; 11 pages.

## Information Systems

### **SabadellAtlántico: Procesos de conocimiento en la integración (A)**

(SI-151 - 0.105.035)

Este caso plantea el problema de integración de rutinas, procedimientos y culturas resultante de la compra del Banco Atlántico por el Banco de Sabadell. Se presentan distintas visiones del problema, desde puntos de vista y responsabilidades diferentes.

Andreu R.; 21 pages.

### **SabadellAtlántico: Procesos de conocimiento en la integración (B)**

(SI-152 - 0.105.035)

Continuación del caso (A). Describe cómo se afrontó la situación durante el primer año, por qué y cuáles fueron los resultados más importantes.

Andreu R.; 7 pages.

## Managing People in Organizations

### **Muhammad Yunus, a Real Leadership**

(DPO-59-E - 0.405.031)

The case tells the story of Muhammad Yunus, founder and president of Grameen Bank, from his childhood and schooling to his stay in the United States, his early business ventures, etc. It analyzes the personality, plans and motives of the key figure in the creation, development and consolidation of Grameen Bank.

(Also available in Spanish.)

Sánchez M.J.; Alvarez de Mon S.; 21 pages.

### **Hervé Rousseau: The Rise and Fall of a Young Consultant (A)**

(DPO-66-E - 0.405.044)

The context is the post-merger integration project of two European banks. GlobalOne (a major multinational consulting firm) was put in charge of the IT transformation, adapting the production and management processes, and proceeding with a change management project for the unified sales force. The case is written by a young manager who actively took part in this project. The case describes how market conditions and changes in the consulting industry directly impacted working conditions in the years 2000 to 2003. More precisely, the case focuses on how the manager tried to handle increasing pressure imposed by the hierarchy. He describes the difficulties he encountered and his attempts to pursue his career objectives in an extremely competitive (and perhaps unfair) environment. He also analyzes his personal mistakes in the case of stress and frustration.

(Also available in Spanish.)

Ribera A.; Proust E.; 10 pages.

### **Hervé Rousseau: The Rise and Fall of a Young Consultant (B)**

(DPO-67-E - 0.405.045)

Personal considerations about the learning points achieved two years after the situation described in Case (A).

(Also available in Spanish.)

Proust E.; Ribera A.; 2 pages.

### **Mr. Smith goes to Washington**

(DPO-70-E - 0.405.048)

Frank Capra's Oscar-winning film Mr. Smith Goes to Washington, made over sixty-five years ago, is one of the great classics of the film world. Like all great classics, whether on screen or in print, it is the underlying theme that gives it its longevity. It is not the actors, the special effects, the music or even the story that makes



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it special. The film is special because it raises an issue that bothers us all: it is about integrity in politics; it is about the "means" we use to achieve our ends; it is about what we consider to be right and wrong behavior in achieving these ends.

Leggett B.; 3 pages.

## **Sakhizwe Con Roux Construction: Building the Nation (1965-2004)**

(DPO-72-E - 0.405.051)

After thirty-nine years in business, Con Roux Construction (CRC) finally collapsed in 2004. Over a period of a dozen years this company had been tracked through a series of IESE case studies. The period covered was the first decade of the transition from the white rule apartheid years to the black rule ANC government. For a medium-sized family owned business the decade proved to be particularly difficult. This particular case deals with the final chapter (liquidation) of the business and the reflections of senior management on what had come to pass.

Black T.; Miller P.; 12 pages.

## **Sakhizwe Con Roux Construction: Building the Nation (1965-2004) - Teaching Note**

(DPOT-19-E - 5.405.050)

Case DPO-72-E.

**Use is restricted to Academic Institutions.**

Black T.; Miller P.; 5 pages.

## **A Communication Perspective of Charismatic Leadership**

(DPON-31-E - 0.405.054)

Has the term charismatic personality lost its lustre and, in effect, had its day? Probably it has lost much of its glitter, but it is sure to remain with us as long as it helps us to explain why some people are able to offer visionary leadership when difficult situations demand it. In effect, charismatic leadership has three dimensions: its compelling vision, the person, and the situation. It is about the link between these three dimensions. In this technical note, we have selected just four variations of communicators to consider. There are great communicators who do not have a lasting inspired message; there are the modern pseudo-charismatic personalities; there are great speakers who have the wrong message; and there are great speakers with inspiring messages. Finally, the note deals with how charisma actually works.

(Also available in Spanish.)

Leggett B.; 14 pages.

## **Marketing**

### **El programa de fidelización Mapfre Hogar**

(M-1183 - 0.505.013)

El caso expone el programa de satisfacción y fidelización que inició Mapfre Seguros Generales en su producto de Mapfre Hogar en un momento en que se perdían muchos clientes.

Garcés R.; de Lecea R.; Chiesa C.; 31 pages.

### **El programa de fidelización Mapfre Hogar - Nota del instructor**

(MT-26 - 5.505.023)

Case M-1183.

**Use is restricted to Academic Institutions.**

Garcés R.; de Lecea R.; Chiesa C.; 16 pages.

### **Managing Customer Value**

(MN-352-E - 0.505.026)

For most companies, customers are the most valuable asset: they are very expensive to acquire and, if retained, they will generate profits throughout the rest of their relationship with the firm. In this sense, Customer Value is the sum of future discounted benefits from a customer, net of marketing costs. Accordingly, we can say that a manager's activities should be aimed at improving the customer acquisition process and at realizing the value of the existing customer base. One way or another, the objective of all commercial decisions is to acquire, retain and expand a company's customer base.

(Also available in Spanish.)

Nueno J.L.; Villanueva J.; 21 pages.

## **Production, Technology and Operations Management**

### **Gestión de precios en Forum Barcelona 2004**

(P-1070 - 0.605.028)

El caso plantea la posible aplicación de la metodología de precios dinámicos a la venta de tickets para el Fórum Universal de las Culturas Barcelona 2004. A principios de enero de 2004, la organización había vendido un número importante de entradas y se planteaba cómo gestionar la venta del resto antes de la inauguración del evento.

Grasas A.; Ribera J.; 13 pages.

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## **Aldi: A German Retailing Icon**

(P-1071-E - 0.606.009)

The case describes the operations of Aldi, a privately owned German company. With sales of close to 40 billion euros in 2005, Aldi is the largest hard discounter worldwide and one of the top 15 retailers today. The case gives a detailed description of Aldi's historical development, with a clear focus on in-store and supply chain operations.

(Also available in Spanish.)

Sachon M.; Mitchell J.; 27 pages.

## **Seguridad Tama**

(P-1072 - 0.606.010)

Se presenta el dilema entre productividad y servicio en un centro de llamadas ("call centers"), a través de un caso real. Permite discutir cómo mejorar el servicio sin degradar la productividad.

Muñoz-Seca B.; Riverola J.; 8 pages.

## **Bat Bar Bonanza: Share Management and Basic Concepts**

(P-1073-E - 0.606.014)

The owner of a bar has to develop a basic system to manage his stock of bottles of rum. He has to look at the concepts of working capital, cyclical inventories and backup inventory, among others.

(Also available in Spanish.)

Sachon M.; 3 pages.

## **Centros de llamadas y servicio de atención al cliente**

(PN-436 - 0.606.011)

La nota presenta las ideas centrales sobre cómo diseñar un centro de llamadas ("call centers") y cómo conseguirlo en un CSP (centro de solución de problemas).

Riverola J.; 6 pages.

## Occasional Papers

**NOTE: Occasional papers may be consulted on the Internet at [http://www.wapp.iese.edu/research/res\\_search\\_adv.asp?lang=en](http://www.wapp.iese.edu/research/res_search_adv.asp?lang=en)**

**OP-06/2 - March 2006**

**Ricardo G. Barcelona - Rama Velamuri**

**A EUROPEAN DILEMMA: THE TOUGH CHOICES TO GREATER ECONOMIC FREEDOM**

*Abstract:* The social and economic challenges facing the European Union in an increasingly integrated world have become more salient since the French and Dutch rejection of the European Constitution in 2005. In this essay, we explore the nature of these challenges and suggest three broad policy areas in which they can be tackled: proactive immigration policy, labor market regulation, and lowering of capital and entrepreneurial barriers.

**OP-06/3 - March 2006**

**Nuria Chinchilla - Elizabeth Torres**

**WHY BECOME A FAMILY-RESPONSIBLE EMPLOYER?**

*Abstract:* In this paper we examine the reasons why companies might want to become family-responsible employers. Three models of the relationship between people and organizations are used to illustrate. In the mechanistic model, work-family policies are adopted as a marketing strategy. In the psycho-sociological model, companies use work-family policies to attract and retain talented employees. And in the anthropological/humanistic model, companies foster commitment through a family-responsible culture, as a consequence of treating employees as complete human beings.

**OP-06/4 - March 2006**

**Josep M. Rosanas**

**METHODOLOGY AND RESEARCH IN MANAGEMENT**

*Abstract:* The paper attempts to derive the conditions for obtaining good research in management, from a methodological point of view, i.e., from the point of view of the logical and empirical foundations of knowledge and the reasons to believe in the truth of any purported "scientific" proposition. After reviewing the essential concepts coming from classical philosophy and recent philosophy of science, the paper tries to apply them to management research. The paper draws heavily on the work of Charles Christenson (1976, "Proposals for a Program of Empirical Research into the Properties of Triangles", *Decision Sciences*, 7, 631-648; 1983, "The Methodology of Positive Accounting", *The Accounting Review*, LVIII, no 1, 1-22).



University of Navarra

# Newsletter Research Division

OP-06/5 - March 2006

**Domènec Melé**

## LAS CINCO MAYORES COMPAÑIAS FARMACEUTICAS: IMAGEN CORPORATIVA Y CRITICAS EN RESPONSABILIDAD SOCIAL

*Abstract:* Las cinco mayores empresas 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, como resultado, 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 participantes 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. Para ello se requiere actuar con veracidad y voluntad de servicio al bien común, más allá de los legítimos intereses de cada parte.

OP-06/6 - March 2006

**Lluís G. Renart**

## RESPUESTAS ESTRATEGICAS ANTE LA AMPLIACION DE LA UNION EUROPEA

*Abstract:* A partir de una investigación llevada a cabo durante tres años por un equipo de cuatro profesores del IESE, sobre las consecuencias de la ampliación europea en Cataluña, Valencia, Navarra, Galicia y Andalucía, y las amenazas que supone para las empresas españolas, el autor de este artículo plantea las estrategias de respuesta concretas que éstas deben diseñar y poner

en práctica. Y lo hace a partir de cuatro enfoques: los tres primeros, orientados a explorar y explotar las oportunidades derivadas de la ampliación; el cuarto, centrado en identificar las amenazas y minimizar los daños.

OP-06/7 - April 2006

**José M. Campa**

## THE MARKET FOR MERGERS AND THE BOUNDARIES OF THE FIRM

*Abstract:* Technological innovations and the economic policies adopted in response to globalization have affected firms' decision as to which activities to perform themselves and which to outsource. In recent years, these trends have caused a large shift in corporate restructuring and M&As. European economic integration is immersed in this process of corporate restructuring. Despite big improvements in European market integration, most M&A deals in Europe still involve mergers between firms from the same country; cross-border transactions are still the exception. This lack of activity largely signals the difficulties that firms adopting a Europe-wide strategy encounter when it comes to exploiting the benefits of technological innovation and integration, due to persistent significant differences in industry structure across member countries.

OP-06/8 - April 2006

**Niko Muñoz - Lluís G. Renart**

## ¿PAGARIAS POR OIR LA RADIO? 10 MILLONES DE AMERICANOS YA LO HACEN

*Abstract:* Posiblemente podemos estar a las puertas de la mayor revolución que se haya producido en el sector de la radio desde que en los años sesenta apareció la frecuencia modulada (FM). El presente documento empieza analizando la situación actual y el proceso de transformación radical del medio radio como consecuencia de su digitalización. Dicho proceso ya está en marcha en Estados Unidos y en Europa, así como en ciertos países emergentes como India y China. A continuación presenta las distintas tecnologías digitales y medios emergentes (radio por satélite, radio digital terrestre, radio en el móvil, radio a través del descodificador de televisión digital terrestre, iPodCasting, radio por Internet...) que en los próximos años pueden transformar radicalmente el modelo de negocio y/o la actuación ante el medio radio de los creadores de contenidos, de las emisoras, de los transportistas de señal, del público como audiencia, y de los anunciantes y sus agencias de publicidad y de contratación de medios. El trabajo termina señalando las condiciones necesarias y suficientes para que tal revolución se produzca.

### Research Newsletter

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