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Journals

Silvia Ayuso - Miguel A. Rodríguez - Joan E. Ricart

"Using stakeholder dialogue as a source for new ideas: A dynamic capability underlying sustainable innovation", *Corporate Governance*, Vol. 6, No 4, November 2006, pages 475-490.

Abstract: In this paper we attempt to gain a deeper understanding of the firm's ability to integrate stakeholder insights into the process of organisational innovation within the context of sustainable development. Given the early stage of empirical research on the topic, we used an exploratory case study of two Spanish companies that have successfully learned from stakeholder dialogue and have generated innovations that are beneficial both to the company and to sustainable development in general. The evidence from the two case studies suggests that there are two simple capabilities –stakeholder dialogue and stakeholder knowledge integration– for generating innovations in accordance with stakeholder needs. Whereas stakeholder dialogue leverages organisational resources that promote two-way communication, transparency and appropriate feedback to stakeholders, stakeholder knowledge integration relies on non-hierarchical structures, flexibility and openness to change. The paper sheds some light on the under-researched issue of linking stakeholder dialogue and sustainable innovation, and contributes to opening the 'black box' of dynamic capabilities and advancing in the understanding of this fundamental organisational concept.

Toni Dávila - Fernando Peñalva

"Governance structure and the weighting of performance measures in CEO compensation", *Review of Accounting Studies*, Vol. 11, No 4, December 2006, pages 463-493.

Abstract: We empirically examine how governance structure affects the design of executive

compensation contracts and, in particular, the implicit weights of firm performance measures in CEO compensation. We find that compensation contracts in firms with higher takeover protection and where the CEO has more influence on governance decisions put more weight on accounting-based measures of performance (return on assets) than on stock-based performance measures (market returns). In additional tests, we find that CEO compensation in these firms has lower variance and a higher proportion of cash (as opposed to stock-based) compensation. We further find that CEO incentives (measured as changes in CEO annual wealth, which includes changes in the value of CEOs' equity holdings in addition to yearly compensation) do not vary across governance structures. These findings are consistent with the hypothesis that CEOs who work in firms with high takeover protection and who have more influence on governance negotiate different contracts.

Johanna Mair - Christian Seelos

"Digital democracy", *European Business Forum*, No 26, Autumn 2006, pages 59-61.

Abstract: In December 2003 Rodrigo Baggio, founder and Executive Director of CDI, was reading a book about the history of Vila Isabel, a district of Rio de Janeiro. For Baggio this book had a special significance because it had been written by students of a school founded by CDI in Morro dos Macacos, a favela located in Vila Isabel. Rodrigo was very proud to see this. His dream –to create schools to teach computer skills to low-income communities– was now a reality. In fact, Rodrigo's idea had been so successful that he and his team were wondering how CDI could grow and broaden its scope without sacrificing quality or losing sight of its original objective.

Francesc Prats - Mónica Sánchez - Núria Agell - Gaizka Ormazabal

"An evaluation method with imprecise information for multi-attribute decision



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support", *Lecture Notes in Computer Science*, Vol. 4177, No 1, October 2006, pages 133-142.

Abstract: This paper presents a method using intervals for representing and synthesizing imprecise information for multi-attribute evaluation and decision-making support. An implementation is given for selecting an alternative for a project in a real case in the context of construction in civil engineering. As a preliminary step to aggregate the available information, a methodology is proposed for summarizing and normalizing values in an intervals context. A distance is introduced in the set of rectangles, defining a total order once a reference rectangle is considered. A method is given for the choice of the best alternative based on the comparison of distances to a reference rectangle. The constraints which guarantee consistency are determined and the consistency of the method is established.

Books

Nuria Chinchilla

"Ser una empresa familiarmente responsable. ¿Lujo o necesidad?", *Pearson Prentice Hall*, Colección "Empresa Dialogante", November 2006, 159 pages.

Abstract: Cada vez es más común y necesario el tema de la conciliación entre la vida familiar y la vida laboral:

- ¿Qué políticas de conciliación en sus organizaciones deben implantar las empresas?
- ¿Por qué motivos las empresas buscan convertirse en empresas familiarmente responsables?
- ¿Cuáles son las competencias directivas más buscadas y valoradas por las empresas?

Estas cuestiones y otras más se dan cita en este libro que espera ser una guía de inspiración para muchos directivos que buscan ser líderes en su entorno familiar y empresarial.

Kimio Kase - Francisco J. Sáez - Hernán Riquelme

"Obei MBA no kyoju ga mita kogyoseki CEO no ishi kettei", *Chuo Keizai*, Tokio, November 2006, 282 pages. Japanese translation of the book "Transformational CEOs: Leadership and management success in Japan", *Edward Elgar Publishing*, January 2006, 208 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.

José R. Pin

"Consistencia. La estrategia de la empresa es la estrategia sobre sus personas", *Pearson Education*, November 2006, 192 pages.

Abstract: El libro desarrolla el concepto de consistencia y su aplicación a la estrategia de dirección de personas y recursos humanos. Lo que añade valor a la compañía es la consistencia entre las políticas de recursos humanos, y de éstas con la estrategia de la empresa, dentro de un entorno legal social y político, junto con la consistencia de todo ello con el ADN de la empresa (valores, visión, misiones, motivación, etc.). De esta manera se llega a la conclusión de que la estrategia de la empresa es la estrategia sobre sus personas.

Palgrave Macmillan has published the book "Strategic alliances: Governance and contracts", edited by **Africa Ariño** and Jeffrey J. Reuer, December 2006, 256 pages, which contains the following chapters:

Africa Ariño - Jeffrey J. Reuer

"Introduction: Governance and contracts in strategic alliances", pages 1-8.

Abstract: Alliance research and practice have developed considerably in the last decade, and this book focuses on the governance and contractual foundations of alliances. While alliance governance and contractual forms are very much related, they are also distinct in scope as well as in the purposes they serve. The two are distinct features of alliance design that deserve more research attention. Only recently have scholars begun to assemble the data necessary to understand the details of alliances' contractual foundations and consider how dimensions of alliance contracts relate to broader governance modes, informal mechanisms of governance, and other aspects of alliance design and management.

Africa Ariño - Roberto Ragozzino - Jeffrey J. Reuer

"Contractual renegotiations in entrepreneurial alliances", pages 224-232.

Abstract: This chapter examines the experiences of small firms in strategic alliances as they evolve, focusing on contractual renegotiation as one type of post-formation change in these collaborative agreements. The bulk of the existing empirical research has tended to assess firms' governance choices under the assumption that a selection environment acts to weed out inefficient structures before managers have the opportunity to adapt them (for instance, Williamson, 1991). By contrast, we allow for managerial discretion to remedy alliances subject to governance misalignment. Additionally, we analyze the extent to which small firms differ from others in their propensity to use contractual changes and in their exposures to the hazards of hold-up in alliances, which allows us to isolate the mechanisms behind

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alliance dynamics as they are experienced uniquely by this category of firms.

AEDE (Asociación de Editores de Diarios Españoles) has published "Libro Blanco de la Prensa Diaria 2007", edited by Juan M. de Toro and Ignacio Bel, from IESE, and Deloitte y Carat. The first five parts were researched and written by Juan M. de Toro, December 2006, 412 pages.

Abstract: El informe anual recoge exhaustivamente todos los datos relativos al sector de la prensa escrita durante el año 2005 y las principales previsiones que se esperan para terminar el año 2006. El informe se reafirma, tras su redacción por sexto año consecutivo, en su papel de herramienta fundamental de trabajo para conocer a fondo todo lo relacionado con el sector y estimar el futuro del mismo, con sus amenazas y oportunidades. Junto al acopio de datos que el informe presenta, se realiza un profundo análisis de los mismos, lo que permite al lector sacar sus propias conclusiones sobre todas y cada una de las partes del mismo, lo cual a su vez puede ayudar a tomar las decisiones necesarias en un sector tan estratégico como éste.

Contributions to books

Pedro Nueno

"Pere Carbó (1921-2001)", in the book "Cien empresarios catalanes", edited by Francesc Cabana, *LID Editorial Empresarial*, November 2006, pages 625-628.

Abstract: Breve repaso a la biografía de Pere Carbó que cumple con los criterios del espíritu emprendedor porque supo detectar una oportunidad y abordarla con innovación, aprovechó el potencial de la tecnología, supo crear una cultura de pragmatismo, no tuvo inconveniente en experimentar con nuevos formatos explorando oportunidades próximas, integró personas y formó equipo. Utilizó la financiación, las alianzas y las adquisiciones para crecer. Fue socialmente responsable cuando todavía no se hablaba de esto y, como muchos empresarios catalanes, mantuvo un perfil austero y discreto.

Oxford University Press has published the book "American multinationals in Europe", edited by Phil Almond and Anthony Ferner, October 2006, 368 pages.

Abstract: This book is about the way in which American multinationals manage their employees across national borders. It explores to what extent they disseminate "home-grown" employment relations and human resource management structures, policies, and practices to their European subsidiaries,

and asks why they do so. It considers how the different host environments in which they operate influence what is disseminated and how it is implemented in the local operations. The analysis is based on a five-year, international research project involving in-depth case studies of around a dozen American multinationals, and less detailed studies of several others.

The book includes the following chapters:

T. Edwards - P. Gunnigle - Javier Quintanilla - H. Wächter
"Overview of the host business systems", pages 57-75.

P. Butler - D. Collings - R. Peters - Javier Quintanilla
"The case study companies in their organizational context", pages 76-92.

T. Colling - P. Gunnigle - Javier Quintanilla - A. Tempel
"Collective representation and participation", pages 95-118.

P. Almond - M. Muller-Carmen - D. Collings - Javier Quintanilla
"Pay and performance", pages 119-145.

P. Butler - D. Collings - R. Peters - Javier Quintanilla
"The management of managerial careers", pages 172-194.

A. Ferner - P. Gunnigle - Javier Quintanilla - H. Wächter - T. Edwards
"Centralization", pages 197-222.

T. Edwards - D. Collings - Javier Quintanilla - A. Tempel
"Innovation and the transfer of organizational learning", pages 223-247.

H. Wächter - R. Peters - A. Ferner - P. Gunnigle - Javier Quintanilla
"The role of the international personnel function", pages 248-270.

IESE - Working Papers

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

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José M. Campa - Ignacio Hernando
INTEGRACION Y CONSOLIDACION EN EL SISTEMA FINANCIERO EUROPEO

Abstract: Este artículo ofrece un panorama de la evolución de la actividad de fusiones y adquisiciones en el sector financiero europeo en el período transcurrido desde la introducción de la moneda única y analiza sus implicaciones sobre el grado de integración del sistema financiero europeo y sobre la rentabilidad,



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evaluada a distintos horizontes, de las empresas involucradas en los procesos de fusión. La actividad de fusiones y adquisiciones se ha caracterizado por un claro predominio de las operaciones de consolidación de carácter nacional, de modo que, hasta fechas recientes, han sido muy escasas las grandes operaciones de reestructuración transfronteriza. El análisis de la reacción del mercado ante los anuncios de fusión no revela una generación de valor neta alrededor de los anuncios. Sí se detecta, sin embargo, una transferencia de valor desde los accionistas de las empresas compradoras a los de las empresas adquiridas. Tampoco se aprecia una diferencia significativa en la creación de valor entre operaciones nacionales e internacionales, lo que sugiere que aun cuando la existencia de diversas barreras a las operaciones de consolidación internacional ha podido disuadir de su realización en algunos casos, las que finalmente se han anunciado no han sido, en promedio, peor valoradas por el mercado que las operaciones de carácter nacional.

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Pablo Fernández

DESCENSOS MEMORABLES EN LAS COTIZACIONES: TELEPIZZA Y BOSTON CHICKEN

Abstract: En este documento se analizan dos empresas con actividades muy similares: Boston Chicken, una cadena de más de 1.700 restaurantes especializados en comida casera, y TelePizza, una cadena de más de 700 pizzerías. Ambas crecieron mucho en la década de los noventa y tuvieron un período de enorme crecimiento en la cotización de sus acciones, seguido por otro período de descenso vertiginoso de la cotización. Dicho de otro modo, ambas tuvieron un período de gran rentabilidad y gran creación de valor para sus accionistas, al que siguió otro período de rentabilidad negativa y destrucción de valor para los accionistas. El objetivo del documento es identificar, considerar y clasificar los factores y las circunstancias que propiciaron los acusados descensos (y los previos ascensos) de las cotizaciones.

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Pablo Fernández

EQUITY PREMIUM: HISTORICAL, EXPECTED, REQUIRED AND IMPLIED

Abstract: Equity premium designates four different concepts: Historical Equity Premium (HEP); Expected Equity Premium (EEP); Required Equity Premium (REP); and Implied Equity Premium (IEP). We highlight the confusing message conveyed in the literature regarding equity premium and its evolution. The confusion arises from not distinguishing among the four concepts and from not recognizing that although the HEP is equal for all investors, the REP, the EEP and the IEP differ for different investors. A unique IEP requires assuming homogeneous expectations for expected growth (g), but we show that there are several pairs (IEP, g) that satisfy current prices. We claim that different investors have different REPs and that it is impossible to determine the REP for the

market as a whole, because it does not exist. We also investigate the relationship between (IEP - g) and the risk-free rate.

There is a kind of schizophrenic approach to valuation: while all authors admit different expectations of equity cash flows, most authors look for a single discount rate. It seems as if the expectations of equity cash flows are formed in a democratic regime, while the discount rate is determined in a dictatorship.

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José L. Suárez - Rafael Hernández

POLITICAS DE INVERSION DEL SECTOR DE SEGUROS Y DE PENSIONES EN LA UNION EUROPEA: INVERSION EN INMUEBLES

Abstract: El volumen de las inversiones del sector seguros y fondos de pensiones europeo representa un porcentaje elevado del mercado inversor de la Unión Europea (UE) y, en particular, este sector es uno de los inversores institucionales más importantes del mercado inmobiliario. La investigación describe las inversiones del sector de seguros y de fondos de pensiones y su estructura y estrategias de inversión. Se incluye información sobre Estados miembros de la UE y entidades privadas, así como la normativa comunitaria.

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Pablo Fernández

A GENERAL FORMULA FOR THE WACC: A CORRECTION

Abstract: This paper corrects some of the equations of Farber, Gillet and Szafarz (2006). The WACC is a discount rate widely used in corporate finance. However, correctly calculating the WACC involves properly calculating the value of tax shields, and the value of tax shields depends on the company's debt policy. Many authors [e.g. Inselbag and Kaufold (1997), Booth (2002), Cooper and Nyborg (2006), Farber, Gillet and Szafarz (2006)] have stated that debt policy can only be implemented by maintaining a fixed market-value debt ratio (Miles-Ezzell's assumption) or a fixed dollar amount of debt (Modigliani-Miller's assumption).

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Magdalena Torres - Jaime Núñez - Javier Martínez - José L. Suárez

LA ATENCION DE LAS NECESIDADES RESIDENCIALES PARA LAS PERSONAS MAYORES

Abstract: El envejecimiento de la población española, el incremento de la esperanza de vida y el aumento de la capacidad económica de las familias han provocado la aparición de necesidades residenciales para personas mayores. Estas necesidades se han satisfecho desde la iniciativa privada y la Administración Pública con una serie de productos y servicios que comprenden desde soluciones residenciales totales -residencias, viviendas tuteladas y apartamentos residenciales- hasta servicios de atención diurna y nocturna: centros de día.

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En este documento se describen los distintos productos inmobiliarios y servicios para personas mayores, se estudia el papel de la iniciativa privada en éstos y qué promotoras inmobiliarias y cómo han actuado en el sector de la tercera edad. Por último, se analizan las perspectivas y los retos a los que debe enfrentarse tanto el promotor y/o inversor inmobiliario como el operador de tercera edad.

Working Papers

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

Julián Villanueva - Shijin Yoo - Dominique M. Hanssens
"The impact of marketing-induced versus word-of-mouth customer acquisition on customer equity", *Marketing Science Institute*, No 06-003, December 2006, 16 pages.

Abstract: Develops a model to measure the impact of an additional customer on a firm's customer equity; compares the effects of marketing-induced versus spontaneous acquisition channels.

Other publications

Antonio Argandoña
Monograph "Análisis de la sostenibilidad de la deuda pública", *Estrategia Financiera*, No 232, October 2006, pages 32-35, co-authored with Cristina Carrasquero.

Abstract: El objeto de este artículo es presentar dos temas relacionados: 1) cómo plantean los Estados la sucesión de sus ingresos y gastos, de modo que no acaben resultando insolventes –el problema de restricción presupuestaria intertemporal–, y 2) en qué condiciones el nivel de deuda pública de un país puede resultar insostenible –el problema de sostenibilidad de la deuda.

Pablo Cardona - Carlos Rey
"Dirección por misiones: Primeras experiencias de éxito", *Economistas*, Colegio de Economistas de Madrid, monograph "La gestión del talento", No 109, November 2006, pages 101-107.

Abstract: Conscientes de la carencia de metodologías sólidas para implementar la misión y los valores en la empresa, se inició en 2002 un trabajo de investigación en búsqueda de ideas y soluciones. Esta labor de investigación, en la que han colaborado más de ochenta empresas de reconocido prestigio (Allianz, Solvay, Toshiba, Endesa...), junto con otras experiencias de consultoría en empresas de diferentes tamaños y sectores (Sony, Abertis, RHM,

T-systems...), han permitido desarrollar una metodología de gestión que ha sido recogida en diversas publicaciones bajo el nombre de "dirección por misiones" (DpM). En este artículo se presenta en qué consiste esta metodología que empieza, como podemos imaginar, con la definición de la misión y los valores. Pero esa definición no es más que el principio de un sistema de gestión que crea coherencia (algo que va más allá del alineamiento estratégico) a lo largo de toda la empresa.

Nuria Chinchilla - Francisco Gay
"Conciliación y retención del talento", *Economistas*, Colegio de Economistas de Madrid, monograph "La gestión del talento", No 109, November 2006, pages 94-99.

Abstract: En un contexto competitivo como el actual, las empresas necesitan considerar a su capital humano, ahora sí, como el auténtico y diferencial factor de competitividad.

La captación, retención y rentabilización del talento es un nuevo enfoque en la gestión de las personas en las organizaciones que ayuda a considerar a éstas en su complejidad y en su diversidad.

Retener en base al salario, tal como tradicionalmente se ha venido considerando éste, ya no es suficiente ni sostenible. Hay que abordar el paquete de compensación considerando la parte del salario emocional, aquel que viene a facilitar, en uno de sus cuatro componentes, que las personas puedan dar satisfacción a sus necesidades trascendentes.

Una de las cuatro ces que componen el salario emocional es la conciliación.

Este es un tema complejo de abordar y que esconde riesgos de aplicación que pueden provocar la inviabilidad de la organización.

Tras la descripción de la situación actual y la argumentación sobre las tendencias de evolución que se vislumbran para un próximo futuro, en el artículo se expone la síntesis del modelo EFR, desarrollado por el Centro Internacional Trabajo y Familia del IESE, como método de trabajo para avanzar la búsqueda de soluciones individualizadas para cada organización.

Wang Daxue - Joan E. Ricart
Monograph "Ahora todo el mundo puede volar: AirAsia", *Estrategia Financiera*, No 234, December 2006, pages 15-25.

Abstract: Este artículo detalla cómo AirAsia, una línea aérea malasia, se transformó en una línea aérea de bajo coste de éxito gracias a un modelo de negocio bien definido. La aparición de líneas aéreas de bajo coste en Asia provocó una competencia creciente en el sector. Formando *joint ventures* con distintas compañías asiáticas, AirAsia intenta lograr una posición de ventaja con su plan Pan-Asia. Con este plan, la línea aérea de bajo coste evidentemente corre el riesgo de sobredimensionarse. Este caso explora el modelo de negocio de AirAsia, sus ventajas competitivas y su estrategia de expansión.



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Sandalio Gómez

"Análisis del proceso de expatriación", *Economistas*, Colegio de Economistas de Madrid, monograph "La gestión del talento", No 109, November 2006, pages 77-86.

Abstract: La globalización e internacionalización de las empresas han provocado un aumento en los procesos de expatriación y repatriación de sus empleados. Casi la mitad de las multinacionales han aumentado el número de expatriados en los últimos dos años. Se trata, por tanto, de un proceso que ha de gestionarse desde el departamento de recursos humanos con la debida planificación y visión de conjunto.

Sin embargo, en muchas ocasiones los resultados de la gestión de este proceso no se corresponden, tanto para la empresa como para los expatriados, con los esperados. En este artículo se analizan los problemas que surgen a lo largo de este proceso contemplando el punto de vista de la empresa y el punto de vista del expatriado. Para este análisis se sigue un esquema conceptual en el que se tienen en cuenta los cuatro planos que aparecen a lo largo del proceso: económico, empresarial, profesional y familiar. Gestionar de modo adecuado estos cuatro planos puede servir de ayuda para las empresas a la hora de afrontar con éxito estos procesos.

Domènec Melé

Monograph "Ética y ciudadanía empresarial en las cinco mayores compañías farmacéuticas del mundo: Imagen corporativa, crítica y realidad", proceedings of the 13th Annual Conference of *Ética, Economía y Dirección*, *Papeles de Ética, Economía y Dirección*, pages 93-106.

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 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. Para ello se requiere actuar con veracidad y voluntad de servicio al bien común, más allá de los legítimos intereses de cada parte.

Niko Muñoz - Lluís G. Renart

"La radio digital: Cómo convertir a los oyentes en clientes", *Harvard Deusto Business Review*, No 151, November 2006, pages 58-71.

Abstract: Con la aparición de la tecnología de la radio digital probablemente estemos ante la mayor revolución en la historia de la radio desde que en los años sesenta apareciera la FM. Si la FM trajo la música a nuestras radios, la radio digital nos trae cientos de emisoras con contenidos novedosos y un cambio fundamental en el sector: la radio de pago. Con las condiciones tecnológicas adecuadas y los métodos que ya se desarrollan en Estados Unidos, dentro de un tiempo el nuevo modelo estará implantado en Europa.

José R. Pin

"Consistencia: La clave de la dirección de las personas en la empresa", *Economistas*, Colegio de Economistas de Madrid, monograph "La gestión del talento", No 109, November 2006, pages 121-128.

Abstract: (See page 2).

Javier Quintanilla - Lourdes Susaeta

"El capital intelectual en las empresas multinacionales: Gestión del conocimiento global", *Economistas*, Colegio de Economistas de Madrid, monograph "La gestión del talento", No 109, November 2006, pages 47-54.

Abstract: Desde la perspectiva que observa la gestión del conocimiento como un factor clave para el éxito o fracaso de las operaciones internacionales de las empresas, en este capítulo se estudia éste fenómeno en la empresa multinacional (MNC). En base al contexto organizativo característico de las multinacionales, se analizan los principales mecanismos que éstas utilizan para la adquisición, creación, captura y difusión del conocimiento a través de sus fronteras. Estos mecanismos integran centros de excelencia, sistemas tecnológicos que posibilitan la gestión del conocimiento global, redes de expatriados, equipos internacionales y comunidades de prácticas o redes globales expertas.

Guido Stein

Monograph "Peter Drucker: in memoriam", *Libros de Economía y Empresa*, Real Academia de Ciencias Morales y Políticas, No 2, November 2006, pages 62-65.

Abstract: Biografía intelectual de Drucker donde se repasan algunos de sus pensamientos fundamentales sobre la dirección de empresas.

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Ignacio Urrutia

Monograph "La gestión de los clientes a través del análisis del valor", *Harvard Deusto Finanzas y Contabilidad*, September/October 2006, No 73, pages 58-70.

Abstract: Los sistemas de información contables han ido evolucionando dependiendo de la filosofía de la dirección y se desarrollan en función de las exigencias de las directrices de los directivos de la empresa; este progreso nos ha llevado a crecer en el nuevo paradigma de la empresa ciudadana, en la que existe un objetivo que es mejorar a la sociedad a través de satisfacer a los accionistas y fidelizar a los clientes y trabajadores. En esta perspectiva surge la dificultad de contar con instrumentos que permitan tratar la confusión y el caos; la matriz de posicionamiento de los clientes puede servir a la empresa para mejorar el análisis de los costes. Dicha matriz es una herramienta clave para poder crear una estrategia conjunta entre los departamentos comerciales y financieros, pretendiendo resolver el típico problema de comunicación entre los departamentos comerciales y los financieros con respecto a la manera de diagnosticar a los clientes.

Conferences and Seminars

Antonio Argandoña

On December 15-16, attended in Valencia the 14th Annual Conference of *Ética, Economía y Dirección (EBEN)*, where he presented the paper "La convención de las Naciones Unidas contra la corrupción y su impacto sobre las empresas internacionales".

Abstract: La corrupción es un grave problema económico, social, político y moral, especialmente en muchos países emergentes, que afecta de manera especial a las empresas, sobre todo en las transacciones internacionales, tanto comerciales como financieras o tecnológicas. Y es, cada vez más, un fenómeno de ámbito, contenido e implicaciones internacionales. De ahí que, en los últimos años, se hayan multiplicado las acciones internacionales para hacer frente al problema de la corrupción. Una de esas acciones es la Convención de las Naciones Unidas contra la Corrupción, firmada en 2003 y que entró en vigor en diciembre de 2005. Se trata del primer instrumento realmente global para prevenir y luchar contra la corrupción, basado en un amplio consenso internacional. El objetivo de este artículo es explicar el origen y contenido de la Convención, lo que aporta a los instrumentos internacionales para luchar contra la corrupción, y sus puntos fuertes y débiles, principalmente desde el punto de vista de las empresas.

Africa Ariño

On October 28/November 1, attended in Vienna the 26th Annual International Conference of the Strategic Management Society, where she presented the paper "Contracting costs in outsourcing

partnerships: An investigation of termination provisions", co-authored with Jeffrey J. Reuer, Kyle J. Mayer and Juan Jané.

Abstract: We analyze the influence that the complexity of termination provisions and the existence of prior ties between partners have on outsourcing partnerships' contracting costs, as reflected in their negotiation time. We also examine the dimensionality of the complexity of termination provisions. The findings reveal distinct classes of termination provisions, the negotiation of which have differential effects on contracting costs. The evidence also indicates that prior ties have no direct influence on negotiation time, but they moderate the effects of negotiating termination provisions into outsourcing agreements.

Manel Baucells

On November 5-8, attended in Pittsburgh the INFORMS 2006 Annual Meeting, where he presented the paper "The equal tails method to elicit risk preferences", co-authored with Antonio Villasis.

Abstract: We propose a modification of existing elicitation methods for risk attitudes, called equal tails (ET) method. The ET method maintains most of the simplicity of classic methods, while at the same time mitigating the distorting effect of subjective probability weighting. ET exploits the property of interior additivity of the probability weighting function. The essence is to ensure that the extreme monetary outcomes of the prospects presented to the subjects are the same. ET is efficient in that the practical implementation is not complex. We tested the method experimentally. Our empirical findings show that ET yields smaller degrees of concavity of the value function for gains. In the losses domain we obtain a convex value function. Our findings are consistent with the results of more elaborate elicitation methods developed to avoid the distortion of probabilities. The method is appropriate to elicit the utility function, provided the subjects are encouraged to encode outcomes in terms of final wealth position.

Fabrizio Ferraro

On October 28/November 1, attended in Vienna the 26th Annual International Conference of the Strategic Management Society, where he presented the paper "CEO entrenchment and CEOs' social capital".

Abstract: This study examines how the social structure of corporate elites in which CEOs and board members are embedded affects CEO-board relations and the outcomes of corporate governance processes among the 368 largest US corporations for the period 2001-2002. Specifically, we explore the effect of CEOs' structural holes and board exposure to corporate provisions on CEO's self-serving behavior within the context of two beneficial provisions for CEOs: golden parachutes and accelerated cash-out. We study how CEOs' constraints and board exposure to both provisions (golden parachutes and accelerated cash-outs) affect the incidence of beneficial provisions for CEOs. Results show that boards where CEOs are less constrained are more likely to have



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beneficial provisions for the CEO. Implications of the study for corporate governance and social networks are presented.

Roberto García Castro

On October 28/November 1, attended in Vienna the 26th Annual International Conference of the Strategic Management Society, where he presented the paper "Maximising stakeholders' interests: An empirical analysis of the stakeholder approach to corporate governance", co-authored with Silvia Ayuso, **Miguel A. Rodríguez** and **Miguel A. Ariño**.

Abstract: The current debate on corporate governance theories has been polarized between a shareholder perspective and a stakeholder perspective. The purpose of this paper is to elaborate on the stakeholder model of corporate governance and examine its relationship with firm financial performance by using an international sample of large companies. We frame the discussion within the perspective of the sustainable and responsible firm whose economic survival depends on its ability to satisfy the needs of its various stakeholders. We argue for the relevance of three dimensions in analyzing a pro-stakeholder stance on corporate governance: CSR function at board level, board diversity, and stakeholder engagement. Based on an empirical study of a sample of companies from 31 different countries, we find board responsibility for CSR to be a key factor in promoting engagement with primary and secondary stakeholders of the firm. Depending on the legal tradition of the country where the company is based, we find evidence that board diversity and stakeholder engagement are positively correlated with firm financial performance.

Frank Heukamp

On November 17-20, attended in Houston the Annual Meeting of the Society for Judgment and Decision Making, where he presented the paper "Time and risk integrated", co-authored with **Manel Baucells** and **Antonio Villasis**.

Abstract: We propose preference conditions for simple risky prospects with delayed payoffs. The key behavioral axiom for our representation is that additive increments in time are treated as multiplicative increments of risk, at an exchange rate that is independent of the delay and the probability level. We obtain a functional representation of these combined risk and time preferences. The functional form 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 actual occurrence. The general result can be interpreted in different contexts. For example, non-exponential discounting is linked, and can even be attributed, to non-linear probability weighting. Time preference exhibits the common difference effect if and only if risk preference exhibits the common ratio effect. Given a probability weighting function, a corresponding time discount function can be derived, and vice versa. The model can be used to estimate the intrinsic discount

rate that is independent of the delay at which the payoff occurs without assumptions regarding the value function. This also permits a parameter-free estimation of the magnitude effect.

Johanna Mair

On October 28/November 1, attended in Vienna the 26th Annual International Conference of the Strategic Management Society, where she presented the paper "Middle managers in a medium-sized firm: Their involvement in the internationalization strategy process", co-authored with **Claudia Thurner**.

Abstract: With the creation of common markets such as the European Union and the gradual end of restrictions on foreign trade, an increasing number of SMEs face the need and the opportunity to go international. Middle managers' important role and the benefits of their involvement in the strategy process of larger firms are widely known. Yet little is known about their role in SMEs and their participation in the internationalization process. This study sheds light on the extent and effect of middle managers' involvement in formulating international strategy in a medium-sized firm.

Víctor Martínez de Albéniz

On November 5-8, attended in Pittsburgh the INFORMS 2006 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 in an infinite horizon context, using a base-stock policy with each of the suppliers. 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.

Caterina Moschieri (PhD Student)

On October 28/November 1, attended in Vienna the 26th Annual International Conference of the Strategic Management Society, where she presented the paper "Strategic choice of divesting modes", co-authored with **Johanna Mair**.

Abstract: Divestitures are complex events of which we have an incomplete understanding. This paper contributes to existing literature by providing a systematic way to differentiate among various divesting modes depending on how they enable innovation. It argues that a company's choice of how to divest is related to the innovation potential of each divesting mode. After performing a thorough analysis of the relative benefits and downsides of spin-offs, buyouts, and carve-outs, the paper introduces a framework that matches the organizational features enabling innovation with these divesting modes. This framework clarifies how organizational features such as innovation enablers and the governance costs of each divesting mode may influence a parent's choice about how it organizes for innovation.

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Ramon O'Callaghan

On December 10-13, attended in Milwaukee the 27th International Conference on Information Systems (ICIS), where he presented the case "Fixing the payment system at Alvalade XXI". This case was chosen as the best paper in the case studies track at the conference.

Abstract: The case focuses on risk management in a large IT project. It describes the implementation and subsequent failure of an innovative payment system in the Alvalade XXI soccer stadium in Lisbon, inaugurated in August 2003. The project scope, schedule and visibility, the system architecture, the characteristics of the organization and the choice of technology supplier all made this a high-risk venture. The company had entrusted the project to an IT supplier which had little experience of managing projects on this scale. Whereas company executives blamed the IT supplier for the failure, the IT supplier claimed that the problem was organizational, not technical, and should be attributed to poor operational planning. In addition to risk management issues, the case also raises important questions of IT governance: Who is responsible for the project? Even if the project is outsourced, how should the roles and responsibilities be apportioned between the company and its IT supplier(s)? What mechanisms should be used to plan and execute IT projects, and control their risks?

Pinar Ozcan

On October 28/November 1, attended in Vienna the 26th Annual International Conference of the Strategic Management Society, where she presented the paper "Start-ups in nascent markets: Building a strong alliance portfolio from a low-power position".

Abstract: Alliance portfolios are critical components of networks and sources of high firm performance. With a longitudinal multiple-case inductive design, we trace entrepreneurial firms in wireless gaming over years to explore how executives form strong alliance portfolios. The emergent theoretical framework emphasizes strategy in portfolio formation through an early approach to partners, simultaneous approach to diverse partners, maintenance of multiple partners of the same type, and avoidance of competitor ties. Overall, we find that when executives take a strategic view of the entire network (not dyads), even entrepreneurial firms can gain strong portfolios and central network positions.

Joan E. Ricart

On October 28/November 1, attended in Vienna the 26th Annual International Conference of the Strategic Management Society, where he took part in the panel discussion on "Offshoring strategic decisions: Evolutionary paths and implications for strategic management". This international panel will report on a global study of offshoring decisions initiated by Professor Arie Lewin of Duke University and now involving a large group of professors around the world. Besides providing a global

perspective on the issue, the international group offers ample opportunities for cross-country comparison.

He also served as chairman of the Strategic Management Society Best Paper Prize.

Joaquim Vilà

On October 28/November 1, attended in Vienna the 26th Annual International Conference of the Strategic Management Society, where he presented the paper "Innovation councils: How firms use top-management committees to foster continuous innovation in any business area", co-authored with José A. Muñoz-Nájar.

Abstract: This research sheds light on how leading companies set up and deploy top-management bodies in their attempt to foster continuous innovation in any business area, not just new product development. We focus on the top-management practices that these companies use to govern and run cross-unit processes in local organizations to be more innovative in a broad range of business activities. The study uses a multiple case design (multiple-round interviews, company cases, interactive discussion groups with key informants) of seven multinational firms (3M, IKEA, IBM, Nestlé, Telefónica, Endesa and BBVA) that are highly respected for their achievements in innovation. It contributes to understand how the role of innovation councils varies as the approach to innovation evolves (as a result of changes in the scope of innovation activities, nature of strategic initiatives, interplay between operational units and top management, and business complexity). Some aspects of this research will be included in a book in progress.

Xavier Vives

On November 1-4, attended in Mexico the 2006 Latin American Meeting of the Econometric Society, where he presented the paper "Monotone Bayesian equilibrium in games of strategic complementarities", co-authored with T. van Zandt.

Abstract: For Bayesian games of strategic complementarities, we provide a constructive proof of the existence of a greatest and a least Bayesian Nash equilibrium, each one in strategies that are monotone in type. Our main assumptions, besides strategic complementarities, are that each player's payoff displays increasing differences in own action and the profile of types, and that each player's interim beliefs are increasing in type with respect to first-order stochastic dominance (i.e., types are affiliated). The result holds for general action and type spaces (single-, multi-, or infinite-dimensional; continuous or discrete) and no prior is assumed. We also provide the following comparative statics result: the greatest and least equilibria are higher if there is a first-order stochastic dominant shift in the interim beliefs. We apply this result to strategic information revelation in games of voluntary disclosure.



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Awards

Adrian Done

On 20-21 November, attended the 37th Annual Meeting of the Decision Sciences Institute in San Antonio, Texas, where he was presented, together with his doctoral supervisors Chris Voss (London Business School) and Mark Frohlich (Kelley Business School), with the Elwood S. Buffa Doctoral Dissertation Competition Award for his thesis, "The Evolving Supply Chain: An Empirical Investigation of Impact of Knowledge Dimensions in Manufacturing and Service Supply Chains". The competition is sponsored by McGraw-Hill and its purpose is to encourage and publicize outstanding dissertation research by selecting and recognizing the best dissertations written in the decision sciences during 2005.

Doctoral theses

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

Joseph Adetunji Adegbesan

THE APPROPRIATION OF VALUE CREATED THROUGH TECHNOLOGICAL INNOVATION: A STRATEGIC FACTOR MARKETS APPROACH

(IESE) thesis director: Joan E. Ricart

Abstract: This dissertation investigates how and when firms can appropriate value created through technological innovation.

The acceleration in technical advancement on all fronts, coupled with the growing pervasiveness of technology in all facets of life, has led many firms to turn to technological innovation as a means of generating superior performance. However recent evidence indicates that while innovative output has surged, firm performance has not followed suit. The question therefore arises as to why the evident advances in value creation through technological innovation have not translated into superior performance.

In response I try to add to our understanding of the determinants of firms' ability to appropriate value created through technological innovation. Taking a resource-based view, I consider how technological innovation requires combining resources and capabilities within and across firm boundaries. By building on the bargaining perspective on resource advantage, I extend strategic factor market theory to consider situations where bidding firms vary in their degree of complementarity to target resources. I thus identify three drivers of firms' ability to appropriate value from valuable resources: relative scarcity, superior complementarity, and relative bargaining ability.

I apply my theoretical approach to innovation based on external technology, showing how the fit between a firm's innovation strategy and distinct dimensions of its absorptive capacity

endowment can permit superior value appropriation. I also use my theory to predict and empirically test differential intra-alliance performance in biotechnology R&D alliances. Thus, this dissertation highlights the distinct roles of resources, capabilities, and dynamic capabilities in successful value appropriation in the face of competition.

Dong Bian

STRATEGY FORMULATION AND IMPLEMENTATION IN TURBULENT BUSINESS ENVIRONMENTS. REDEFINING ORGANIZATIONS AND THEIR LEADERSHIP FORMATION

(IESE), thesis director: Joan E. Ricart

Abstract: As the world economy grows more turbulent, formulating and implementing a competitive strategy in fast-paced business contexts and sustaining an organization's development is becoming central in the field of strategic management. In this thesis, we examine this issue from three perspectives. In chapter one, reviewing the literatures of organizational form and strategic management of organizations in turbulent environments, we first situate our study in the academic world and argue that it is necessary to theoretically reconsider organizational form in this special context. We also stress the need to recognize the value of the intermediate state of resources in strategy formulation and implementation. New models of organization and strategy formulation are tentatively established. We ground the strategy model in a longitudinal study on the success of China's household appliance industry in competing against foreign counterparts. In chapter two, we investigate 40 Chinese household appliance manufacturers' activities. Combined with data from 50 personal interviews, the analysis shows that successful companies actually stratify their strategies, create and amplify new strategic assets, and try to embed themselves in organizational contexts in order to migrate their competitive advantages and maintain the momentum for change. In chapter three, we use "feedback delay" to differentiate resources from the temporal perspective. Simulating different feedback-delayed strategic factors in the decision-making processes, we stress that considering both long-term and short-term strategic factors will yield the best performance, provided the industrial turbulence is not so strong as to make the firm bankrupt before it reaches the sticking point. Adjusting the composition of the strategic factors in a firm's strategy formulation agenda can influence the firm's performance and be more effective than changing the degree of complexity among strategic factors.

Aitziber Elola Ceberio

ANTECEDENTS AND CONSEQUENCES OF TRUST IN MANAGER-SUBORDINATE RELATIONSHIPS

(IESE), thesis director: Pablo Cardona

Abstract: The aim of this dissertation is to advance our knowledge on trust in manager-subordinate relationships. Specifically, we

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center our research on three topics where current research needs further analysis: the study of managerial trustworthy behaviors and perceived mutuality as antecedents of subordinates' trust in management; dimensionality of managerial trustworthy behavior; and the mediating role of trust between managerial trustworthy behaviors and organizational citizenship behaviors. We performed three different studies that I present here as three independent essays.

In the first essay we study two antecedents of subordinates' trust in managers: subordinates' perceptions of managerial trustworthy behavior, and subordinates' perceptions of managers' trust in them. As hypothesized, both subordinates' perceptions of managerial trustworthy behavior and subordinates' perceptions of managers' trust in them are significantly correlated with subordinates' trust in their managers. Further, we analyze mutuality in trusting relationships. We find that there are significant differences between subordinates' trust in management and their perceptions about managers' trust in them.

In the second essay we assess multidimensionality of managerial trustworthy behavior by developing and validating a measurement instrument. Based on interviews with managers and a literature review, we identify six trustworthy behaviors: behavioral consistency, behavioral integrity, open communication, sharing and delegation of control, demonstration of concern, and loyalty. Then, we derive items for the scale, followed by content validity assessment, exploratory factor analysis, confirmatory factor analysis, and criterion-related validity. An 18-item instrument forms the final version of the questionnaire.

In the third essay, we empirically test the relationship between managerial trustworthy behavior, trust, and organizational citizenship behaviors (OCBs). We distinguish between two different types of trust: subordinates' trust in managers and managers' trust in subordinates. We study the mediating role of these two types of trust between managerial trustworthy behaviors and subordinates' OCBs. Using subordinate-ratings, we measure six managerial behaviors that can produce trust: behavioral consistency, behavioral integrity, communication, delegation, demonstration of concern, and loyalty. Using manager-ratings, we measure three types of OCBs: OCB directed toward other individuals, OCB directed toward the organization, and OCB directed toward the task. Our results show a significant mediation of subordinates' trust in management in the relationship between managerial trustworthy behavior and OCBs, and a significant mediation of managers' trust in subordinates in the relationship between OCBs and managerial behaviors.

After introducing the three essays, we present some conclusions and propose some avenues for further research to overcome the main limitations of this dissertation. Finally, we discuss the implications of our findings for managers who want to build trust in their work exchanges with subordinates.

IESE - Research Seminars

Economics

November 28

Speaker: Jan Eeckhout, University of Pennsylvania

"Local supermodularity and unique assortative matching"

Abstract: Likes tend to match with likes. Supermodularity, or increasing differences, is a sufficient condition for unique assortative matching. This paper derives a necessary and sufficient condition, Local Supermodularity, which is satisfied for a broad class of economies. Establishing conditions for uniqueness is desirable for the purpose of incentive compatibility in the design of markets, and it guarantees a well-identified problem when estimating a matching model. Moreover, no information is needed on the equilibrium prices or transfers between partners.

November 29

Speaker: Heiko A. Gerlach, University of Auckland

"Stochastic market sharing, partial communication and collusion"

Abstract: This paper analyzes the role of communication between firms in an infinitely repeated Bertrand game in which firms receive an imperfect private signal of a common value i.i.d. demand shock. It is shown that firms can use stochastic, inter-temporal market sharing as a perfect substitute for communication in low demand states. Therefore, partial communication in high demand states is sufficient to achieve the most collusive, full communication outcome. And partial communication in low demand states does not improve on the equilibrium without communication. Communication in high demand states allows firms to coordinate their pricing, choose the most efficient uninformed price and avoid price wars. I demonstrate that under some conditions consumers are better off with communication among colluding firms.

December 12

Speaker: Ignacio Palacios-Huerta, Brown University

"Experientia Docet: Professionals play Minimax in laboratory experiments"

Abstract: We study how professional players and college students play zero-sum two-person strategic games in a laboratory setting. We first ask professionals to play a 2x2 game that is formally identical to a strategic interaction situation that they face in their natural environment. Consistent with their behavior in the field, they play with a high degree of accuracy with respect to the equilibrium of the game. We find that: (i) they equate their strategies' payoffs to the equilibrium ones, and (ii) they generate sequences of choices that are serially independent. In sharp contrast, however, we find that college students play the game far from the equilibrium predictions. We then study the behavior of



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professional players and college students in the classic O'Neill's 4x4 zero-sum game, a game that none of the subjects have encountered previously, and find the same sharp differences in the behavior of these two pools of subjects. The transfer of skills and experience from the familiar field to the unfamiliar laboratory observed for professional players is relevant to evaluate the circumstances under which behavior in a laboratory setting may be a reliable indicator of behavior in a naturally occurring setting. From a cognitive perspective, it is useful for research on recognition processes, intuition, and similarity as a basis for inductive reasoning.

Entrepreneurship

November 8

Speaker: Ivan Ureta

"Looking for entrepreneurial attitudes in dynamic junctures"

Abstract: In this paper I sketch some socioeconomic arguments about entrepreneurial attitudes, business and clustering processes in "emerging countries". The study of businesses and their role in economic growth is very appealing to us, but usually we are prone to an "economistic" seduction that leads to the a priori cancellation of the interdisciplinary point of view. As Granovetter (2005) has recognised, recent literature is dominated by economic approaches, sophisticated patterns and econometric models. In the final analysis, however, when we consider the fundamental causes of a problem, we tend to find that the causes are extra-economic. This affects the roots of knowledge building. My main purpose in this paper is to reflect on the wide range of causes involved in academic socioeconomic discourse.

Finance

November 17

Speaker: Toshitaka Sekine, Bank for International Settlements

"Time-varying exchange rate pass-through: Experiences of some industrial countries"

Abstract: This paper estimates exchange rate pass-through of six major industrial countries using a time-varying parameter with a stochastic volatility model. Exchange rate pass-through is divided into impacts of exchange rate fluctuations to import prices (first-stage pass-through) and those of import price movements to consumer prices (second-stage pass-through). The paper finds that both stages of pass-through have declined over time for all the sample countries. The decline in second-stage pass-through is associated with the emergence of the low and stable inflation environment, while the relationship to the inflation environment is weak for first-stage pass-through.

November 24

Speaker: Belén Villalonga, Harvard Business School

"Benefits and costs of control-enhancing mechanisms in U.S. family firms"

Abstract: We analyze how founding families maintain control of large U.S. corporations, and at what cost. We find that indirect ownership through trusts, foundations, limited partnerships, and other corporations is prevalent but rarely creates a wedge between the family's cash-flow and control rights. The primary sources of this wedge are dual-class shares and voting agreements among shareholders. Additional family control is frequently obtained through board representation in excess of voting control, and through the presence of a family member as CEO or Chairman of the Board. We also find that the impact of control-enhancing mechanisms on firm value depends on the specific mechanism used: the effect is negative for dual-class stock and disproportional board representation, but positive for pyramids and voting agreements.

General Management

November 20

Speaker: Jordan Siegel, Harvard Business School

"Egalitarianism and international investment"

Abstract: In applying a new approach from social psychology for how culture can be decomposed and measured, this study identifies the historical foundations for differences in a key cultural dimension –egalitarianism– and it cleanly estimates the effect of egalitarianism on a set of economic outcomes. Egalitarianism is defined as a society's cultural orientation with respect to intolerance for abuses of market and political power. We show egalitarianism to be based on historical factors including social fractionalization, religion, and war experiences. We use theory and empirical data from social psychology to construct measures of distance between countries in their orientation toward egalitarianism. Controlling for a large set of competing explanations, we find robust support for the influence of egalitarianism distance on cross-national investment flows of equity, debt, and mergers and acquisitions. An informal cultural institution largely determined a century or more ago, egalitarianism exercises its effect on international investment via an associated set of consistent policy choices made in recent years. But even after controlling for these associated policy choices, egalitarianism continues to exercise a direct effect on cross-border investment flows, probably through its direct influence on managers' daily business conduct.

November 27

Speaker: Peter Zemsky, INSEAD

"Adoption is not development: First mover advantages in the diffusion of new technology"

Abstract: The diffusion of new technology among competing firms is of longstanding interest in industrial organization. There is

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an extensive theoretical literature on technology adoption in which costs fall exogenously over time and firms can instantaneously deploy a new technology in the market at the current cost. While such models explain diffusion (firms adopt asynchronously), Fudenberg and Tirole (1985) show that the incentives to preemptively adopt in closed loop equilibria can cause rents to be equalized across firms. We study technology development where costly and time consuming effort is required to deploy a new technology. With decreasing returns to instantaneous effort, delaying development reduces the firm's cost, as in adoption models. However, the incentive to preempt is lower: with its development already partially complete a preempted firm delays deployment less than with adoption. We provide reasonable conditions under which the closed loop outcome corresponds to the open loop outcome first proposed by Reinganum (1981), yielding both diffusion and first mover advantages for the case of technology development.

December 4

Speaker: Gerald A. McDermott, Wharton School, University of Pennsylvania

"The politics of industry upgrading and recombination: The quiet revolution in Argentine wine with the new institutions of development"

Abstract: Through a comparative, longitudinal analysis of the wine industry in two Argentine provinces, this article finds that different political approaches to reform, and not simply socio-economic endowments, determine societies' ability to build new institutions for economic upgrading. A "depoliticization" approach emphasizes the imposition of arm's-length incentives by a powerful, insulated government, but exacerbates social fragmentation and impedes upgrading. A "participatory restructuring" approach promotes the creation and maintenance of new public-private institutions for upgrading via rules of inclusive membership and multiparty, deliberative governance. This latter approach can facilitate collaboration and knowledge creation among the government and previously isolated, even antagonistic, stakeholder groups.

Marketing

November 22

Speaker: Paulo Rocha e Oliveira, University of Miami

"Dynamic pricing and customer relationships: Selling to learn or learning to sell?"

Abstract: Knowing each customer's preferences enhances a firm's ability to design and offer the right selection and configuration of products and services. Learning is not free, and companies must allocate valuable resources in order to gain a deeper understanding of their customers' preferences. We use an axiomatic approach to develop a learning model that enables us to quantify the trade-off between the value and the cost of knowing the customers. This learning model serves as the building block of a dynamic program through which we investigate how pricing

policies can be used to speed up the learning process while maximizing the firm's financial performance. We compare the financial performance of the myopic policy ("selling to learn") to the long-term policy ("learning to sell") under different scenarios and offer managerial recommendations for the maximization of customer lifetime value.

December 13

Speaker: Hernán A. Bruno, London Business School

"Structural demand estimation with varying product availability"

Abstract: Demand estimation based on discrete choice theory has become an important tool in Marketing and empirical Industrial Organization. In particular, estimation techniques have been developing that allow the use of discrete choice methods in situations in which only aggregate data are available (e.g. Berry et al. 1995). In essence, these methods allow making inferences on the distribution of preferences over products or attributes by integrating purchase probabilities over heterogeneous individuals and relating them to the aggregate market shares observed in the data. However, if not all products were available in every store, the observed market share would be a convolution of two different –albeit related– factors: consumer choice and the probability of finding the products available in the store. Failing to account for the varying degree of availability would produce incorrect demand parameter estimates and would lead to the wrong inferences about consumer preferences, competitive reactions, etc.

This paper develops a model that extends the current methodology to account for varying levels of observed availability, although the actual store/trip product assortments faced by the consumer are not observed by the researcher. The model parameters are estimated by simulating potential product assortment vectors by drawing multivariate Bernoulli vectors consistent with the observed aggregate level of availability. We show that our model is a generalization of the traditional random coefficients multinomial logit and similar estimation methodologies can be used. Furthermore, results from a Monte Carlo experiment show that using the proposed estimation method, utility parameters can be recovered in spite of changing levels of availability.

The model is applied to the UK chocolate confectionery market, focusing on the convenience store channel. We compare the parameter estimates and analyze the pricing and competitive implications.

December 13

Speaker: Luigi Mario de Luca, Bocconi University

"Market knowledge dimensions and cross-functional collaboration: Examining the different routes to product innovation performance"

Abstract: There is a consensus in the marketing literature that market knowledge and cross-functional collaboration are fundamental resources for successful product innovation. However, few studies have examined the dimensions or



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characteristics of market knowledge, and how and why these resources influence product innovation performance. Drawing on contingency theory and the knowledge-based view of the firm, the authors argue that knowledge integration mechanisms may account for the effects of market knowledge dimensions (i.e., breadth, depth, tacitness and specificity) and cross-functional collaboration on product innovation performance. They find that market knowledge specificity and cross-functional collaboration affect product innovation performance via knowledge integration mechanisms. In contrast, whereas the effect of market knowledge depth is partially mediated, market knowledge breadth has a direct, unmediated effect on product innovation performance. A test of an alternative moderating perspective showed that the effects of market knowledge depth and cross-functional collaboration on product innovation were negatively moderated by knowledge integration mechanisms. By showing the differential effects of market knowledge dimensions on product innovation performance, the authors provide a more refined understanding of the interplay between market knowledge, its integration and the firm's performance in product innovation. The authors also conclude that by neglecting the role of knowledge integration mechanisms, previous research may have provided an overly optimistic view of the value of cross-functional collaboration in product innovation.

December 13

Speaker: Stefano Puntoni, Rotterdam School of Management
"'Emotional' versus 'Emotioneel': Advertising Language and Emotional Appraisal"

Abstract: The article contributes to our understanding of language effects in advertising by uncovering a previously ignored

mechanism shaping consumer response to an increasingly globalized marketplace. Extending recent psycholinguistic research on the emotions of bilinguals, a series of experiments shows that bilingual consumers report greater perceived emotional intensity for stimuli (e.g. ads) presented in their native language than in their second language.

December 14

Speaker: Mauricio Mittelman, INSEAD
"Grouping options reduces preference for variety"

Abstract: Results from our experiments indicate that people who choose multiple items one by one seek more variety than people who choose multiple items that are grouped. For example, people are more likely to select two different candy bars if they choose from individual candy bars rather than from packages of two candy bars. We propose that people have an urge to switch away from what has just been chosen when making a series of choices.

This urge, however, cannot arise when choosing from among grouped options because grouping eliminates having to make several choices. Thus, the choosing of diversified sets of items does not necessarily reflect a preference for variety; rather, it may be the result of simply making several choices.

Research Seminars

Manel Baucells

On November 21, at ENSAM, Paris, presented the paper
"Predicting utility under satiation and habituation".

Abstract: We introduce a discounted utility model that accounts for both habituation and satiation in intertemporal choice. Habituation level and satiation level are state variables that induce changes in preferences as those states vary. We examine several properties of our model, discuss willingness to pay for an additional unit of consumption, and characterize the optimal consumption path. Predicted utility under projection bias and narrow bracketing is compared to actual realized utility. We argue that projection bias and narrow bracketing successfully explain the hedonic treadmill, and several other observed phenomena, in the research area of happiness and life satisfaction.

On December 5, at Mannheim University, Germany, presented the paper
"Information Weighting and the Formation of Valuations and Reference Points", co-authored with Martin Weber and Frank Welfens.

Abstract: In our model, the reference point will be a function of all prices over the time series, with the first and the last price receiving higher weights. Before applying cumulative prospect theory for

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eliciting descriptive weights, prices are sorted recent to past with normative weights equalling $1/N$. To justify our different experimental treatments, we may argue that while people naturally focus on the first and the last price, framing affects which of the two prices is more important. The model is fitted in the results section.

Pinar Ozcan

On November 9, at INSEAD, Fontainebleau, presented the paper "Start-ups in nascent markets: Building a strong alliance portfolio from a low-power position".

Abstract: (See page 9).

Rama Velamuri

On December 4, at the Indian School of Business, in Hyderabad, presented the paper "Ethical behaviors of entrepreneurs and stakeholder resource commitments to new ventures".

Abstract: We examine the role of the ethical values of founders in influencing the emergence of stakeholder networks in the nascent and early stages of their firms, and specifically seek to explain: 1) the diversity of stakeholder groups making resource commitments, and 2) the diversity of their motivations. We propose that this relationship is mediated by the salience for stakeholders of the firm's ethical values, and that this salience in turn is influenced by entrepreneur attributes, industry characteristics, and the broader socio-political and economic environment. We propose a theoretical model based on our findings.

Xavier Vives

On November 8, at New York University, in New York, presented the paper "Dynamic trading, asset prices and bubbles", co-authored with G. Cespa.

Abstract: We study asset pricing bubbles within a noisy, dynamic rational expectations equilibrium model with competitive traders. Say that a "bubble" exists if the asset price is on average farther away from the fundamentals than the average expectations of investors in the market. We find that a bubble does not arise with long-term traders, and with short-term traders. It only arises for sure if there is substantial residual uncertainty affecting the liquidation value of the asset.

On November 9, at the Federal Reserve Bank, New York, presented the paper "Banking and regulation in emerging markets: The role of external discipline".

Abstract: This paper reviews the main issues of regulating and supervising banks in emerging markets with a view toward evaluating the long-run options. Particular attention is paid to Latin America and East Asia. These economies face a severe policy commitment problem that leads to excessive bailouts and potential

devaluation of claims of foreign investors. This exacerbates moral hazard and makes a case for importing external discipline (for example, acquiring foreign short-term debt). However, external discipline may come at the cost of excessive liquidation of entrepreneurial projects. The article reviews the tradeoffs imposed by external discipline and examines various proposed arrangements, such as narrow banking, foreign banks and foreign regulation, and the potential role for an international agency or international lender of last resort.

Miscellaneous

Antonio Argandoña

On November 16, attended in Barcelona the 1st Jornada Clade "L'empresa del segle XXI. Un model basat en les persones", where he took part in the roundtable "La responsabilitat social a l'empresa".

On November 30, attended in Montbrió del Camp the 10th Jornada Tècnica sobre l'Habitatge, where he gave the lecture "Situació de l'economia espanyola. Especial menció del sector de la construcció".

Bruno Cassiman

On December 11, attended in Brussels the SING Conference on "The contribution of science to growth", where he gave the lecture "Industry science links from the perspective of industry".

Domènec Melé

On November 10, attended in Palermo the "Integral development of the firm" conference, where he gave the lecture "Integral development of the firm: A relational approach".

Víctor Pou

Has been appointed a member of the new International Committee of PIMEC (Catalan SME association), representing IESE, and of the Management Committee of Consell Català del Moviment Europeu. He has also been ratified as a member of the Management Board and Brussels Delegate of Societat Catalana de Economia, belonging to IEC (Institut d'Estudis Catalans).

Juan Roure

On November 5-7, attended in Valencia the 9th Congreso Nacional de la Empresa Familiar, where he took part in the roundtable on "Liderazgo, mujer y empresa".

On November 30, attended in Madrid the 18th Foro de Inversores Privados y Representantes de Family Offices, where he moderated the roundtable on "Desarrollo de Family Office".



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Rama Velamuri

On December 5-7, attended in Hyderabad the "Entrepreneurship in Emerging Regions" conference, organized by the Indian School of Business, where he was appointed guest editor of a special issue to be published by the *Journal of Business Venturing* based on the conference theme.

Xavier Vives

On November 20, attended in Barcelona the "Metròpolis Barcelona: El projecte comú" conference, organized by l'Associació Pla Estratègic Metropolità de Barcelona, where he took part in the roundtable on "L'atracció d'inversió estrangera: Factors clau perquè Barcelona i Catalunya puguin competir en el mercat internacional", presented by Jordi Gual.

On November 30-December 1, attended in Mannheim the Annual Conference of the Association for Competition Economics (ACE), where he took part in the panel on "Mergers in the energy sector".

Book reviews

José R. Pin

Reviewed the book "Homo Valens. Naturaleza, origen y gestión del valor de la empresa", by Javier Uritz, *Díaz de Santos*, 328 pages, *Capital Humano*, No 204, November 2006, pages 73-74.

Abstract: El autor introduce el concepto de valor en función de la percepción de quienes reciben algo de la empresa. Lo extiende a todos los *stakeholders* de la misma, desde los accionistas a la comunidad, pasando por los clientes, los empleados, los proveedores, etc. Además, da ejemplos de cómo ese valor se gestionó en varias empresas a través de entrevistas con sus CEO y un análisis empírico de 31 empresas. También expone un modelo para la gestión del valor y sus instrumentos, aclarando los conceptos mediante la aplicación a un caso práctico.

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

Accounting and Control

Determinants of Valuation Multiples: Companies in the Toy Industry in 2005

(C-741-E - 0.106.015)

The case presents information on four companies in the toy industry in 2005. The purpose is to illustrate the calculation, adjustment and interpretation of multiples (basically, PER and P/B) for purposes of valuation.

Palencia L.; 17 pages.

Analysis of Business Problems

Mas del Prat

(ASN-41-E - 0.306.060)

An old lady wants to sell a rural estate she owns. Being in poor health, she asks a close friend to handle the sale. There are a number of tenant farmers on the estate. The task is to choose from among the various alternatives the one that best meets the old lady's criteria.

(Also available in Spanish.)

Vázquez-Dodero J.C.; 8 pages.

Un método de resolución de problemas no operativos

(ASNN-9 - 0.306.047)

Esta nota recoge los principios de la metodología de resolución de problemas no operativos que estructura la discusión de casos en el módulo "Análisis de situaciones de negocio". Cubre la metodología de las fases de diagnóstico, identificación de criterios, alternativas, análisis, toma de decisión y plan de acción.

Fraguas R.; Palencia L.; Rosenberg M.; Velilla M.; Vázquez-Dodero J.C.; Weber E., 15 pages.

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Business Ethics and Theology

Manville Corp., World Leader in the Asbestos Industry (A)

(BE-159-E - 0.305.076)

Despite being the world leader in the asbestos industry, with a continuing high level of economic results, Manville Corp. is on the verge of bankruptcy. The reason is an accumulation of awards for damages to employees and users of its products due to inhalation of asbestos fibers, and a large number of pending lawsuits that could result in further unfavorable sentences. Furthermore, there are regulations requiring enormous financial provisions to cover possible compensation. The case explains in detail how the company came to be in this situation and offers scope to analyze a number of ethically questionable actions and a range of company responsibilities. The case also discusses how to deal with the crisis and considers possible future actions.

(Also available in Spanish.)

Melé D.; 15 pages.

Manville Corp., World Leader in the Asbestos Industry (B)

(BE-160-E - 0.306.011)

Manville Corp. went into Chapter 11 bankruptcy. Its directors thought this would allow them to postpone the payment of compensation and give them breathing space to put the company back on its feet. The case outlines some of the basic decisions in the company's reflation process, as well as a number of controversial actions, such as giving the outgoing president a golden handshake of more than a million dollars. It also includes declarations from the new president relating to his predecessor's behavior, which can lead to a discussion about whether people's behavior depends exclusively on the values of the society in which they live or whether there is such a thing as universal personal responsibility.

(Also available in Spanish.)

Melé D.; 2 pages.

Manville in Japan: The Warning Labels Controversy (A)

(BE-161-E -0.306.012)

During its reflation process, Manville faces the dilemma of whether to warn its clients and users about the potentially carcinogenic properties of one of its most important products, fiberglass. It is not certain that the product is carcinogenic, nor are the company's legal obligations very clear in the context of U.S. legal regulations. Nevertheless, because of its bitter previous experience, and in contrast to its competitors, the company decides to place very clear labels on its products, warning that they

might be carcinogenic. In Japan, where there is no legal requirement, this label causes social alarm, and leads to a significant decline in Manville's sales. Even the civil servants are surprised that the company goes beyond its legal requirements. The company must then decide how to deal with the situation. (Also available in Spanish.)

Melé D.; 4 pages.

Manville in Japan: The Warning Labels Controversy (B)

(BE-162-E - 0.306.013)

This case explains the decisions taken and the reasoning behind them. It also describes a number of actions taken in the light of the controversy, as well as subsequent developments up to the beginning of the 21st Century.

(Also available in Spanish.)

Melé D.; 3 pages.

Entrepreneurship

Nordic Technologies AB

(E-100-E - 0.606.051)

The case describes the terms of an offer to provide second-round financing for an early-stage technology company in Sweden.

Johnson R.; 14 pages.

Financial Management

Teresa Carpi

(F-799 - 0.206.020)

El caso señala las distintas áreas de tesorería de una entidad bancaria:

- *Market Making*.
- Posiciones direccionales.
- Distribución.

Ante una situación concreta, dos analistas con dos posiciones en instrumentos financieros distintos, deuda pública estadounidense (*Treasury*) y una inversión en divisas (dólares contra euros), tienen que tomar una decisión de cerrar su operación o mantenerla. Se estudian los argumentos y resultados de ambas decisiones, enmarcados en la política del área de tesorería de una entidad bancaria.

Soley J.; 5 pages.



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Banco Asturiano (F-800 - 0.206.021)

El caso lleva a cabo una evaluación de la estrategia de distribución y *pricing* de canales de comercialización bancarios en un producto como es la operativa bursátil. Se comparan los pros y contras de la distribución a través de oficinas y *on-line*, y el efecto del *pricing* en el incremento del volumen de negocio.

Soley J.; 10 pages.

Enerfruit (F-801-E - 0.206.023)

The case gives a detailed account of a management buy-out, from start to final approval, covering the following stages:

- Business plan preparation.
- Prospectus drafting.
- Translation of business plan into a financial model.
- Business valuation (multiples used).
- Finance design and structure.
- Bid preparation.

The emphasis is on the "qualitative reasons" for carrying out an MBO and the role played by the company's management, the investment bank and the private equity funds that engage in this kind of transaction.

Liechtenstein H.; Soley J.; 10 pages.

Explaining the Sansibar Konstruktion Valuation (F-802-E - 0.206.025)

This is an introductory case to describe the different valuation methods used in investment banking.

Mitchell J.; Liechtenstein H.; Soley J.; 20 pages.

Factoring and Invoice Discounting (FN-541-E - 0.206.015)

This note analyses factoring as a formula that goes beyond the financing and sale of receivables portfolios. Factoring includes a range of services (including acceptance of the credit risk by the factor), which are studied in detail. The note also considers the impact of IFRS/IAS on factoring; the development of electronic bills as a "raw material" for factoring; and new formulas that have developed out of factoring, such as invoice discounting.
(Also available in Spanish.)

Soley J.; 15 pages.

How are Mutual Funds Managed? (FN-543-E - 0.206.022)

The note reviews the corporate governance provisions currently in force at a global level: the OECD principles, the IOSCO (International Organisation of Securities Commission) principles, the EU's Financial Services Action Plan, and the Sarbanes-Oxley Act in the U.S. Special attention is given to the Basel Committee's recommendations on corporate governance in banking. The impact of these rules on banks is described. The note also considers the internal codes of conduct that banks have instituted to regulate their activity in the capital markets.
(Also available in Spanish.)

Liechtenstein H.; Soley J.; 11 pages.

Corporate Governance in Banking (FN-544-E - 0.206.024)

The note describes how mutual funds invest and how they are managed. It considers the three types of analysis used by both fixed income and equity funds: top-down, bottom-up and quantitative. Special attention is given to the key points in any investment decision: asset allocation, optimal diversification, optimal number of assets, and weight and risk of each asset in the fund.

Liechtenstein H.; Soley J.; 9 pages.

The Essential Investment Banking Glossary (FN-545-E - 0.206.026)

Whether you are preparing for a first-round interview with an investment bank or a finance course in investment banking, or simply are hoping to gain a better understanding of the financial industry as a whole, it is essential to be well-versed in the specialized jargon. This glossary focuses on the terminology frequently used in the field of investment banking, as well as most financial institutions. If you are able to identify and master the vocabulary, you will have a significant advantage in understanding the accompanying concepts and cases in the investment banking field.

Liechtenstein H.; Soley J.; 16 pages.

General Management

Sony in 2006 (DG-1495-E - 0.306.049)

This case traces Sony's 60-year history from its humble beginnings in a burned-out department store to a worldwide electronics and

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entertainment giant. The case allows to contrast how management used different levers and put in place selected drivers to make Sony a preeminent innovative company in the 20th century. Also, it opens a discussion around the extent to which this is sustainable given the situation the company is facing in 2005, with a newly appointed, first ever non-Japanese chief executive.
(Also available in Spanish.)

Mitchell J.; Vilà J.; 30 pages.

Managerial Decision Sciences

Neuroeconomics

(ADN-268-E - 0.106.016)

This note presents the new discipline of neuroeconomics. It gives an overview of the human brain and reports on scientific findings that relate neuroscience and economics.

Panina O.; Heukamp F.H.; 25 pages.

Managing People in Organizations

The Hollinger Media Group. Lord Black: Fall of a Media Tycoon
(DPO-60-E - 0.405.032)

The story of how Conrad Black, son of a Canadian businessman, built a media empire, starting at the age of 22 when he bought his first newspaper in rural Quebec, is the stuff of legend. By 1996, Black's Hollinger Inc. owned more than 400 titles around the globe and was the world's third largest newspaper publisher. In 1999, the Times of London ranked Black the 55th most powerful man in Britain, ahead of cabinet ministers. Two years later, with the support of former prime minister Margaret Thatcher, he became a member of the House of Lords. By 2004 this empire came crashing down, as Black was accused and found guilty of serious financial misconduct. This case takes the perspective of a board member and challenges participants to understand Black and provide suitable guidelines for controlling him.

Daniels A.; Miller P.; 13 pages.

The Hollinger Media Group. Lord Black: Fall of a Media Tycoon - Teaching Note
(DPOT-16-E - 5.405.034)

Case DPO-60-E.

Use is restricted to Academic Institutions.

Miller P.; Daniels A.; 4 pages.

Michael Eisner at Disney

(DPO-61-E - 0.405.035)

This case deals with a proven successful leader in entertainment (Michael Eisner) in a time of leadership crisis. At the time of this case, Eisner is managing an internal and external revolt. Students must unearth the key points of Eisner's leadership, including how he manages people, his communication ability, his propensity to risk taking and his track record in developing other leaders. In looking at Eisner's leadership, students will have to decide whether or not he has been successful during his leadership reign. Furthermore, they can recommend a course of action that Eisner could take to quell the revolt against him and save his leadership position.

Mitchell J.; Miller P.; 14 pages.

Michael Eisner at Disney - Teaching Note

(DPOT-17-E - 5.405.036)

Case DPO-61-E.

Use is restricted to Academic Institutions.

Mitchell J.; Miller P.; 9 pages.

Conflict Management

(DPON-53-E - 0.406.039)

This technical note is intended to assist the development of conflict management skills. We all know that conflict is a fact of life and is not always undesirable. On the contrary, it can be positive and stimulating, provided it is kept within limits. There are two dimensions to conflict: emotional and rational. Problems tend to arise when the emotional side gets the upper hand. Every conflict is dynamic and goes through phases. There are ways to avoid rational and emotional disagreement, and there are ways to restore emotional harmony once it has been disturbed. In this technical note we discuss the dimensions and dynamics of conflict and address the quest for agreement from a similarly dynamic point of view. We analyze the causes of conflict with a view to preventing unnecessary conflict where possible. We discuss how to deal with rational conflict constructively and suggest ways in which even emotional conflict can be resolved to mutual benefit.
(Also available in Spanish.)

Wilkinson H.; Cardona P.; 12 pages.



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Occasional Papers

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

OP-07/7 - November 2006

Antonio Argandoña

LA IDENTIDAD CRISTIANA DEL DIRECTIVO DE EMPRESA

Abstract: La identidad cristiana del directivo de empresa se concreta a partir de su identidad primero como persona, luego como trabajador y, finalmente, como directivo de empresa, siempre dentro del marco de la sociedad en que actúa. En este trabajo se pasa revista a esas diversas etapas que definen la identidad cristiana del directivo, con especial énfasis en la función del directivo como conductor de hombres para la acción, para cambiar la realidad, obteniendo resultados con eficiencia, y se pone énfasis en lo que ser cristiano añade o concreta en esa identidad. Finalmente, se muestra que la condición cristiana del directivo no sólo no es incompatible con lo que proponen la economía y las ciencias que estudian la empresa, sino que, de alguna manera, conduce a la perfecta realización de su función en la empresa y en la sociedad.

OP-07/8 - November 2006

Carlos García Pont

THE CHANGING ROLE OF MIDDLE MANAGERS IN MULTINATIONAL ORGANIZATIONS: A CASE STUDY FROM THE AUTOMOTIVE INDUSTRY

Abstract: This paper discusses the role of middle managers in multinational corporations that are adopting new organizational forms as a response to competitive challenges. Results from a case study are provided to illustrate the thesis. The conclusions highlight the importance of middle managers (i.e., managers who do not hold senior management positions) in the management of subsidiaries, and the value of these managers' networks of contacts.

OP-07/9 - November 2006

Antonio Argandoña

MILTON FRIEDMAN (1912-2006)

Abstract: Milton Friedman es, sin duda, uno de los economistas más brillantes e influyentes del siglo XX. Su reciente fallecimiento ofrece la oportunidad de comentar su figura y sus aportaciones a la ciencia económica, a la política económica y al pensamiento liberal. Se explican los fundamentos metodológicos, sus aportaciones a la teoría monetaria, sus puntos de vista sobre las políticas estabilizadoras y su peculiar manera de enfocar la política monetaria, con especial énfasis en su defensa de la libertad frente a las limitaciones de la competencia y frente al papel dominante del Estado.

OP-07/10 - December 2006

Pablo Cardona

TEAM WORK

Abstract: One might assume that whenever a group of people works in pursuit of a common goal, we have team work. It is rather more complicated than that, however. Bringing a group of people together to pursue a common purpose does not always produce the kind of results to be expected from team work. That is why the challenge today is how to make team work effective, that is, how to ensure that people really do work as a team. To work as a team is to work together in an organized manner to achieve a common goal. This requires understanding the interdependencies among team members and using them effectively in order to achieve the common goal (mission). Each team member has his own personality and brings to the task particular skills, knowledge and experience, which are different from those of other team members. That is to say, each team member has a certain aptitude and position. All these aptitudes and positions must be manifested and brought into play, so that they interact with one another in a coordinated way in pursuit of the goal. All are necessary for team work to be effective.

(Also available in Spanish.)

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