

No 136

March - April 2007

In this issue

Page

- 1 Journals
- 2 Books
- 2 Contributions to books
- 3 Working Papers
- 5 Studies and Monographs
- 6 Other publications
- 7 Conferences and seminars
- 10 Doctoral theses
- 11 Research Seminars
- 13 Miscellaneous
- 13 Book reviews
- 14 Teaching materials
- 17 Occasional Papers

Journals

Manel Baucells - Rakesh K. Sarin
 "Satiation in discounted utility", *Operations Research*, Vol. 55, No 1, January-February 2007, pages 170-181.

Abstract: In this paper, we propose a model of intertemporal choice that explicitly incorporates satiation due to previous consumption in the evaluation of the utility of current consumption. In the Discounted Utility model, the utility of consumption is evaluated afresh in each time period. In our model, the utility of current consumption represents an incremental utility from the past level. When the time interval between consumption periods is large, and there are, therefore, no carryover effects, our model coincides with the Discounted Utility model. For short time intervals between consumption periods, the satiation due to previous consumption lowers the utility of current consumption. Several implications of our model are examined and comparisons with the discounted utility model and the reference-point model are made.

Javier Estrada
 "Discount rates in emerging markets: Four models and an application", *Journal of Applied Corporate Finance*, Vol. 19, No 2, Spring 2007, pages 30-35.

Abstract: Over forty years of discussion have not settled the issue about the best way to estimate required returns on equity in developed markets. In emerging markets the debate has a much shorter history, and unlike in developed markets, where the CAPM is a widely-accepted model, there is no standard, widely-accepted, and widely-used model to estimate discount rates for project evaluation and firm valuation. This article considers four models and discusses a case study with the aim of shedding some light on this controversial and essential issue.

Pablo Fernández

"A general formula for the WACC: A comment", *International Journal of Business*, Vol. 12, No 3, April 2007.

Abstract: This note builds on the paper of Farber, Gillet and Szafarz (2006). The WACC is a discount rate widely used in corporate finance. However, the correct calculation of the WACC rests on a correct valuation of the tax shields. The value of tax shields depends on the debt policy of the company. Many authors [(e.g. Inselbag and Kaufold (1997), Booth (2002), Cooper and Nyborg (2006), Farber, Gillet and Szafarz (2006)] consider that debt policy may only be framed in terms of maintaining a fixed market value debt ratio (Miles-Ezzell assumption) or a fixed dollar amount of debt (Modigliani-Miller assumption).

Pankaj Ghemawat - Bruno Cassiman
 "Introduction to the Special Issue on strategic dynamics", *Management Science*, Vol. 53, No 4, April 2007, pages 529-536.

Abstract: This introductory essay connects the various contributions included in the special issue on strategic dynamics and contrasts them with the static analyses that predominate in the strategy field. In addition to highlighting a variety of methodological approaches, the contributions shed substantive light on strategic dynamics at the value system and industry and firm levels. Taken together, they also suggest some broad directions for further work aimed at making dynamics a more important part of the future of the field of strategy.

Domènec Melé

"Ethics in management: Exploring the contribution of Mary Parker Follett", *International Journal of Public Administration*, Vol. 30, No 4, April 2007, pages 405-421.

Abstract: Mary Parker Follett never wrote on ethics in management nor on business ethics,



Newsletter

March - April 2007 - No 136

both of which are now familiar. However, some implicit and even explicit references to these topics can be found in her thought. What is more, underlying her whole approach to business and management are concepts that have a lot to do with ethics. Follett holds that the manager has to accept standards which come from professional managerial associations. Additionally, Follett is aware of the contribution of business management to individual development and to the welfare and culture of society. She also presents a seminal approach to stakeholder theory. Her concept of ethics is related to her dynamic vision of the individual and society. It overcomes subjectivism and the narrow view of an individualistic ethics, but it is not an ethics rooted in ethical principles or in human virtues.

Julián Villanueva - Dominique M. Hanssens

"Customer equity: Measurement, management and research opportunities", *Foundations and Trends® in Marketing*, Vol. 1, No 1, April 2007, pages 1-95.

Abstract: Despite the recent academic interest in the study of customer equity (CE), a comprehensive discussion of the prevailing research issues has not been provided. There is a shift in the interest of managers and researchers from a traditional focus on product management to a more recent focus on customer relationship management (CRM). We believe that research on CE could provide the necessary tools to link CRM to long-term financial performance. In this paper, we (a) discuss the academic and strategic importance of CE, (b) provide an extensive literature review, and (c) prioritize future research. We argue that there are two major agendas for future research in CE. The first is to provide better measures (e.g. the measurement of customer lifetime value), and the second is to identify the strategies that lead to CE maximization. We emphasize modeling approaches that have been or could be used to tackle the suggested research questions. A special focus is given to statistical models that are capable of incorporating long-run dynamics.

Books

Santiago Alvarez de Mon

"No soy Superman", *Prentice Hall*, April 2007, 168 pages.

Abstract: En el cine, Superman equivale a desahogo, esparcimiento, descanso, un rato agradable en compañía de los más pequeños de la casa. En la realidad, Superman es un personaje ficticio y amañado, un impostor que se presenta y postula como el megacrack del *management*, el modelo a imitar.

Frente al profesional estrella, engolado, agresivo y efectista, el autor expone en estas páginas la alternativa de un trabajador competente, discreto, limitado y normal.

Frente al directivo petulante, fatuo, poderoso e indolente, este libro presenta y brinda la oportunidad de conocer y llegar a querer

a una persona fidedigna, cierta, sobria, controvertida, imperfecta, frágil, humilde e inteligente que se ratifica confundido y agobiado.

Cosimo Chiesa

"Vender es mucho más", *Ediciones Urano*, January 2007, 152 pages.

Abstract: Vender es una actividad maravillosa que se valora cada día más en todos los ámbitos. Pese a ello, existe mucha improvisación y poco profesionalismo. El presente y el futuro de las ventas están en manos del vendedor-consultor. El vendedor moderno debe ir más allá para alcanzar el éxito, identificando las necesidades de los clientes para lograr la satisfacción y aportarle más de lo que espera recibir. El autor ofrece cuarenta claves imprescindibles para quien decida adaptarse al nuevo modelo.

Nuria Chinchilla - Maruja Moragas

"Dueños de nuestro destino", *Ariel*, April 2007, 309 pages.

Abstract: ¿Es posible conciliar la vida profesional, familiar y personal? Esta es, sin duda, una pregunta que está en boca de todos y que cada vez se va a formular con más insistencia, ya que es uno de los problemas peor resueltos en nuestra sociedad.

Este libro, escrito por dos reputadas especialistas, da respuestas para afrontar esta compleja situación. Y lo hace basándose en los conocimientos de las autoras sobre esta problemática en España y también en las soluciones que se han buscado o se están aplicando en países de nuestro entorno geográfico o social.

Para conseguir que la conciliación trabajo-familia sea de verdad posible, es necesaria la implicación de nuestros gobernantes y legisladores, la flexibilidad y buenas prácticas de empresarios y el esfuerzo de las familias. Pero también, y antes que nada, nuestra propia voluntad de mejorar la realidad en que vivimos y de convertirnos en dueños de nuestro destino, logrando un equilibrio armónico entre lo que aportamos y lo que recibimos de la sociedad.

Contributions to books

Antonio Argandoña

"La teoria degli stakeholder e il bene comune", edited by R. Edward Freeman, Gianfranco Rusconi and Michele Dorigatti, in the book "Teoria degli stakeholder", *Franco Angeli*, March 2007, pages 270-281.

Abstract: The theory of the social responsibility of the firm oscillates between two extremes: one that reduces the firm's responsibility to the obtainment of (the greatest possible) profit for its shareholders, and another that extends the firm's responsibility to include a wide range of actors with an interest or "stake" in the firm. The stakeholder theory of the social responsibility of business is more appealing from an ethical point of view, and yet it lacks a

Newsletter

March - April 2007 - No 136



solid foundation that would be acceptable to a variety of schools of thought.

In this chapter the author argues that the stakeholder theory could be founded on the concept of the common good. First, he explains the foundations of the theory of the common good, the concept itself, how it relates to the individual good, and its role in the firm. Following that, he explains how the theory of the common good could be applied to the stakeholder theory. Finally, he draws some conclusions.

Nuria Chinchilla

"Prólogo" in the book "Mi familia... mi mejor empresa", edited by Mariangeles Noguera, *EIUNSA*, 2007, pages 15-16.

Abstract: La autora señala como principal causa de estrés el no considerar la familia como una empresa que hay que organizar, en la que hay que delegar y trabajar con disciplina para poder de esta manera sacar el tiempo necesario para juntos, en familia, pasarlo bien.

Domènec Melé

"La empresa como comunidad de personas y otras visiones de la empresa", in the book "La filosofía personalista de Karol Wojtyła", edited by J. M. Burgos, *Ediciones Palabra*, April 2007, pages 315-328.

Abstract: En diversas y significadas ocasiones, Juan Pablo II puso de relieve la necesidad de considerar la empresa como comunidad de personas, añadiendo algunas consecuencias morales de tal planteamiento. En este trabajo se presentan algunos de estos textos y se amplían con la concepción de comunidad en el pensamiento filosófico de Karol Wojtyła. Se revisan también algunas visiones de la empresa actualmente más relevantes en la teoría y en la práctica empresarial y se ponen en diálogo con el planteamiento de la empresa como comunidad de personas. Se concluye que este último enfoque tiene un mayor significado ético y, además, es más realista que otros modelos de empresa que no pueden explicar de modo fehaciente ciertos fenómenos empresariales a los que recientemente se les está prestando una creciente atención.

IESE - Working Papers

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No 678 - March 2007

Pablo Fernández - José M. Carabias

CREACION DE VALOR PARA LOS ACCIONISTAS DE BANKINTER (1991-2006).

Abstract: En este documento se cuantifica la creación de valor para los accionistas de Bankinter entre diciembre de 1991 y diciembre de 2006. En ese período, el aumento de la capitalización de Bankinter fue de 3.866 millones de euros; el aumento del valor para los accionistas fue de 5.205 millones de euros, y la creación del valor para los accionistas fue de 3.876 millones de euros (expresado en euros de 2006).

La rentabilidad media anual para los accionistas de Bankinter fue del 18,1%, sensiblemente superior a la del IBEX 35 (15,4%): cada euro invertido en acciones de Bankinter en diciembre de 1991 se convirtió en 12,17 euros en diciembre de 2006, mientras que 1 euro invertido en el IBEX 35 se convirtió en 8,52 euros. La inflación media fue del 3,3%. La rentabilidad para los accionistas de Bankinter fue positiva en diez de los quince años analizados.

La capitalización de Bankinter durante estos años osciló entre el 0,83% y el 1,6% de la capitalización del IBEX 35. En diciembre de 1991, Bankinter fue la 18ª empresa por capitalización del IBEX, mientras que en enero de 2007 fue la 24ª empresa.

Bankinter fue el segundo banco más rentable para sus accionistas (entre los 23 bancos internacionales analizados) en el período 2003-2006.

No 679 - March 2007

Pablo Fernández - José M. Carabias

CREACION DE VALOR PARA LOS ACCIONISTAS DE LAS ELECTRICAS ESPAÑOLAS (1991-2006).

Abstract: En este documento se cuantifica la creación de valor para los accionistas de Endesa (ELE), de Iberdrola (IBE) y Unión Fenosa (UNF) entre diciembre de 1991 y diciembre de 2006. En ese período, el aumento de la capitalización (en millardos de euros) fue: ELE, 33,4; IBE, 26,3, y UNF, 10,5. La creación de valor para los accionistas fue: ELE, 29,9; IBE, 23,9, y UNF, 9,6.

La rentabilidad ponderada de los accionistas en estos quince años fue: ELE, 19,1%; IBE, 19,5%, y UNF, 21,6%. Las rentabilidades simples a lo largo de estos quince años; (ELE, 18,5%; IBE, 19,1%, y UNF, 21,6%) fueron sensiblemente superiores a la del IBEX 35 (15,4%). La inflación media fue del 3,3%, y los tipos de interés de los bonos a 10 años cayeron desde el 11,3% al 4%. La rentabilidad media debida a este descenso de los tipos se estima en un 5,2%.

No 680 - March 2007

Pablo Fernández - José M. Carabias

CREACION DE VALOR PARA LOS ACCIONISTAS DE BANCOS ESPAÑOLES (1991-2006).

Abstract: En este documento se cuantifica la creación de valor para los accionistas de Santander (SAN), BBVA, Banco Popular (POP) y Bankinter (BKT) entre diciembre de 1991 y diciembre de 2006. En ese período, el aumento de la capitalización (en millardos de euros) fue: SAN, 85,7; BBVA, 61; POP, 14,9, y BKT, 3,9. La creación de valor para los accionistas fue: SAN, 20,7; BBVA, 25,4; POP, 13,4, y BKT, 3,9.



Newsletter

March - April 2007 - No 136

La rentabilidad ponderada de los accionistas en estos quince años fue: SAN, 14%; BBVA, 17%; POP, 20,7%, y BKT, 19,5%. Las rentabilidades simples a lo largo de estos quince años: (SAN, 18,7%; BBVA, 20,1%; POP, 19,3%, y BKT, 18,1%) fueron sensiblemente superiores a la del IBEX 35 (15,4%). La inflación media fue, 3,3%, y los tipos de interés de los bonos a 10 años cayeron desde el 11,3% al 4%. La rentabilidad media debida a este descenso de los tipos se estima en un 5,2%.

No 681 - March 2007

Pablo Fernández

120 ERRORES EN VALORACIONES DE EMPRESAS

Abstract: Este documento contiene 120 errores cometidos en distintas valoraciones de empresas. La mayor parte proceden de valoraciones a las que el autor ha tenido acceso al colaborar en arbitrajes, en procesos judiciales y en compras y ventas de empresas. Casi todos los nombres de personas, empresas y ciudades se han modificado.

El siguiente refrán aclara la intención con la que el autor elaboró este trabajo: "Cuando veas a un sabio echar un borrón, cuida tú de no echar dos".

Los errores se clasifican en siete categorías: 1) Errores acerca de la tasa de descuento y del riesgo de la empresa. 2) Errores al calcular o prever los flujos esperados. 3) Errores al calcular el valor terminal. 4) Inconsistencias y errores conceptuales. 5) Errores al interpretar la valoración. 6) Errores al interpretar la contabilidad. 7) Errores de organización. Los anexos contienen valoraciones con varios errores.

No 682 - March 2007

Alexander P. Groh - Rainer Baule - Oliver Gottschalg

MEASURING IDIOSYNCRATIC RISKS OF LEVERAGED BUYOUT TRANSACTIONS

Abstract: We use a CCA model to calculate implied idiosyncratic risks of LBO transactions. A decisive model feature is the consideration of amortization. From the model, the asset value volatility and the equity value volatility can be derived via a numerical procedure. For a sample of 40 LBO transactions we determine the necessary model parameters and calculate the transactions' implied idiosyncratic risks. We discuss the expected model sensitivities and verify them by variation of the input parameters. With the knowledge of the returns to the equity investors of the LBOs we are able to calculate Sharpe ratios on individual transaction levels for the first time, thereby fully incorporating the superimposed leverage risks.

No 683 - March 2007

Manel Baucells - Rakesh K. Sarin

DOES MORE MONEY BUY YOU MORE HAPPINESS?

Abstract: Why do we believe that more money will buy us more happiness (when in fact it does not)? In this paper, we propose a

model to explain this puzzle. The model incorporates both adaptation and social comparison. A rational person who fully accounts for the dynamics of these factors would indeed buy more happiness with money. We argue that projection bias, that is, the tendency to project into the future our current reference levels, precludes subjects from correctly calculating the utility obtained from consumption. Projection bias has two effects. First, it makes people overrate the happiness that they will obtain from money. Second, it makes people misallocate the consumption budget by consuming too much at the beginning of the planning horizon, or consuming too much of adaptive goods.

(Also available in Spanish.)

No 684 - March 2007

Manel Baucells - Rakesh K. Sarin

PREDICTING UTILITY UNDER SATIATION AND HABITUATION

Abstract: We introduce a modification of the 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 in the research area of happiness and life satisfaction.

(Also available in Spanish.)

No 685 - March 2007

Pablo Fernández - José M. Carabias

EL PELIGRO DE UTILIZAR BETAS CALCULADAS

Abstract: En este artículo se muestra que es un grave error utilizar las betas calculadas con datos históricos para establecer la rentabilidad exigida a las acciones o para medir la gestión de una cartera de valores. Por siete razones: porque cambian mucho de un día para otro; porque dependen de qué índice bursátil se tome como referencia, porque dependen mucho de qué período histórico (cinco años, tres años...) y de qué rentabilidades (mensuales, anuales...) se utilicen para su cálculo; porque con mucha frecuencia no sabemos si la beta de una empresa es superior o inferior a la beta de otra empresa; porque tienen muy poca relación con la rentabilidad posterior de las acciones, y porque la correlación (y la R2) de las regresiones que se utilizan para su cálculo son muy pequeñas.

Debido a estas siete razones, podemos afirmar que o bien la beta calculada con datos históricos no es una buena aproximación al riesgo de la empresa, o bien el CAPM no funciona (hay más factores que afectan a su rentabilidad exigida, además de la covarianza de la rentabilidad de una empresa con la rentabilidad del mercado, la tasa sin riesgo y la prima de riesgo del mercado), o bien, ambas cosas a la vez.

Newsletter

March - April 2007 - No 136



No 686 - March 2007

Pablo Fernández

VALORACION DE MARCAS E INTANGIBLES

Abstract: En los últimos años han proliferado consultoras, libros y documentos de investigación proponiendo distintos y, a veces, sorprendentes métodos para determinar el valor de las marcas. El primer y mayor problema con el que nos encontramos al valorar una marca es el definir qué es la marca y el acotar qué margen, qué volumen de ventas, qué gastos y qué inversiones son atribuibles a la marca.

Se revisan varias valoraciones de marcas y se concluye que son muy poco fiables (muchísimo menos que las valoraciones de empresas), debido a la dificultad de definir qué flujos se deben a la marca y cuáles no. Sin embargo, sí es útil la identificación, la evaluación y la jerarquización de los *brand value drivers*, que constituyen una herramienta gerencial para crear valor y permiten lograr marcas fuertes y con estabilidad en el tiempo.

Algunas veces se valoran las marcas para transferirlas a una sociedad instrumental situada en un Estado con menor tasa impositiva. Obviamente, en estos casos el interés de la empresa es argumentar el mayor valor posible de la marca para ahorrar más impuestos.

No 687 - March 2007

Jordi Gual - Nuria Mas

INDUSTRY CHARACTERISTICS AND ANTI-COMPETITIVE BEHAVIOR: EVIDENCE FROM THE EU

Abstract: In the EU, competition policy is based on three main pillars: antitrust, merger control and monitoring state aid. Our analysis focuses on antitrust policy. In this context, the Commission is concerned about restrictive agreements and practices that imply an abuse of market power.

The objective of this paper is to analyze what are the main criteria used by the Commission when deciding on anti-competitive practices. In particular, our goal is to determine whether and to what extent the Commission takes into account economic analysis when deciding whether anti-competitive behavior has taken place. There is a very extensive industrial organization literature which provides the theoretical and empirical background that associates industry features with the likelihood of practices that restrict competition. However, the literature evaluating the competition authority's decisions is much scarcer and has focused mainly on the analysis of merger policy. Our paper contributes to fill this gap in the literature. We examine almost 2,000 cases submitted to the Commission for consideration from January 1999 to February 2004 with the aim of determining which industry characteristics led the Commission to decide against an investigated firm on antitrust grounds.

No 688 - April 2007

Bruno Cassiman - Elena Golovko

INNOVATION AND THE EXPORT-PRODUCTIVITY LINK

Abstract: In this paper, we explore the relationship between innovation activity, productivity, and exports, using a panel of Spanish manufacturing firms for 1990-1998. Our results –based on non-parametric tests– suggest that firm innovation status is critical in explaining the positive export-productivity association documented in prior research. For the sample of small innovating firms, we find no significant differences in productivity levels between exporters and non-exporters. Especially product innovation seems to explain this positive association between exports and productivity. For small non-innovating firms with the low and medium productivity levels, however, exporting firms continue to exhibit higher productivity than non-exporting firms.

No 689 - April 2007

José Manuel Campa - Ignacio Hernando

THE REACTION BY INDUSTRY INSIDERS TO M&As IN THE EUROPEAN FINANCIAL INDUSTRY

Abstract: This paper looks at the reaction by industry insiders, industry analysts and competing firms to the announcement of M&As that took place in the European Union financial industry in the period 1998-2006. Analysts covering firms involved in an M&A transaction do not significantly alter their recommendation. This is consistent with the hypothesis that the transaction on average is “fairly priced” and that stock market prices reflect all relevant information on the assets. We also find that the correlation between excess returns for merging and competing firms is positive and, in some cases, significantly higher for domestic mergers than for international deals. This is consistent with the idea that domestic deals are more likely to have a negative impact on industry competition.

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http://wwwapp.iese.edu/research/res_search_adv.asp?lang=en

No 43 - March 2007

Francesc Prior - Javier Santomá

MODELO DE DISTRIBUCION DE SERVICIOS MICROFINANCIEROS PARA LOS SEGMENTOS DE BAJOS INGRESOS EN LOS PAISES EN DESARROLLO

Abstract: Este documento analiza cómo resolver el problema de la falta de acceso a los servicios financieros que padece la amplia mayoría de la población de los países en desarrollo. La solución propuesta toma como hipótesis que la falta de acceso a los servicios financieros se explica principalmente por un problema de oferta. Los modelos de negocio usados por las entidades financieras que operan en los países en desarrollo son inadecuados e ineficientes, al no permitir servir rentablemente a los segmentos



Newsletter

March - April 2007 - No 136

de bajos ingresos. Este problema de oferta, para resolverse necesita del desarrollo de modelos de negocio de distribución de servicios microfinancieros a bajo coste adaptados para servir rentablemente a segmentos de población de bajos ingresos.

El modelo de distribución de servicios microfinancieros propuesto en este trabajo pretende resolver el problema de oferta que explica las bajas ratios de bancarización que sufren los países en desarrollo. Las soluciones propuestas afrontan los altos precios, baja densidad de redes de distribución e inadecuadas metodologías de análisis de riesgos utilizadas por las entidades bancarias que actualmente operan en los países en desarrollo. Las soluciones técnicas propuestas se complementan con la optimización del impacto de las remesas y la obtención de sinergias y economías de escala mediante políticas públicas que promuevan alianzas entre las entidades que prestan servicios microfinancieros. Estos cinco elementos componen un modelo de distribución de servicios microfinancieros capaz de servir rentablemente a una gran parte de las personas que no tienen acceso al sistema financiero formal de los países en desarrollo.

Other publications

Antonio Argandoña

"Responsabilitat social i creació de valor per a l'accionista: Objectius contraposats o complementaris?", *Revista Econòmica de Catalunya*, No 55, April 2007, pages 103-109.

Abstract: En los últimos años, y coincidiendo con el desarrollo de la teoría y la práctica de la responsabilidad social corporativa (RSC), está teniendo lugar un amplio debate acerca de la compatibilidad de dicha responsabilidad con el objetivo de la empresa, que la ciencia económica ha identificado, tradicionalmente, con la maximización del valor para el propietario. Este artículo trata de explicar que la RSC es compatible con la función social de la empresa, como institución económica, es decir, relacionada con la optimización del uso eficiente de los recursos en la sociedad. Pero esto implica entender adecuadamente cuál es esa función social y, por tanto, cuál es el objetivo de la empresa, y qué sentido tiene la maximización del valor para el accionista. Y, desde luego, entender también qué es –y qué no es– la responsabilidad social de la empresa.

Africa Ariño

"Las alianzas estratégicas: Una opción para potenciar el crecimiento de la empresa (II), *Estrategia Financiera*, No 237, March 2007, pages 20-36.

Abstract: El artículo presenta las alianzas estratégicas como una opción con la que cuentan las empresas familiares para potenciar su crecimiento. Se consideran las ventajas e inconvenientes de las alianzas, así como los aspectos más importantes a considerar a lo largo del ciclo de vida de una alianza hasta su finalización. Junto a

consideraciones generales aplicables a alianzas de cualquier tipo de empresa, se plantean aspectos específicos a considerar por parte de las empresas familiares.

Pablo Fernández – José M^a Carabias

"Rentabilidad y creación de valor del IBEX 35: 1992-2006", *Bolsa de Madrid*, No 161, February 2007, pages 40-43.

Abstract: El año 2006 fue el de mayor creación de valor en la historia del IBEX 35: 118 millardos de euros. La rentabilidad (teniendo en cuenta los dividendos) fue del 36%. Entre 1992 y 2005, la rentabilidad media fue del 15,4%, y la creación de valor para los accionistas, 196 millardos de euros. Las empresas del IBEX 35 crearon (en su conjunto) valor para sus accionistas todos los años, excepto en 1992, 1994, 2000, 2001 y 2002.

Sin embargo, una parte importante de la rentabilidad media (un 5,2%) y de la creación de valor se debió al descenso de los tipos de interés en el período. Eliminando el efecto de los tipos de interés, la rentabilidad para los accionistas fue inferior a la rentabilidad exigida.

El volumen de negociación de las empresas del IBEX 35 superó el billón de euros en 2006 y ha pasado de ser un 30% de la capitalización en 1992 a ser el doble en 2006. Las empresas del IBEX 35 concentran más del 90% de la negociación del mercado continuo.

Las empresas pequeñas fueron, en media, más rentables que las grandes, y la rentabilidad media del Índice Total de la Bolsa de Madrid (ITBM) fue del 16,5%, superior a la del IBEX 35 ajustado por dividendos (15,4%).

En los cuarenta días anteriores al anuncio de la entrada en el IBEX 35, las empresas que entraron tuvieron en media una rentabilidad un 10,1% superior a la del IBEX 35, y las que salieron tuvieron en media una rentabilidad un 5,9% inferior.

Domènec Melé

"Dimensió ètica del management", *Revista Econòmica de Catalunya*, No 55, April 2007, pages 110-118.

Abstract: Sciences and technology provide a necessary support for management, but they are not enough. A good manager needs also personal competences, including virtues. Additionally, management has an ethical dimension because it is a free activity carried out by and addressed to persons. An ethical managerial behavior tends to create trust and willingness for cooperation, which is crucial for business. Apart from the ethical and the economic dimensions, in managerial decision-making it is also necessary to consider two more dimensions: the social and the personal. It is suggested that social and economic dimension form an "axis of operational coordination" while the ethical and personal dimension form a "personalist axis". This vision opens the door to further developments.

Newsletter

March - April 2007 - No 136



Ramón O'Callaghan

"El nuevo sistema de pago en el estadio Alvalade XXI", *Executive Digest*, Portugal, No 12, March 2007, pages 98-103.

Abstract: Presenta la situación en el Estadio de Fútbol Alvalade XXI de Lisboa, en el que se planifica un sistema electrónico de pago en las concesiones de restauración, basado en tecnologías de redes para evitar el manejo de dinero en todas las instalaciones del estadio.

José R. Pin - Guido Stein

"El arte del coaching: Reflexiones prácticas de un coach", *Harvard-Deusto Marketing & Ventas*, No 79, March/April 2007, pages 38-42.

Abstract: El artículo recoge los diferentes pasos del proceso de *coaching*. En cada fase se explica las tareas a realizar. Todo ello en base a la experiencia de *coaching* con un directivo de una importante multinacional europea, que necesitaba un plan de mejora profesional para promocionar.

Lluís G. Renart - Carlos Cabré

"Cómo mejorar una estrategia de marketing relacional", *Harvard-Deusto Marketing & Ventas*, No 79, March-April 2007, pages 64-73.

Abstract: Si una empresa que ha diseñado e implantado una estrategia de marketing relacional ha alcanzado un cierto grado de éxito y desea mejorar los resultados obtenidos, llega a plantearse las preguntas que aspira a responder el presente artículo: ¿cómo seguir avanzando? y ¿cómo explotar el éxito?

Guido Stein

"Para una dirección eficaz del cambio", *ISTMO*, No 288, March 2007, pages 24-30.

Abstract: El directivo debe cuidar que su quehacer se distinga por una actitud que procure la objetividad, profundidad, visión panorámica e inconformismo metodológico. Por tanto, el *quid* está en que el directivo posea una mente clara, sistemática y simple. Todo lo demás que requiere la empresa es la capacidad de esfuerzo y la creatividad de sus colaboradores. Entonces es cuando se descubre que no se trata de dirigir más, sino de dirigir mejor.

Josep Tàpies

"Empresa familiar: Introducción", *Acofar*, revista de la distribución farmacéutica, No 462, March 2007, pages 58-62.

Abstract: El artículo presenta la incidencia que tienen las empresas familiares en distintos aspectos de la economía de un país, comenta las causas principales de su falta de desarrollo y continuidad, y analiza sus fortalezas más esenciales. Asimismo, también considera las características de los grupos de personas con

intereses en el negocio familiar y sus interrelaciones y los tipos de empresa familiar que de ellas pueden surgir.

Conferences and Seminars

Antonio Argandoña

On April 12-13, attended in Gloucester, the EBEN 2007 Conference, where he presented the paper "Ethical management systems for not-for-profit organisations".

Abstract: Non-governmental organizations (NGOs) have proven to be excellent instruments for promoting a wide range of causes. But they need to adhere to strict ethical principles, which usually are embodied in voluntary codes and standards. This paper analyzes one standard, the "Ethics. NGO management system" standard, published by Aenor, a private Spanish organization committed to the development of standardization and certification. The analysis and comments are centered mainly on issues of NGO accountability.

Manel Baucells

On April 11-12, attended in Rotterdam, the Decision and Uncertainty workshop, organized by the Erasmus University, where he presented the paper "Probability time tradeoff", co-authored with Franz Heukamp.

Abstract: We consider a decision maker with preferences in the domain of simple lotteries with delay. For a gain, an additional delay in the time dimension is compensated by a multiplicative increase in probability in the risk dimension. Our key behavioral axiom is that the compensation rate is independent of the original delay and probability level. We obtain a functional representation of these preferences characterized by three real valued functions: the value function, the probability weighting function, and the intrinsic discount rate function. Subjects' time preferences are "as if" time were intrinsically uncertain. As a result, the common ratio effect for probability and the common difference effect for time are one and the same phenomenon. These two effects are related to the shape of the probability weighting function and are indirectly influenced by the intrinsic discount rate function. The model has as particular cases the normative model's expected utility and discounted utility. Projecting the model in the probability dimension yields prospect theory, and projecting the model in the time domain yields hyperbolic discounting. Finally, our model distinguishes between two possible magnitude effects: One is captured by the value function, and the second is captured by the intrinsic discount rate function.

Toni Dávila

On April 25-27, attended in Lisbon the 30th Annual Congress of the European Accounting Association, organized by the European



Newsletter

March - April 2007 - No 136

Accounting Association, where he gave the presentation "Entrepreneurship, innovation and accounting" for a special issue of the European Accounting Review.

Abstract: During the session, participants discussed research opportunities in the field of accounting related to innovation and entrepreneurship. The session built on the seminar papers in this area (Dávila and Foster, 2005 and 2007) and combined presentations from the guest editors of the special issue in the European Accounting Review on this topic: Dr. Dávila and Dr. Oyon, as well as from two of the leading researchers in managerial accounting: Dr. Ditillo and Dr. Mouritsen.

Fabrizio Ferraro

On March 20 to April 1, attended in San Francisco, the "2007 Davis Conference on Qualitative Research", where he presented the paper "Accounting for social responsibility: Framing strategies and naturalizing analogies in the case of the global reporting initiative", co-authored with Dror Etzion.

Abstract: Ever since Weber's seminal contribution, the existence of norms and techniques of rational accounting has been associated with the birth and diffusion of modern capitalism: "The most general presupposition for the existence of this present-day capitalism is that of rational capital accounting as the norm for all large industrial undertakings" (Weber, 1927, 1981: 276). While Weber and most other early scholars of double-entry bookkeeping stressed its technical superiority, more recent research has explored sociological aspects of its diffusion and its ability to alter business practices (Carruthers & Espeland, 1991; Hopwood, 1987). Despite the accumulation of empirical evidence on the role of double-entry bookkeeping and studies of commensuration in other settings (Espeland & Stevens, 1998; Ventresca, 1995), these ideas have not been thoroughly integrated in the recent theoretical and empirical attempts of institutional theorists to explicate the early stages of institutional change.

We explore how institutional entrepreneurs employ framing strategies that help bridge different constituencies, lower resistance to adoption and provide a language for practitioners to talk about an ambiguous activity. We explored these ideas in a case study of The Global Reporting Initiative (GRI), a non-profit organization headquartered in Amsterdam. Established in 1997 in order to develop a rigorous international standard for the reporting of economic, environmental and social performance, GRI has developed Sustainability Reporting Guidelines that, in a few short years, have become the de-facto standard for meaningful, progressive "triple-bottom-line" (financial, environmental, social) reporting.

Franz Heukamp

On April 11-12, attended in Rotterdam, the Decision and Uncertainty workshop, organized by the Erasmus University, where he presented the paper "Probability time tradeoff: Experimental evidence", co-authored with Manel Baucells.

Abstract: Similarities and parallelisms between probability and time have been pointed out by many authors. Baucells and Heukamp (2007) propose a representation, the PTT Model, that specifies how probability and time are related in simple prospects. Based on the framework provided by the PTT model we present results from two experiments. The first experiment fills a gap in the experimental literature by testing how the common ratio effect is affected by adding a delay. The second experiment studies whether the probability-time tradeoff is constant across delays and probability levels. This second experiment measures the so called intrinsic discount rate, and documents that the intrinsic discount rate increases as the absolute magnitude of the outcomes decreases. In combination, both experiments show that there are two different magnitude effects, one that is associated with the value function and affects both risk attitude and time preference, and a second, known as the absolute magnitude effect, that is associated with the intrinsic discount rate and has an exclusive effect on time preference.

Brian O'C. Leggett

On April 19-22, attended in Emory, the Annual Meeting organized by the Management Communication Association, where he presented the paper "The languages of influence: Politics to business".

Abstract: Executives rarely view themselves as diplomats or politicians. Yet they have much in common. They have to negotiate, create and maintain good interpersonal relationships and deal with their various publics. They have, in a nutshell, to be political in order to get their jobs done.

In perusing the financial sections of our daily newspaper over the last two years, hardly a day went by without some mention of senior management's behavior. For example, we had the Shell-Royal Dutch saga last year with regard to the dispute between the CEO and shareholders; the sudden announcement of Swiss Re's takeover of GE Insurance last year; Eon's bid to take over Endesa; or the anger shown at BP's annual meeting on April 12 this year. What these articles didn't discuss was the difficulties which middle management faced in trying to respond to the day-to-day political goings-on in of the boardroom in a prudent and in a politically effective way.

Ford Motor Company, for example, hired personal coaches for each of its most senior managers in order to advise them on their political behavior, especially during meetings. But for younger and aspiring middle managers, where can they learn these skills of political behavior within organizations? Where can they, for example, learn the art of political prudence? Nobody is going to pay for a personal coach for them.

This paper draws from a number of sources: the work of William Isaacs on Dialogue, the communication styles of Margaret Thatcher and Ronald Reagan, and some thirty interviews conducted with middle managers working in subsidiaries of large multinational corporations. The study shows among other things that a clear communication style and strategy is essential to any middle manager's survival and progress in the shifting world of corporate globalization.

Newsletter

March - April 2007 - No 136



Kandarp Mehta (PhD Student)

On April 20, attended in Bratislava, the 10th International Science Conference of EDAMBA, organized by the University of Economics, where he presented the paper "Horses for courses: A strategic perspective on team design and creativity". This paper won the Best Paper award.

Abstract: Corporate creativity and the organizational design for high corporate creativity is a relatively uncharted frontier of strategy. Creativity here refers to an organization's ability to generate new ideas, that is, its "ideational fluency". The paper brings together concepts of organizational design and organizational creativity in the context of teams. We look at available research on creativity in teams and interpret creativity in teams as an interactive process involving individuals and team characteristics. We examine the factors affecting team creativity and develop a model based on the idea that team creativity is the product of interaction between individual creativity and various team level factors, and that it leads to creative outcomes at a give point in time. The factors are later identified as structural elements and process elements. Structural elements are rather static characteristics of organizations or teams and emanate mainly from strategy formulation. Process elements, in contrast, are factors that emerge during the process of interaction between individuals and the organization and emanate mostly during strategy execution. Team creativity is a dynamic concept which is likely to change over time. Similarly, at a subtle level we argue, optimistically, that by designing team structure and processes in a pro-creativity way, the individual creativity of the team and its members can be improved.

Fernando Peñalva

On April 25-27, attended in Lisbon, the European Accounting Association 2007 Annual Conference, where he presented the paper "The economic determinants of conditional conservatism", co-authored with Beatriz García Osma (Lancaster University, and Universidad Autónoma de Madrid) and Juan Manuel García Lara (Universidad Carlos III de Madrid).

Abstract: We study the determinants of conditional conservatism. Specifically, we analyze the impact of litigation risk, taxation, debt contracting and political costs on the conservative behavior of US firms. Our empirical results are consistent with conditional conservatism increasing with litigation risk, the marginal tax rate and leverage. We also show that firms that pertain to regulated industries are more conditionally conservative. We find that firms operating in industries where unconditional conservatism plays a substantive role show less pronounced conditional conservatism. This result is consistent with the argument in Beaver and Ryan (2005) that unconditional conservatism preempts conditional conservatism. Finally, because we use several proxies of conditional conservatism, our tests can be interpreted as an empirical assessment of the validity of such proxies. Despite recent criticisms, Basu's market based measures yield results more consistent with the underlying economic theory.

Rosa Nelly Treviño (PhD Student)

On April 27-30, attended in Monterrey, the Family Enterprise Research Conference, where she presented the paper "Family ties and emotions: A missing piece in the knowledge transfer puzzle?"

Abstract: There are several learning/knowledge acquisition models and theories that show how information flows among individuals and organizations. One of these learning theories is that of Cultural-Historical Activity (CHAT). When analyzing CHAT as a general knowledge transfer model and applying the master-apprentice relationship tool within it to family firms (with kinship involved), we found that it does not hold without modification. Family ties and emotions—two issues not considered in the general knowledge transfer scheme— affect knowledge transmission flows as well as next generation members' commitment and motivation to learn, especially idiosyncratic knowledge. In this paper we suggest that the strength of family ties and emotions modify the master-apprentice relationship tool used within CHAT when intergenerational knowledge transfer is sought within family businesses. Based on CHAT first generation, we develop a model that explains how intergenerational knowledge transfer takes place in family firms. Our Next Generation Learning Model (NGLM) includes not only the subjects of learning, the kind of learning acquired, and the way they acquire it, but also a reason to do so and its connection to family ties and emotions.

Ignacio Urrutia

On April 25-27, attended in Lisbon, the European Accounting Association 2007 Annual Conference, where he presented the paper "The importance of budgets", co-authored with Susana Gago (Universidad Carlos III de Madrid) and Derek E. Purdy (University of Reading).

Abstract: Budgets are potentially useful for a variety of individual and organizational purposes. When managers do not use the budget, the information provided loses its usefulness in decisions. The psychology of managers who do not use budget information is an interesting and relevant topic of research. This paper proposes a model for explaining the importance that managers give to budget information. Data from 81 middle managers are used to test this model. In general, managers' perceptions of the importance of budgets relates to their negotiations with other managers, their experience with budget information, and the adequacy of their salary and salary links to performance.

On March 7, the XIV Annual Symposium of the CIIF (International Center for Financial Research) was held at IESE in Madrid, where the following presentations were given:



Newsletter

March - April 2007 - No 136

José M. Campa

"Prácticas de gobierno corporativo: Un balance"

Abstract: El estudio realizado se centra en cuatro áreas específicas: a) composición y estructura de los consejos de administración (comparativa entre empresas cotizadas y no cotizadas); b) contenido y agenda de las reuniones del consejo (siendo su principal dedicación el seguimiento de la estrategia y de la evolución económico-financiera de la empresa); c) áreas de preocupación en el consejo de administración (evolución del negocio, accionistas, clientes y trabajadores), y d) cambios efectuados en el funcionamiento de los órganos de gobierno durante los últimos años y cambios previstos para el futuro próximo (siendo el control financiero y el riesgo los aspectos que más preocupan).

El momento en que se realizó el estudio coincidió con la publicación por el gobierno del Código unificado de buen gobierno en las sociedades cotizadas, por lo que las conclusiones del estudio permiten realizar una fotografía de aquellos aspectos en los que las recomendaciones del código se encuentran más alineadas con la praxis en los consejos de administración.

Javier Estrada

"Invirtiendo a largo plazo: técnica y perspectivas"

Abstract: Predecir retornos implica una buena mezcla de ciencia, arte y hechicería. En verdad, cuanto menor es el número de activos en la cartera, y más corto el período para el cual se hacen predicciones, mayor es el rol jugado por este último factor. Occam nos enseñó a centrarnos en lo esencial y Bogle cómo aplicar esa lección a la predicción de retornos de largo plazo de los mercados. Influido por ambos, se evalúa en este trabajo la habilidad predictiva de un modelo de descomposición de retornos y se muestra que es muy exitoso; se usa para predecir el retorno medio anual de doce mercados internacionales durante el período 2006-2015; y se encuentra que, en promedio, este número es 10,5%. En el caso de España, tratado más en detalle, el retorno medio anual previsto para el período 2007-2016 es inferior al 10%.

Pablo Fernández

"Prima de mercado: cuatro conceptos distintos"

Abstract: El término "prima de riesgo de mercado" (*market risk premium*) se utiliza para definir cuatro conceptos distintos: a) la rentabilidad incremental que un inversor exige a las acciones por encima de la renta fija sin riesgo (prima de riesgo del mercado, *required equity premium*); b) la diferencia entre la rentabilidad histórica de la bolsa (de un índice bursátil) y la rentabilidad histórica de la renta fija (rentabilidad diferencial o *historical equity premium*); c) una prima de riesgo implícita en el precio de mercado (*implied equity premium*), y d) el valor esperado de la diferencia entre la rentabilidad futura de la bolsa y la rentabilidad futura de la renta fija (expectativa de la rentabilidad diferencial o *expected*

equity premium). Muchos autores y muchos profesionales de las finanzas suponen que esta expectativa es igual a la rentabilidad diferencial y a la prima de riesgo del mercado.

Se analizan los métodos propuestos por la literatura financiera para medirlo y se muestran las sorprendentes prescripciones de los libros de texto a lo largo de los últimos años.

Doctoral theses

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

Roberto García Castro

THE GOVERNANCE OF THE FIRM: VALUE CREATION, EMPLOYMENT CONTRACTS AND STAKEHOLDER MANAGEMENT (IESE) thesis director: **Miguel A. Ariño**

Abstract: Studies of firm governance have traditionally been grounded in economic theories of the firm. While these theories have certainly been useful for explaining certain aspects of corporate governance in the last century, voices from the fields of economics and strategic management have started to articulate an extended view of the governance of the firm. In the three papers in this thesis I contribute to this extended view by providing new theoretical insights and additional empirical evidence on the topic. The first paper provides a novel explanation of the micro-processes by which spontaneous cooperation among agents emerges as a consequence of repeated interactions, and of how and under what conditions the corporate governance constraints imposed on agents may impede the spontaneous development of such cooperation. The second paper investigates the implications of an extended view of corporate governance and how it affects the nature of employment contracts within the firm. I determine empirically the complementarities and conflicts arising between corporate governance and employment contracts in the firm by comparing different governance regimes in a cross-sectional sample with data from more than 30 countries. Finally, the third paper is another empirical study, in which I use the extended view of corporate governance in its broadest sense, including not only employees but also other firm constituencies: local community, customers, minorities and environmental groups. This last paper provides new evidence on the relationship between shareholder value (financial performance) and stakeholder value (social performance), introducing new panel data and recent econometric techniques that allow me to account for the endogeneity of social strategic decisions.

Newsletter

March - April 2007 - No 136



IESE - Research Seminars

Accounting and Control

April 18

Speaker: Stephen H. Penman, Columbia University

"The pricing of earnings and cash flows and an affirmation of accrual accounting".

Abstract: Under accrual accounting, earnings add to shareholders' equity. However (we show), under accrual accounting cash flow generated by a business has no effect on shareholders' equity, but reduces the book value of net assets employed in business operations. In short, accrual accounting rules prescribe that earnings add to shareholder value but cash flow is irrelevant to the valuation of equity. This paper documents that the stock market prices equity shares according to this prescription. Earnings are priced positively but, given earnings, a dollar more of free cash flow from a business –cash from operations minus cash investment– is, on average, associated with approximately a dollar less in the market value of the business, and has no association with changes in the market value of the equity claim on the business. Further, controlling for the cash investment component of free cash flow, "cash flow from operations" also reduces the market value of the business dollar-for-dollar, and is unrelated to the changes in market value of the equity.

April 23

Speaker: Sharon P. Katz, Harvard Business School

"Does public ownership of equity improve earnings quality?"

Abstract: To better understand how equity investors influence earnings quality, we compare the quality of accounting numbers produced by two types of public firms –firms with publicly-traded equity and firms with privately held equity that are nonetheless considered public by virtue of having publicly-traded debt. We develop and test two hypotheses. The "demand" hypothesis holds that public equity firms will have higher earnings quality than these private equity firms due to the stronger demand by investors and creditors stemming from, among other concerns, higher litigation risk. The second hypothesis is that public equity firms will have lower earnings quality than their private equity peers due to "opportunistic behavior" on the part of management because of capital market considerations and equity-based compensation. We identify a number of attributes that are associated with the notion of earnings quality –persistence and estimation error of accruals, prevalence of earnings management, timeliness of loss versus gain recognition (conditional conservatism) and the extent of conservatism due to the use of asset-decreasing accounting principles (unconditional conservatism). The results indicate that, consistent with the "opportunistic behavior" hypothesis, private-equity firms have higher quality accruals and a lower propensity to manage income than public equity firms. However, in line with the "demand" hypothesis, and consistent with prior research, public equity firms' financial reports are generally more conservative.

Entrepreneurship

April 10

Speaker: Aviad Pe'er, Tuck School of Business, Dartmouth College
"Who enters, where, and why? The influence of capabilities and initial resource. Endowments on the location choices of de novo enterprises".

Abstract: Using data about all de novo entrants into the Canadian manufacturing sectors during 1984-1998, we studied location choices as a function of firms' initial resources and capabilities. Employing nested logit estimation, we examined the impact of various location traits, such as agglomeration, competition, deterrence, and sunk costs, on location choices. Findings reveal that the probability of entry to a location with high agglomeration economies increases with increases in resources and capabilities, and then declines. Very large de novo entrants may prefer isolated locations. Stronger entrants are more deterred by local competition and incumbents' deterrence strategies. Weaker firms value more places with lower entry barriers and sunk costs.

"Be there or be square: A signaling perspective on new entrants' choice of location".

Abstract: We provide a novel explanation for why new entrants choose to locate in clusters despite the intense competition within them. By developing an analytical model of locating in a cluster as a signaling vehicle, we formally demonstrate that high-quality de novo firms bear the costs of an intensely competitive locale to credibly demonstrate their superior competitive strength. By separating themselves from those who cannot compete, the high-quality entrants are more likely to attract crucial stakeholders.

General Management

March 1

Speaker: Jean-François Hennart, Tilburg University

"The theoretical rationale for a multinationality/performance relationship".

Abstract: This paper reviews the theoretical rationale that has been advanced so far for a positive relationship between multinationality (i.e. international diversification) and performance.

March 23

Speaker: Anita M. McGahan, Boston University School of Management

"Syndication in international venture investing".

Abstract: Venture investors typically syndicate their interests in the financing of new ventures to mitigate risks. In this paper, we examine differences in the composition of investor syndicates across US and non-US ventures. After controlling for exogenous characteristics such as the industry affiliations of the ventures and



Newsletter

March - April 2007 - No 136

endogenous deal characteristics such as the amount invested and the number of rounds, we find evidence that non-US ventures are not managed through syndication as if they are more risky than ventures in other parts of the world. Investors do not syndicate more broadly internationally than in the US. One explanation is that investors select higher quality ventures outside the US than in the US. The conclusions emphasize that the venture community has not developed fully in its understanding of international investing.

April 23

Speaker: Bengt Robert Holmstrom, Massachusetts Institute of Technology
"Pay without performance and the managerial power hypothesis: A comment".

Abstract: Executive compensation and corporate governance problems need to be seen in a larger historical context than is commonly done. The proximate causes of corporate scandals and executive pay problems have been identified, but the real drivers have not. A need for corporate restructuring, which emerged already in the 1970s, led to the remarkable rise in shareholder influence and the relentless pursuit for shareholder value. It placed exceptional demands on boards and led to extreme pay schemes that appear to have served the restructuring purposes well, but had unintended and unfortunate side-effects. In contemplating pay and governance reforms, it is essential to keep in mind the longer chain of events to avoid naive corrective measures that do not take into account the information and incentive constraints under which the various constituents and bodies in the larger governance system, especially the boards and shareholders, operate. Some of the recent advice on executive compensation seems very misguided in a longer historical perspective, as is the push for extensive shareholder intervention rights.

Information Systems

March 6

Speaker: Gabriel A. Giordano, The Florida State University
"The effects of group member experience and task complexity on computer-mediated collaborative groups facing deception".

Abstract: Due to the increased availability of online collaboration tools, individuals are now likely to work together in settings where computers are their primary mode of communication. However, because many communication cues are absent in these settings, unique problems arise, such as deception. Deceptive individuals are difficult to detect over computer-mediated channels because many audio and visual cues to deception are filtered out. This paper presents two experiments where groups performed a computer-mediated collaborative task either without deceivers or with confederate deceivers. Task complexity was manipulated in the first experiment, and subject experience and task complexity were manipulated in the second experiment. Results suggest that groups performing a low complexity task were better at detecting

deception than were groups performing a high complexity task. Furthermore, experienced groups had higher task performance but did not have higher deception detection accuracy than did groups without experience. Practical implications and directions for future research are presented.

March 8

Speaker: Vijay Kasi, Georgia State University
"The post mortem paradox: A Delphi study of it specialist perceptions".

Abstract: Information technology (IT) projects are prone to failure. Post mortem evaluation (PME) has long been advocated as a means of learning from such failures. In practice, however, relatively few organizations conduct PMEs when projects fail. In this research, we first used a Delphi study to learn what experienced practitioners perceive as the most important barriers to conducting PMEs. Second, we analyzed what types of barriers to effective organizational learning these practitioners thereby emphasize as explanations of the limited use of PMEs. From the point of view of organizational learning theory, our findings suggest that most organizations face a post mortem paradox: Adopting PME's to develop IT project learning capability is likely to reinforce organizational learning dysfunctions. This paradox suggests that the existing PME literature has underestimated the limits to learning in most IT organizations. Managers need consequently to focus on how to overcome learning dysfunctions before pushing for more widespread use of PMEs.

March 16

Speaker: Christoph Schneider, Washington State University
"Virtual product experience: The effects of interactivity, task, and product type on presence perceptions".

Abstract: This article presents a model of the effects of product types (hedonic versus utilitarian) and object interactivity on presence perceptions (i.e., perceptions of nonmediation in technology-mediated environments, Lombard & Ditton, 1997), as well as on subsequent beliefs about a product and web site. A laboratory experiment has been designed to test the hypothesized effects.

The expected findings will have important implications for research and practice, as they will further the understanding of factors influencing presence perceptions and online buying behavior, and provide prescriptive insights for the design of business-to-consumer e-commerce systems.

March 21

Speaker: Arnaud Gorgeon, UCLA Anderson School of Management
"IT Architecture: Vision to implementation and use. The case of UCLA Anderson School of Management, 1983-2000".

Abstract: Today, more than ever, organizations and their processes depend upon their Information Technology (IT) and IT architecture.

Newsletter

March - April 2007 - No 136



How firms actually go about designing their IT architecture, however, has received surprisingly little attention.

In this paper, I take a change process approach and unravel the mechanisms that drove UCLA Anderson School of Management to envision, design, and implement its IT architecture over 1983-2000. I combine historical methods with event-structure analysis to describe, analyze and explain how the school adapted and changed over this period.

I find that the change was driven by four generative mechanisms: planning, sense-making, unintended consequences and emergence. While planning was the dominant motor of change, all motors combined in complex ways and gave rise to other two dominant tones: implementation and experimentation. I conclude by discussing how these four motors may be seen as the elementary drivers or DNA of teleological change processes.

March 22

Speaker: Evgeny A. Kaganer, Louisiana State University

"Building legitimacy for IT innovations: Organizing visions and discursive strategies of legitimacy".

Abstract: The concept of an organizing vision, developed in work by Swanson and Ramiller, provides a valuable perspective to examine institutional processes that underlie diffusion of complex information technology (IT) innovations among organizations. Our understandings of the key functions performed by organizing visions –interpretation, legitimation and mobilization– however, are very limited, as are the specific actions engaged in by innovation entrepreneurs.

The research presented in this paper begins to address this need by developing a conceptual framework through which to examine the legitimation function performed by an organizing vision and the discursive strategies IT entrepreneurs may engage in to promote the legitimization of an innovation. The framework builds upon a taxonomy of legitimacy and legitimation strategies by Suchman (1995). In addition, to adapt this taxonomy to the context of IT innovations we draw on the work by Ramiller and Swanson (2003) on critical reception of executive response to organizing visions of IT. Twenty discursive strategies for gaining and maintaining legitimacy of IT innovations are identified and categorized according to the type of legitimacy supported –pragmatic, moral or cognitive. A case study of an IT innovation in healthcare (computerized physician order entry (CPOE) systems) is employed to illustrate how IT entrepreneurs utilize these strategies. 142 press releases issued by vendors of CPOE software, hardware and services from 1998 to 2005 were content-analyzed and examples of each strategy are presented. This work contributes to elaboration of the organizing vision concept and offers insight into the specific discursive strategies used by IT entrepreneurs.

Miscellaneous

Antonio Argandoña

On March 12, attended in Barcelona, the presentation of the "Instituto von Mises", where he gave the lecture "Exigencias morales y éticas del liberalismo".

On April 12-13, attended in Cheltenham, the 11th European Business Ethics Network Conference, on the subject "Ain't misbehaving? Organisations, ethics and misbehavior", where he gave the lecture "Ethical management systems for not-for-profit organizations".

Javier Gómez

Has been appointed to the Editorial Board of *Revista de Economía Financiera*.

Pedro Nueno

On March 12, attended in Barcelona, the Forum d'Empreses Automoció – Internacionalització del Sector a Catalunya, organized by COPCA, where he gave the lecture "Sector del automòvil en 2007".

On March 15, attended in Barcelona the Dia de l'Emprenedor, organized by Barcelona Activa, where he gave the lecture "Tinc un perfil emprenedor?".

Guido Stein

On April 16, gave the lecture "El liderazgo en la gestión empresarial" at the Faculty of Economics and Business Studies of the Universidad de Alcalá de Henares.

Julián Villanueva

Has been appointed to the Distinguished Advisory Board of the INFORMS Marketing Science Conference.

Book reviews

Guido Stein

Reviewed the book "Consistencia. La estrategia de la empresa es la estrategia con sus personas", by José R. Pin, Pearson Educación, 2007, *Empresa y Humanismo*, Vol X, No 1/7, 2007, pp. 265-270.

Abstract: Consistencia es la propiedad de las políticas de dirección de personas en las empresas, que potencia sus efectos entre si y en relación a las características del entorno, la estrategia elegida para competir y el ADN básico de la compañía (historia, cultura,



Newsletter

March - April 2007 - No 136

misiones, visiones...). El análisis de la consistencia de este conjunto es un poderoso instrumento para asegurar la eficacia y la eficiencia de las políticas de recursos humanos para la alta dirección. El libro aporta el esquema teórico y multitud de ejemplos de consistencia e inconsistencia que ayudan a comprender el fenómeno.

Teaching materials

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

Accounting and Control

GdL (Giocattolo di Legno), SpA - Nota del instructor
(CT-19 - 5.106.047)

Case C-742.

Use is restricted to Academic Institutions.

Peñalva F.; 18 pages.

Analysis of Business Problems

The Case Method: A Teaching Tool for Professional Men or Women of Action
(ASNN-3-E - 0.394.023)

The note discusses the case method and its use as a tool in the education of management professionals.
(Also available in Spanish.)

Chinchilla M.N.; Vázquez-Dodero J.C.; 6 pages.

Entrepreneurship

The Barceló Group - Generation Change and Entrepreneurship
(E-99-E - 0.606.050)

This case describes the entrepreneurial beginnings and successful growth of the Barceló Group, one of Spain's largest family-owned hotel chains, over its 75 years of existence. The case focuses, first of all, on the transition process by which management of the company was transferred from the second to the third generation of the Barceló family and, second, on the company's progress in its search for new growth opportunities and in the organizational change process led by the incoming generation, up to its present successful growth and consolidation.
(Also available in Spanish.)

Segurado J.L.; Roure J.; 33 pages.

Star Parks (B)
(E-101-E - 0.606.052)

The case describes how a major buyout can be financed, the strategy of a private equity firm for such a buyout, and how a private equity firm can add value to the development of the business.

Johnson R.; 10 pages.

Financial Management

Iberia Airline: Currency and Fuel Risk Exposures
(F-795-E - 0.206.012)

In mid-2003, Iberia's CFO, Finance Director and Procurement Director must decide what to do with the airline's fuel risk exposure. High fluctuations in jet fuel prices over recent years have caused havoc in the airline industry. After labor, jet fuel is the second largest operating expense for Iberia. Efficient fuel cost management and control would enable management to estimate future earnings more accurately.

Jones A.; Rahnema A.; 17 pages.

General Management

Winning Strategies? The Spanish Royal Tennis Federation
(DG-1498-E - 0.306.057)

Since 1995, Spain has had the most men's tennis players in the ATP Top 100. The case presents the state of tennis in Spain in 2004 with the aim of having students analyze the different constituencies of a sport and how each contributes to success. The case can be used to analyze the sports industry or to go through an industry from an industrial organization perspective.

Oliver D.; Dávila A.; 19 pages.

The Freeplay Energy Group and Foundation (B)
(DG-1501-E - 0.306.063)

Case B updates the original by two additional years. In this time the Freeplay Group undertakes an IPO, listing on the UK stock exchange as Freeplay Energy plc. The Freeplay Foundation continues to receive support from the new public company and expands its projects to bring communication and energy to the most "underdeveloped;" areas of Africa but must also look elsewhere for support and funding. Freeplay Energy also undertakes significant expansion in Africa, with its innovative "wind-up" mobile phone charger, a key product in this market.

Ganly K.; Mair J.; 13 pages.

Newsletter

March - April 2007 - No 136



The Alas-Red Bull Project: X-Sports Challenges

(DG-1503-E - 0.306.066)

The Alas-Red Bull Project case describes a sporting project that beat two world records: the longest distance and time flown in free fall. The case addresses the issue of valuing the project. In this case, Red Bull, together with the Spanish Army, sponsored the project, putting in a certain amount of money and resources to support the project. The question is what was the value of the project to the sponsors. The case describes the project itself, the challenges and how it came together, and provides information on its impact in the media.

Oliver D.; Dávila A.; 21 pages.

Nestlé - Nota del instructor

(DGT-43 - 5.305.071)

Case DG-1214.

Use is restricted to Academic Institutions.

Kordecka I.; Llopis J.; 8 pages.

AGF Unión-Fénix (A) and (B) - Nota del instructor

(DGT-44 - 5.305.072)

Cases DG-1383 and DG-1384.

Use is restricted to Academic Institutions.

Kordecka I.; Llopis J.; 5 pages.

Committee for Democracy in Information Technology-CDI - Teaching Note

(DGT-47-E - 5.306.006)

Case DG-1453-E.

Use is restricted to Academic Institutions.

Mair J.; 15 pages.

Project Impact: The Affordable Hearing Aid Project - Teaching Note

(DGT-48-E - 5.306.007)

Case DG-1472-E.

Use is restricted to Academic Institutions.

Mair J.; 9 pages.

The Freeplay Energy Group and Foundation (A) - Teaching Note

(DGT-56-E - 5.306.079)

Case DG-1467-E.

Use is restricted to Academic Institutions.

Mair J.; Ganly K.; 12 pages.

Information Systems

Google: Organizing Information on the Web

(SI-159-E - 0.107.004)

The case presents Google's situation in 2007, with an emphasis on its competitive positioning in the search engine and on-line advertising markets. The organization and working philosophy that have made Google the undisputed leader in its industry are considered.

(Also available in Spanish.)

Sieber S.; Valor J.; 20 pages.

Fixing the Payment System at Alvalade XXI - Teaching Note

(SIT-11-E - 5.107.001)

Case SI-153-E.

(Also available in Spanish.)

Use is restricted to Academic Institutions.

O'Callaghan R.; 19 pages.

Managerial Decision Sciences

Credit Risk Analysis at ICAX Bank and Trust - Teaching Note

(ADT-19-E - 5.104.009)

Case AD-290-E.

Use is restricted to Academic Institutions.

Chatburn L.; Baucells M.; 5 pages.

Managing People in Organizations

Unión Fenosa Gas: Human Resources Start-Up

(DPO-94-E - 0.406.053)

Faced with new challenges in the energy sector, Unión Fenosa decides to enter the liquefied natural gas (LNG) business and becomes involved at every stage, from procurement to sale. The challenge is to source gas from optimal locations, create the right



Newsletter

March - April 2007 - No 136

type of organization, build a liquefaction plant, and put together a team capable of managing the project successfully. And all this in record time (the Damietta plant went from engineering to production in just three years).
(Also available in Spanish.)

García P.; Pin J.R.; 16 pages.

Unión Fenosa Gas: Human Resources Start-Up - Teaching Note (DPOT-22-E - 5.407.007)

Case DPO-94-E.
(Also available in Spanish.)

Use is restricted to Academic Institutions.

García P.; Pin J.R.; 10 pages.

Rudolf Schwarz at Ariadna AG (DPO-96-E - 0.407.003)

Rudolf Schwarz is director of institutional customers at Ariadna AG, a leading German telecommunications company owned by GB Telecom, the London-based industry leader. Rudolf's career to date has been very successful, earning him international accolades and customer recognition, though not without some friction with bosses and subordinates. The company has appointed a coach to prepare Rudolf for what could be his big opportunity: responsibility for opening up the East European and Turkish markets, as a step toward taking over as CEO.
(Also available in Spanish.)

Stein G.; Pin J.R.; Pereira J.; 15 pages.

Rudolf Schwarz en Ariadna AG - Nota del instructor (DPOT-21 - 5.407.005)

Case DPO-96-E.

Use is restricted to Academic Institutions.

Stein G.; Pin J.R.; 14 pages.

Politeness: A Strategy or Beginnings of Virtue? (DPON-56-E - 0.406.052)

André Comte-Sponville in his excellent book, "Great Virtues", says that "Without politeness we would have to be virtuous to become virtuous." Comte-Sponville continues by telling us that "Morality starts at the bottom - with politeness. But it has to start somewhere." Politeness is that pretence of virtue from which virtues arise. So we must first acquire the appearance and manner of "good" and then imitate it. It is from this that we gradually develop the habits of virtuous behavior.

Leggett B.O.; 5 pages.

Marketing

Banco Sabadell Group, 2004

(M-1193-E - 0.506.012)

This case is a continuation of M-1178-E "Banco Sabadell Group, 1996". It describes the events and issues arising from Banco Sabadell's expansion in the period from 1996 to 2004. In particular, it presents the choice of a new name and corporate visual identity, following the acquisition of Banco Atlántico. Various options are considered.
(Also available in Spanish.)

Hartmann V.; Renart L.G.; 28 pages.

La identidad visual corporativa

(MN-342 - 0.504.028)

El contenido de la nota técnica se desglosa en los siguientes apartados: Prólogo. 1) Introducción. 2) ¿Por qué tener y gestionar una identidad visual corporativa (IVC). Posibles detonantes de un cambio de IVC. 3) Definición del proyecto empresarial. 4) Definición del proyecto gráfico/visual: proceso, elementos y resultados. 5) Evaluación del proyecto. 6) Implantación y gestión del proyecto. Conclusiones, bibliografía y direcciones de interés en el mundo del diseño.

Del Hoyo J.; Hartmann V.; Renart L.G.; 47 pages.

Marketing relacional para conseguir la fidelización de los clientes

(MN-357 - 0.506.015)

En esta nota técnica se comenta la necesidad de lograr diferenciarnos en el mercado actual mediante un marketing más moderno que no se preocupe exclusivamente por captar clientes/consumidores, sino "empatizar" más en el valor de los mismos, estableciendo una buena estrategia de fidelización. Se propone un modelo de fidelización de clientes en el que se describen las cinco áreas de trabajo que componen un programa de marketing relacional.

Chiesa C.; 23 pages.

La dirección de la fuerza de ventas

(MN-358 - 0.506.016)

En esta nota técnica se pretende reflexionar sobre la importancia de establecer un nuevo proceso comercial en las empresas basado en atraer, vender, satisfacer y fidelizar, así como cuáles son las áreas de responsabilidad que debe asumir el nuevo director de ventas para conseguir un oportuno diseño de la fuerza de ventas, una moderna y eficaz dirección de la misma y una adecuada motivación de todo el equipo.

Chiesa C.; 26 pages.



Newsletter Research Division

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OP-07/14 - March 2007

Julia Pérez-Cerezo - Nuria Chinchilla

LAS MUJERES EMPRESARIAS EN LA CHINA DEL SIGLO XXI. ¿UN ESTILO DIFERENTE DE LIDERAZGO O SIMPLEMENTE MUJERES?

Abstract: Este documento tiene por objetivo acercar al mundo occidental la realidad de la mujer empresaria china actual, compararla con la de sus homólogas occidentales y deducir las lecciones que de este ejercicio podemos aplicarnos en el mundo occidental, así como las futuras líneas de trabajo por las que esta investigación debería continuar.

El documento se apoya fundamentalmente en la experiencia personal, en investigaciones cualitativas y en observaciones directas de Julia Pérez-Cerezo, empresaria occidental que ha residido en China desde el año 2004.

En la pujante economía china, las mujeres empresarias abundan y están presentes en todo tipo de sectores. Tanto por su número como por sus particulares estilos de gestión y liderazgo, esta fuerza empresarial femenina china constituye una realidad que no deberían obviar las empresas y personas directivas occidentales.

Es muy probable que la andadura de las empresas occidentales en China, y en su relación con las personas chinas, se pudiese allanar seleccionando mujeres occidentales –para representar sus intereses en este país o en sus relaciones con personas chinas– y fomentando que éstas trabajasen con sus homólogas chinas, ya que las mujeres empresarias y directivas chinas son –al igual que las occidentales– en primer lugar, mujeres (y después naturales de China y personas del mundo de la empresa).

Este documento pretende ser un primer paso hacia una investigación más en profundidad para acercar la realidad de la mujer empresaria china actual al mundo occidental. Como continuación de este trabajo, se propone escribir un libro que permita acercarse a la realidad de la mujer empresaria china actual, a través de diez casos de estudio de empresarias chinas, que –con su extraordinaria diligencia y perseverancia– contribuyen de manera importante a la realidad empresarial y económica de la China actual.

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