Felipe Caro – Víctor Martínez de Albéniz

Abstract: We propose an extension of the competitive newsvendor model to investigate the impact of quick response under competition. For this purpose, we consider two retailers that compete in terms of inventory: customers that face a stockout at their first-choice store will look for the product at the other store. Consequently, the total demand that each retailer faces depends on the competitor’s inventory level. We allow for asymmetric reordering capabilities, and we are particularly interested in the case where one of the firms has a lower ordering cost but can only produce at the beginning of the selling season, whereas the second firm has higher costs but can replenish stock in a quick response manner, taking advantage of any incremental knowledge about demand (if it is available). We visualize this problem as the competition between a traditional make-to-stock retailer that builds up inventory before the season starts and a retailer with a responsive supply chain that can react to early demand information. We provide conditions for this game to have a unique, pure-strategy, subgame-perfect equilibrium, which then allows us to perform numerical comparative statics. We confirm that quick response is more beneficial when demand uncertainty is higher or exhibits a higher correlation over time. We also find that the competitive advantage from quick response is larger when facing a slow response competitor, and interestingly, asymmetric competition can be desirable to both competitors.

Ramon Casadesus-Masanell – Joan E. Ricart

Abstract: The purpose of this paper is to reflect on competitiveness by using the business model concept and to understand the need to adapt business models to changes in the environment.

Bruno Cassiman – Elena Golovko – Ester Martínez-Ros

Abstract: We argue that the positive association found between firm productivity and exports in the literature relates to the firm’s innovation decisions. Using a panel of Spanish manufacturing firms we find strong evidence that product innovation – not process innovation – affects productivity and induces small non-exporting firms to enter the export market.

Yih-teen Lee – B. Sebastian Reiche – Dongmei Song

Abstract: This paper integrates the concepts of person-environment (PE) fit and social capital and examines the social dynamics of organizational newcomers’ development of fit with their new environment in the light of national cultural variations. Specifically, we present a
conceptual framework that illustrates how newcomers fit in with their work environment in terms of person-job (PJ) and person-organization (PO) fit through their building and exercising of social capital. We suggest that newcomers’ initial fit with their direct supervisor (i.e., PS fit) and their immediate work group fit (i.e., PG fit) will help them to develop structural and relational social capital in the organization, which in turn facilitate the development of greater PJ and PO fit. Acknowledging that social processes are culture-bound, we also examine the moderating effects of individualism/collectivism and power distance on the process of developing PE fit, and we provide insights for both scholars and managers in applying the model.

B. Sebastian Reiche – Markus Pudelko – Chris Carr

Books

Sandalio Gómez – Kimio Kase – Ignacio Urrutia

Abstract: The sports business has become one of the fastest-growing industries in recent years. Sports organizations now have the potential to generate massive amounts of revenue through a variety of different channels, including broadcasting rights, advertising and branding. The far-reaching transformation of the world of sport has been driven by rapid commercialization, which has reached a point where it is quite legitimate to talk of a “sports business” or “sports industry”. Sports institutions and clubs today have much in common with large or medium-sized businesses. In effect, they have become companies, creating economic value and huge media impact, though with the specific characteristics of sports organizations, and so deserve to be studied on their own terms.

Jeffrey Reuer – Africa Aríñó – Paul Olk

Abstract: In today’s economy, many entrepreneurs have found themselves considering, or even involved in, an alliance without a strong understanding of the best way to proceed. In order to provide entrepreneurs with the information they need, “Entrepreneurial Alliances” explains how to successfully create, maintain, and manage alliances.


Abstract: In 2001, we gathered a group of researchers in Nice, France to focus discussion on performance measurement and management control. Following the success of that conference, we held subsequent conferences in 2003, 2005, 2007, and 2009. This volume contains some of the exemplary papers that were presented at the most recent conference. Though the conference has been generally focused on performance measurement and management control and has included presentations on many facets of the topic, each year we have also focused on a particular theme of current interest. This year’s theme was directed at innovative concepts and practices. This includes creative approaches to solving management challenges of performance and management control and improving organizational performance. It also includes the innovative use of empirical, analytical, experimental, and case-based research. The contents of this book represent a collection of leading research in management control and performance measurement and provide a significant contribution to the growing literature in the area.

Guido Stein

Abstract: Drucker was timely and opportune at the same time. It is clear from his extensive, solid and continual formulation that he created a singular and, at the same time, multi-faceted philosophy that is deliberately difficult to summarize. Drucker was one of the first, if not the first, to discover the imminence of this far-reaching change. Precisely because he was not a specialist, he was able to perceive details and nuances that had been missed by the great gurus of management. This is why Drucker is considered to be the forerunner of modern management. This book shows the lesser-known side of Peter Drucker, as far as his views on his own ideas are concerned. Drucker is commonly thought of as a management theoretician, which is undoubtedly the best-known dimension of his work. However, Drucker’s aim was also to write about man in his social context.
Contributions to Books

Antonio Argandoña

Abstract: Microfinance has developed considerably in recent years to become an effective instrument for helping people to flourish and solving the problems of underdevelopment. It consists of extending small loans on appropriate terms to entrepreneurs who have no capital to offer as collateral. Much has been written about microfinance, but its ethical dimension has received much less attention. The purpose of this study is to describe the economic, social, political and human features of microfinance, with special emphasis on the ethical problems to which they give rise and the social responsibilities of microfinance institutions.

Luis Cabral

Abstract: I report on a research project to model the dynamics of price competition in the presence of network effects. I use this framework to study a dynamic version of the Laffont, Rey and Tirole (1998a, b) model of competition between networks. Several applications are considered.

Pablo Fernández

Abstract: Se analiza la creación de valor y la rentabilidad para los accionistas de Endesa (ELE), Iberdrola (IBE) y Unión Fenosa (UNF) entre diciembre de 1991 y diciembre de 2007. En ese periodo, la creación de valor para los accionistas fue (en millardos de euros): ELE, 31,2; IBE, 32,0, y UNF, 12,5. UNF fue la más rentable para sus accionistas; IBE fue la que más creció en capitalización, la que más valor creó y la menos volátil; ELE fue la que más dividendos repartió.

The rentabilidades de las tres empresas a lo largo de estos dieciséis años (ELE, 17,6%; IBE, 19,7%, y UNF, 21,8%) fueron sensiblemente superiores a las del IBEX 35 (15,1%): Una inversión de 100 euros en diciembre de 1991 se convirtió en 31,2 euros en el caso de ELE, en 32,0 en el caso de IBE y en 12,5 en el caso del IBEX 35. La rentabilidad media debida a este descenso
de los tipos de interés en este período (cayeron desde el 11,3% al 4,4%) se estima en un 4,4%.

Johanna Mair

Abstract: Social entrepreneurship is trendy! Every year in February social entrepreneurs mingle with the CEOs of the world’s largest corporations and prominent politicians at the World Economic Forum in Davos. Social entrepreneurs are the VIPs at other global events such as the Clinton Global Initiative and they are the favorite investees of the “new” philanthropists: the Jeff Skolls and Bill Gates of this world. Although academic interest in social entrepreneurship is increasing – calls for special issues are launched; international academic conferences and workshops are organized – research and scholarly investigation into the phenomenon can hardly be regarded as the catalyzing force behind the recent momentum on social entrepreneurship.

F. Sezgi – Johanna Mair

Abstract: The question of how social initiatives can effectively scale their impact to reach individuals and communities that benefit from their innovations has received increasing attention over the past few years. A number of scholars adopt a strategic perspective and investigate the mechanisms to scale social organizations (Bradach, 2003; Oster, 1996), while others argue that scaling organizations is not necessarily sufficient to scale impact (Uvin, 1995; Wei-Skillern and Anderson, 2003). The latter group of authors argues that scale is not a particularly good proxy for the effectiveness of the programs (Frumkin, 2007), and that becoming large is only one of the many other possible ways of expanding impact in terms of the number of beneficiaries served (Edwards and Hulme, 1992; Uvin, Jain, and Brown, 2000). These authors emphasize that instead of focusing on growing organizations, we need to turn attention to more effective and inclusive ways to address social problems.

IESE – Working Papers

No 865 – July 2010
Rosa Nelly Trevinyo – Josep Tàpies
EFFECTIVE KNOWLEDGE TRANSFER IN FAMILY FIRMS

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

No 866 – July 2010
Josep Tàpies – María Fernández
VALUES AND LONGEVITY IN FAMILY BUSINESS: EVIDENCE FROM A CROSS-CULTURAL ANALYSIS

Abstract: The link between longevity and values has been pointed out by several authors, who have underlined values as an important factor for supporting a long-term vision, as well as a source of competitive advantage based on using values as specific company resources. Nevertheless, not many empirical studies have dealt with this topic. The present paper aims to shed light on this stream of research by developing a cross-cultural analysis, contrasting samples from Spain, Italy, France and Finland.

No 867 – July 2010
José L. Moraga – Zsolt Sándor – Matthijs R. Wildenbeest
ON THE IDENTIFICATION OF THE COSTS OF SIMULTANEOUS SEARCH

Abstract: This paper studies the identification of the costs of simultaneous search in a class of (portfolio) problems studied by Chade and Smith (2006). We show that aggregate data from a single market, or disaggregate data from a single market segment, do not provide sufficient information to identify the costs of simultaneous search in any reasonable interval. We then show that by pooling aggregate data from multiple markets, or disaggregate data from multiple market segments, the econometrician can identify the costs of simultaneous search in a non-empty interval. Within the context of specific examples, we illustrate that identification of the search cost distribution in its full support may easily be obtained.
No 868 – July 2010
Karsten Lieser – Alexander P. Groh
THE ATTRACTIVENESS OF 66 COUNTRIES FOR INSTITUTIONAL REAL ESTATE INVESTMENTS: A COMPOSITE INDEX APPROACH

Abstract: We address the attractiveness of 66 countries around the world for institutional real estate investments by constructing a composite index. For the index composition, we refer to the results of prior research on the parameters determining real estate investment activity on an aggregated country level. Our index reveals a country ranking that correlates reasonably well with commercial real estate investments, as we prove with back-tests over six years. We increase the transparency of market variables for decision-making in global real estate asset allocation and provide the key determinants that shape national real estate markets. The results highlight the strengths and weaknesses of developed, transition and emerging economies and provide guidelines for political improvements to attract international capital to spur real estate investment activity.

No 869 – July 2010
José L. Moraga – Zsolt Sándor – Matthijs R. Wildenbeest
NONSEQUENTIAL SEARCH EQUILIBRIUM WITH SEARCH COST HETEROGENEITY

Abstract: We generalize the model of Burdett and Judd (1983) to the case where an arbitrary finite number of firms sells a homogeneous good to buyers who have heterogeneous search costs. We show that a price dispersed symmetric Nash equilibrium always exists. Numerical results show that the behavior of prices with respect to the number of firms hinges upon the shape of the search cost distribution: when search costs are relatively concentrated (dispersed), entry of firms leads to higher (lower) average prices.

No 870 – July 2010
Raphael Amit – Christoph Zott
BUSINESS MODEL INNOVATION: CREATING VALUE IN TIMES OF CHANGE

Abstract: We highlight business model innovation as a way for general managers and entrepreneurs to create and appropriate value, especially in times of economic change. Business model innovation, which involves designing a modified or new activity system, relies on recombining the existing resources of a firm and its partners, and it does not require significant investments in R&D. We offer managers and researchers a conceptual primer on business model innovation, emphasizing the importance of system-level thinking.

No 871 – July 2010
Christoph Zott – Quy Huy
THE AFFECTIVE ROOTS OF RESOURCE HETEROGENEITY: HOW FOUNDERS’ EMOTION REGULATION HELPS CREATE SOCIAL RESOURCES IN STARTUPS

Abstract: Where do firms’ heterogeneous resources come from? Our qualitative, inductive study of nascent firms over seven years revealed that founders’ differential use of emotion regulation behaviors can explain differential creation of social resources at the firm level. We found that founders’ emotion regulation behaviors cluster around three themes: 1) the founder’s temporal perspective (short-term versus long-term); 2) the nature of founder benefits (economic versus emotional rewards), and 3) the target of founder attention (self versus others). We theorize that founders’ emotion regulation behaviors according to these themes influence the incentives of founders and stakeholders and thereby enable the creation of valuable and difficult-to-imitate social resources for their ventures. Social resources include discretionary support provided by founders and stakeholders, as well as founder persistence and stakeholder willingness-to-help. Our study contributes to the strategy literature by showing empirically the link between specific emotion regulation behaviors and the emergence of resource heterogeneity at the firm level. It specifically contributes to resource-based theory by separating the theory’s main assumptions and outcomes, reducing concerns about potential tautology.

No 872 – July 2010
Antonio Argandoña
LA DIMENSION ETICA DE LA CRISIS FINANCIERA

Abstract: Las causas de la reciente crisis financiera y de la recesión económica internacional que le siguió se han ido aclarando con el paso del tiempo. Una de esas causas, frecuentemente apuntada, es de naturaleza ética: la crisis, se ha afirmado, es un fallo moral de los directivos de muchas empresas, agencias de rating, reguladores, gobiernos, etc., así como de no pocos de sus clientes. Pero ¿qué quiere decir que esta crisis tiene su origen en conductas inmorales? ¿No es esto algo común, no ya a otras crisis, sino a muchos comportamientos en el mundo de los negocios? En este trabajo se pasa revista a una serie de fenómenos morales que parecen estar presentes en la crisis actual, con especial énfasis en la función de la ética en la toma de decisiones financieras y su posible papel como solución a esos problemas.

No 873 – July 2010
Antonio Argandoña
FRUGALITY
Abstract: Frugality is a little studied virtue, but one that is important to the lives of individuals and families, communities and broader societies. In this article we consider what we mean by frugality and discuss its role in the decision-making process, within action theory. This leads us to a normative explanation of why frugality is needed and what it signifies. (Also available in Spanish.)

Carolina Manzano – Xavier Vives
PUBLIC AND PRIVATE LEARNING FROM PRICES, STRATEGIC SUBSTITUTABILITY AND COMPLEMENTARITY, AND EQUILIBRIUM MULTIPLICITY

Abstract: We study a general static noisy rational expectations model, where investors have private information about asset payoffs, with common and private components, and about their own exposure to an aggregate risk factor, and derive conditions for existence and uniqueness (or multiplicity) of equilibria. We find that a main driver of the characterization of equilibria is whether the actions of investors are strategic substitutes or complements. This latter property, in turn, is driven by the strength of a private learning channel from prices, arising from the multidimensional sources of asymmetric information, in relation to the usual public learning channel. When the private learning channel is strong (weak) in relation to the public, we have strong (weak) strategic complementarity in actions and potentially multiple (unique) equilibria. The results enable a precise characterization of whether information acquisition decisions are strategic substitutes or complements. This latter property, in turn, is uniqueness (or multiplicity) of equilibria. We find that a main driver of the characterization of equilibria is whether the actions of investors are strategic substitutes or complements. This latter property, in turn, is driven by the strength of a private learning channel from prices, arising from the multidimensional sources of asymmetric information, in relation to the usual public learning channel. When the private learning channel is strong (weak) in relation to the public, we have strong (weak) strategic complementarity in actions and potentially multiple (unique) equilibria. The results enable a precise characterization of whether information acquisition decisions are strategic substitutes or complements. We find that the strategic substitutability in information acquisition result obtained in Grossman and Stiglitz (1980) is robust.

Guido Stein – Enrique Cebrecos

Abstract: El mercado actual ha obligado a las empresas a transformar la figura del vendedor tradicional en un vendedor-consultor-asesor que aporte valor añadido y transmite confianza a sus clientes. Conocer las claves prácticas para afrontar este cambio supone un paso importante en el camino hacia el éxito y el desarrollo del negocio. Hoy, los mercados están en continua evolución, y lo que ayer era novedoso, mañana está obsoleto: el acceso a la información y a la innovación en productos y servicios es cada vez mayor y, sin embargo, las ventajas tecnológicas que se derivan de dicha innovación son, a su vez, más rápidamente reproducibles por competidores, y en muchos casos a costes inferiores.

Conferences and Seminars

Miguel A. Ariño
On August 6-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where he presented the paper "Bundles of corporate governance mechanisms: A fuzzy set analysis", co-authored with Roberto García.

Abstract: In this paper, we seek to uncover whether there exist alternative configurations of corporate governance (CG) mechanisms leading to high performance. Previous literature argues that different CG mechanisms observed in firms are closely interrelated and that in turn they may affect firm performance in a causally complex and complementary way. We empirically investigate this relationship at the firm level using fuzzy set Qualitative Comparative Analysis (fs/QCA) in a sample of 946 firms from 31 different countries. Fuzzy sets methodology allows a more fine-grained exploration of the necessary and sufficient conditions triggering high firm performance, based on set-theoretic connections rather than linear relationships. We provide evidence of CG complementarities at the firm level and show that there is more than one path to achieve high financial performance. This paper contributes to comparative corporate governance research and corporate strategy research.

Natalia Cugueró
On August 6-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where she presented the paper "A policy capturing study of justice restoration: restitution,
compensation and remedies”, co-authored with M. Fortin and Miguel A. Canela.

Abstract: Injustices occur in organizations, and research has shown that individuals react negatively to injustice. Previous research has identified several remedies to repair injustice: apology from harm doers (Wenzel and Okimoto, 2009), material compensation (Reb et al., 2006; Okimoto, 2008; O’Malley and Greenberg, 1983) and punishment for the harm doers (Okimoto and Wenzel, 2009; Reb et al., 2006). It is necessary to know the importance of these different remedies for individuals, and can compare the weights that different people give to specific remedies. In our policy capturing design, we include sincere and insincere apologies (a previously neglected distinction), and different levels of procedural remedies and material compensation. We also differentiate between two different sources of injustice: the manager versus the organisation. We have a sample of 82 individuals, who rated 60 situational scenarios. We present both within and between-individual analyses regarding the justice restitution process. The most striking findings suggest that changing procedures offers the strongest restorative effects and that changing procedures can also increase the effects of remedying through monetary compensation.

Pablo Cardona
On August 6-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where he presented the following papers:

“Power motive: A comparison between the US and China”, co-authored with Isabel Ng and David Winter.

Abstract: Although power motive has been defined as the need to have impact on others, previous research suggests that the conceptualization of power may be culturally specific. We propose that Americans tend to associate power with action and prestige, while Chinese tend to associate power with prestige more than action. We also propose that having control over resources increases power motive among Americans but not that of Chinese, while status elevation increases power motive among both American and Chinese people. We tested our hypotheses with two experimental conditions. All our hypotheses were supported. In sum, our findings show that the conceptualization of power and power motive arousal stimuli could be related. In particular, we suggest that the relationship between the cognitive and emotional dimensions of power motive may be culturally specific. We suggest future studies should examine the relationship between conceptualization of power and power motive in different cultures.

“A map of managerial competencies: A 15-country study”, co-authored with María José Bosch.

Abstract: Several authors have developed different models of competencies. These models try to understand which competencies are related to better performance, but most of them were developed in a single-country context. This paper tries to find measures of managerial competencies that are reliable across cultures. Based on Cardona and García’s framework (2005), we measure managerial competencies for different cultural regions, including the following countries: Brazil, China, Spain, Pakistan, Philippines, Russia and Ireland. We find reliable competency measures across cultures and identify three competency dimensions: external, interpersonal and personal. Finally, we validate the model, testing it in another eight countries from different cultural regions.

Carmelo Cennamo
On August 6-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where he presented the paper “Towards a theory of explorative stakeholder management”, co-authored with Pascual Berrone.

Abstract: Instrumental stakeholder theory contends that by properly aiming at stakeholders through stakeholder management strategies (SM) a firm can accumulate valuable resources and capabilities, and gain sustainable competitive advantage. However, results of empirical work indicate an ambiguous relationship between SM and the firm competitive advantage. This has posed a puzzle which is the subject of an open debate in the field. Yet, parallel literatures on managerial discretion and hyper-competition may help to unravel this puzzle by informing on the industry conditions further affecting a firm’s ability to build and sustain a competitive advantage. In this paper, by drawing on and integrating the insights of these views with stakeholder management theory, we offer a model and advance propositions in an attempt to address the question of “when” rather than “whether” SM fosters a sustainable competitive advantage.

Marta Elvira
On July 1-3, attended the 26th Colloquium of the European Group for Organizational Studies (EGOS) in Lisbon, where she presented the paper “Work-unit age diversity and individual employment outcomes: A cross-level study of age-related effects”, co-authored with C. Zatzick and L. Shore.

Abstract: This study examines how structural age composition and age diversity within work units affects employment outcomes (earnings and performance) for individual employees. From a research perspective, we aim to contribute to the theoretical development and empirical findings on cross-level effects. Limited empirical research has focused on the cross-level effects of age diversity, despite evidence that the relevance of individual age depends on the reference group, i.e., on the ages of their coworkers and managers. The present study
extends this line of research by examining the effects of another important aspect of the work environment, age diversity within workers’ group, leading to predictions about the influence of group age relative to employee age in relation to compensation and performance ratings in the work context.

Marta Elvira – Carlos Rodriguez-Lluesma

On August 5-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where they organized a session selected for the All-Academy Program and presented the paper “The occupational and organizational structuration of direct care work in an international context”.

Abstract: This session brought together researchers from various disciplines who are studying the structuring of emergent occupational and organizational forms in direct care work. Because of the increasing demand for care work in OECD countries, partly due to population aging and longer life expectancy, direct care jobs will lead employment growth in the next few decades. This employment trend implies a growing need for management of the expanding provision of care services, as well as profound transformations in the institutional and social settings in which care is given. Despite the import of these large-scale changes, limited research exists concerning their effect on the emergence of new occupations, and the necessary multidisciplinary approaches to care quality and care provision. In addition, given the demographic composition of the direct-care workforce, research is needed in the human capital arena to provide the educational and professional competencies required for these critical jobs. Finally, the application of technology by both public and private sector organizations in order to reduce constraints in this sector deserves closer study. This workshop provides a research forum around how care-related occupations, technologies, and organizations evolve and are being structured. Its outcomes will contribute to research in an area of unprecedented growth and social responsibility. Further, we aim to identify synergies in similarities as well as differences in the understanding of care giving due to variations in care systems across various countries. This investigation will help put national idiosyncrasies in their larger context and understand cross-national patterns in direct care work.

Marta Elvira

On August 5-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where she also presented the following papers:

“Successfully establishing access for research in Latin American Iberian countries”, co-authored with Annabela Davila.

Abstract: In recent years, international human resource management research has increasingly focused on the Iberoamerican context. However, researchers currently or planning to be engaged in this research context continue to find limited resources for developing a field research design for successful access to research participants. Conducting research in these contexts brings a unique set of challenges and requires knowledge of the nuances among the various Iberoamerican countries. What may work in one country may not easily transfer to another. Issues such as governmental/regulatory policies and practices and cultural differences and language/dialect differences are among the many challenges researchers face. We presented experiences on: successfully establishing access for research in Latin American Iberian countries; engaging key constituencies in research projects; and access to individuals and maximizing participation.


Abstract: We examine the role of employee chronological age, average age of the group, and work group age diversity in relation to turnover and layoffs. Surprisingly in light of past research, the results were not consistent with predictions, based on relational demography and the ASA model, that employees who were older or younger than their work group would be more likely to quit or to be laid off. However, prior research on age diversity has primarily focused on senior management teams, perhaps explaining why our results involving employees at all levels of the company produced different results. That is, for senior management teams, age homogeneity may be conducive to cohesion, thus promoting turnover by individuals who do not “fit”. At other organizational levels, however, the value in diversity model, which poses many advantages associated with diverse work groups, may provide a more meaningful explanation for the effects of age diversity. Specifically, more age diverse groups with the associated broader array of perspectives may create an environment that encourages older employees to remain in the organization. Likewise, organizational leaders may be less likely to lay off older employees in diverse groups, believing that older individuals provide unique knowledge, skills, and abilities that are critical to organizational success. The size of our sample and the number of work groups produced an opportunity for new insights into the dynamics of age diversity. Our results suggest that: 1) theories of diversity and employee retention need further refinement when applied to age in the workplace, and 2) greater exploration of the value in diversity model as applied to age may provide a fruitful avenue for future research.

This paper was elected as a Showcase Symposium, sponsored by three divisions (Organizational Behavior, Gender & Diversity in Organizations, and Human Resources).

Javier Estrada

On July 1-3, attended the PFN (Portuguese Finance Network) Meeting in Azores, where he presented the paper “Geometric mean maximization: An overlooked portfolio approach?”
Abstract: Academics and practitioners usually optimize portfolios on the basis of mean and variance. They set the goal of maximizing risk-adjusted returns measured by the Sharpe ratio and thus determine their optimal exposures to the assets considered. However, there is an alternative criterion that has an equally plausible underlying idea: geometric mean maximization, which aims to maximize the growth of the capital invested, thus seeking to maximize terminal wealth. This criterion has several attractive properties and is easy to implement, and yet it seems to have taken a back seat to the maximization of risk-adjusted returns. The ultimate goal of this article is to compare the two criteria from an empirical perspective. The results reported and discussed leave the question posed in the title largely intact: Are academics and practitioners overlooking a useful portfolio approach? He also chaired the session “Portfolio management and asset allocation” and acted as discussant of the paper “Collaterizable wealth, asset returns and systemic risk: International evidence”.

Sebastien Fosse
On August 6-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where he presented the paper “Good deeds through blood ties? The effects of family ownership and governance on social performance”, co-authored with Carl J. Kock, Marianna Makri, Luis R. Gómez-Mejia and Pascual Berrone.

Abstract: The discussion of the link between social and financial performance generally assumes that shareholders are driven only by the pursuit of financial wealth. Here, we argue that the unique desire of family owners to preserve and develop both their economic and extra economic capital accounts for the social behavior of family firms. Moreover, we empirically show that the way in which family firms manage stakeholder relationships results from a trade-off between these two priorities.

Mireia las Heras
On August 6-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where she presented the following papers:

“Current research methods in work-life research: Focus groups”

Abstract: In order for scholars to be able to understand better how “solving organizational problems might ensure a sustainable future”, they need to stay abreast of the current, cutting-edge research techniques being used to identify and define the most pressing organizational problems. In this workshop Mireia talked about her use of Focus groups in work-life (WL) research. This discussion provided an opportunity to interact with the experts who are researching in WL issues.

“Bringing careers to HRM: ‘Smart’ job-designs”, co-authored with Douglas T. Hall.

Abstract: The symposium’s goal was to raise a scholarly conversation about the economic value of individual self-managed career behavior, and what this can mean for organizations. Specifically, interesting discussion developed around what self-managed career behavior can mean for the practice of HRM, and its implications for employees. The presentation showed empirical evidence of benefits for the company as a result of such career behavior. The contributors offered: 1) a fresh perspective to understanding the “psychological contract” between individuals and organizations; 2) an argument about the “value” of mobility after an international assignment; 3) a career-centered approach to “smart” job design; 4) a contextual, global perspective on the role of HRM, and 5) empirical evidence on the effects of self-managed career behavior on organizational learning. The symposium offered a platform for scholarly conversation among researchers and practitioners.

C. de Linares
On July 6-8, attended the XVII Simposio Internacional de Palinología de la APLE in Ourense, where he presented the paper “Modelo de dispersión de Alternaria en 12 localidades españolas”, co-authored with J. Belmonte, Miguel A. Canela, F. Alba et al.

Abstract: Alternaria es un hongo perteneciente a la familia Pleosporaceae que se encuentra frecuentemente en vegetales en degradación y otros hábitats saprobios, cuyos conidios están presentes en el aire. Además, es considerado como un fitopatógeno oportunista que causa severos daños económicos en una gran variedad de cultivos. En España es responsable de pérdidas importantes, incluso cuando se aplican tratamientos con fungicidas en el tomate, cítricos, olivo, patata, etc. En los últimos años se han creado diferentes modelos matemáticos con el fin de poder prevenir los daños ocasionados por este hongo. En este estudio se ha examinado la dinámica aerobiológica de Alternaria en doce localidades españolas con distintas condiciones medioambientales y se han relacionado los niveles de conidios de este hongo con variables meteorológicas básicas. El objetivo planteado ha sido crear un modelo matemático que pueda ayudar a mejorar la estimación de las concentraciones de Alternaria en el aire contribuyendo de esta manera a su prevención y manejo.

Johanna Mair
On August 6-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where she presented the following papers:

“Who we are and how we got there: A process model of organizational field formation”, co-authored with Lisa Hehenberger.
"Social entrepreneurs as institutional entrepreneurs: The case of Sekem", co-authored with Tomislav Rimac and Julie Battilana.

Abstract: Implementing social change often requires breaking with existing institutions (Mair and Marti, 2006), which is a daunting task. Diverging from existing institutions is anything but easy, as institutions are patterns of acting and organizing that have become so taken-for-granted that actors perceive them as natural (Douglas, 1986). The challenge faced by social entrepreneurs in trying to implement change that diverges from existing institutions is not only to distance themselves from the institutional status quo but also to convince people to abandon institutionalized practices that they take for granted and to adopt new ones. When doing so, social entrepreneurs act as institutional entrepreneurs, that is, they leverage resources to create new or transform existing institutions (DiMaggio, 1988).

"Organizational mechanisms of inclusive growth: A critical realist perspective on scaling", co-authored with Christian Seelos.

Abstract: We investigate the challenge of how the outcomes of innovation for inclusive growth, the novel organizational recipes, can be scaled to match the dimension of poverty. We conceptualize scaling as sustained event regularities between doing A and expected outcomes B. Building on a critical realist perspective, we develop an analytical framework of organizational closure and apply it to an extreme case, an organization with an inclusive growth model that has sustained event regularities for more than two decades. Our analysis reveals closure as an organizational competence with important implications for achieving scale in the context of poverty. We develop a number of propositions regarding the link between organizational closure and scaling, with implications for practice and further academic research.

"Divestitures for innovation", co-authored with Caterina Moschieri.

Abstract: While existing literature implies that divested units are typically unwanted, poorly performing activities, evidence suggests that companies can divest high-performing units and retain relationships with them, especially in the quest for innovation. This paper presents an exploratory case study to examine how a company structures the divestiture of an innovative unit and how it benefits from the innovation generated by the unit. The analysis focuses on how an established company can use divestitures to enhance and capture the innovation of its units by retaining and nurturing a close relationship. Under the new organizational arrangement arising from divestitures, resources can be transferred from the parent to the unit, while the parent retains access to the innovation developed within the unit. This study proposes a framework that offers organizational change agents and strategists a new perspective for how to integrate innovation and corporate strategy.

On August 19-25, Johanna Mair attended the European Forum in Alpbach, where she acted as Special Lecturer and Keynote Speaker at the Symposium on Reform, "Social entrepreneurship: The change we all need?" and took part in the Seminar Week on Social Entrepreneurship.

Abstract: The pursuit of social change and social impact through innovative entrepreneurial practices has received increasing attention and gained significant momentum. The persistence and severity of global poverty indicates a number of economic and social hurdles to achieving a global form of sustainable development. Progress requires innovation in technologies, products and services but most of all in the process of how to engage the poor and how to build business models that are capable of satisfying the needs of the poor and at the same time financially sustainable. Creating such solutions involves recognising opportunities and combining and mobilising resources, so as to trigger positive change in various domains. The seminar explored the concept, idea and phenomenon of social entrepreneurship, with particular focus on its form and relevance in the Central European context, and offered insights into the personal life cycles and development paths of social entrepreneurs.

Domènec Melé
On August 7-10, attended the Annual Meeting of the Society for Business Ethics in Montreal, where he presented the paper "Re-thinking business ethics: From the separation thesis to the unity thesis".

Abstract: The Separation Thesis (ST) maintains that there are economic decisions which have nothing to do with ethics, and other decisions about ethics which have no relation to economics. The intellectual roots of the ST are in logical positivism, with its attendant radical separation between facts and values. Nowadays, logical positivism often comes under strong criticism, although the ST persists to some extent, and hinders a correct understanding of business ethics. There are different manners in which ethics meets business, leading to often divergent views of business ethics. Integrating normative theories of ethics into stakeholder management is an improvement, but still insufficient to overcome the ST. We argue in favor of the Unity Thesis, in which business is seen as a human action with various distinguishable but inseparable
dimensions. Consequently, ethics is not an add-on component of the business decision or action, but an intrinsic dimension of it. Finally, we suggest that business ethics based on the Unity Thesis opens new horizons for this discipline.

He also took part as co-organizer in two caucuses, one on “A European perspective on social issues in management” and the other on “Humanistic management, towards the common good”.

José L. Moraga
On August 23-26, attended the Annual Meeting of the European Economic Association in Glasgow, where he presented the paper “Consumer search and prices in the automobile market”.

Abstract: In many markets consumers only have imprecise information about the alternatives available. Before deciding which alternative to purchase, if any, consumers search to find their preferred products. This paper develops a discrete-choice model with optimal consumer search. Consumer choice sets are endogenous and therefore imperfect substitutability across brands does not only arise from variation in product characteristics but also from variation in the costs of searching alternative brands. We apply the model to the automobile industry using aggregate data on prices and market shares, as well as data on dealership locations and consumer demographics. Our estimate of search cost is highly significant and indicates that consumers conduct a limited amount of search. The paper shows that accounting for search cost and its effect on generating heterogeneity in choice sets is important in explaining variability in purchase patterns.

Fernando Peñalva
On July 31-August 4, attended the 2010 Annual Meeting of the American Accounting Association in San Francisco, where he presented the paper “Accounting conservatism and the limits to earnings management”, coauthored with Juan M. García Lara and Beatriz García Osma.

Abstract: We study the association between conservatism and both accrual and real earnings management. Conservatism facilitates the monitoring of insider decisions, potentially limiting the opportunities for within-GAAP accounting manipulation. Watts (2003) and Guay and Verrecchia (2006) argue that this monitoring role of conservatism leads to lower earnings management, while critical voices like Hermelin and Weisbach (2009) and Ewert and Wagenhofer (2005) claim that under tighter monitoring, managers have incentives to deviate from optimal decision making. To the extent that managers face constraints to manipulate accruals, we expect that they may shift to potentially more costly real earnings management practices, which they may, in fact, prefer (Graham, Harvey, and Rajgopal, 2005). Using a large US sample for the period 1990-2006, we find a negative association between conservatism and measures of accruals manipulation, and a positive association between conservatism and real earnings management. This is consistent with the arguments in Hermelin and Weisbach (2009) that tighter monitoring can lead to inefficiencies in corporate governance.

José R. Pin
On August 7-10, attended the Annual Meeting of the Society for Business Ethics in Montreal, where he chaired the workshop “Europe and Latin America: How has the economic crisis affected people management?”.

Abstract: The countries of Latin America and Europe have not all been affected to the same extent by the economic crisis, nor have they all responded in the same way. In particular, the impact on the labor market, on companies and on workforce movements has been affected by the degree of rigidity and centralization of labor legislation. Brazil and Chile, for example, have decentralized their unions, pushing collective bargaining down to the level of the individual firm. Company practices have also been influenced by the relative status and hierarchical level of the human resources director, depending on each country’s level of development.

B. Sebastian Reiche
On July 11-16, attended the 27th International Congress of Applied Psychology in Melbourne, where he presented the paper “The effect of OCB on managerial trustworthy behavior: The roles of manager trust in subordinates and collectivism”, co-authored with Pablo Cardona, Yih-teen Lee, Miguel A. Canela et al.

Abstract: We take a social exchange theory perspective to conceptualize subordinates’ organizational citizenship behavior as an antecedent of managerial trustworthy behavior and examine how managerial trust in subordinates mediates this relationship. We also investigate the extent to which this mediation is moderated by the level of collectivism prevalent in a society. Data were collected from 741 managers and 2111 subordinates in 18 countries representing all major cultural regions of the world. Using robust data analytical techniques, we show that managerial trust in subordinates partially mediates the relationship between subordinates’ organizational citizenship behavior and managerial trustworthy behavior across the different countries studied. We also find that manager trust in subordinates will only mediate the relationship between subordinates’ organizational citizenship behavior and managerial trustworthy behavior when collectivism is low but not when it is high. Implications for research on organizational citizenship behavior, trust and cross-cultural management are discussed.

On August 6-10, attended the 70th Annual Meeting of the Academy of Management in Montreal, where he presented the following papers:
“More than once in a lifetime: Individual transitions across role, career and geographical boundaries”.

Abstract: Globalization and the resulting societal changes have led to a proliferation of roles, activities and settings whose boundaries individuals cross during their personal and professional lives. This symposium gathers a set of papers discussing some of the most current and important issues related to the nature of these transitions and how individuals and organizations deal with them. Collectively, the papers examine a wide range of types of individual transitions, such as the work-family interface, career transitions, and cultural and geographical relocations, and consider the different time frames of such transitions, ranging from the daily to the more permanent. The authors address these issues from various theoretical perspectives, including role identity, boundaryless and flexible careers, acculturation, job embeddedness and social capital. The results of these studies provide much needed insight for practice and research to better understand how individuals can deal with such transitions and how organizations can facilitate them.

“The role of HQ social capital upon repatriation: A longitudinal inpatriate study”

Abstract: This study investigates under what conditions the host-unit social capital that international assignees build during their relocation continues to entail benefits upon completion of their assignments. Drawing on a longitudinal sample of inpatriate assignees, I demonstrate that inpatriates’ social capital, operationalized as their number of work group contacts and their average trust in the network at the MNC headquarters, positively relates to their access to knowledge from former headquarters colleagues two years later, whereas inpatriates’ average trust also relates positively to their ability to transfer knowledge to new colleagues two years later. I also find that inpatriates’ perceived repatriation and career support compensates for the lack of work group contacts in both accessing and being able to transfer knowledge after their assignment.

“How do previous international experiences influence future international career aspirations? The roles of cultural intelligence and global identity”, co-authored with Yih-teen Lee, Dongmei Song and Franz Heukamp.

Abstract: Drawing on career motivation theory, we develop and test a model that predicts international career aspirations based on individuals’ previous international experience as well as the cultural intelligence and global identity they have developed. This paper was part of a symposium that was selected as Finalist for the Best International Symposium Award.

“Cultural perspectives on comparative HRM”, contribution to a Professional Development Workshop, co-authored with Yih-teen Lee and Javier Quintanilla.

Abstract: This session reflected on the cultural approaches to comparative HRM, examining how cultural values and norms shape managerial choices across national contexts and how these may, in turn, explain differences in HRM. We first review the cultural frameworks used in comparative HRM research, then describe the main sources and mechanisms through which culture influences HRM and, finally, discuss the limitations of the cultural perspective.

Jan Simon

On August 14, attended the ASA (American Sociology Association) Annual Conference in Atlanta, where he presented the paper “Dangerous connections: Hedge funds, brokers and the construction of a market crisis”, co-authored with Yuval Millo.

Abstract: In spite of the central role they play in financial markets, how hedge funds make investment decisions is virtually unexamined in the academic literature. We find that competing hedge fund managers share and discuss detailed, timely and sensitive information on a regular basis and that these practices play a crucial role in investment decision making. In addition, we analyze the important connections between hedge fund managers and the brokers who execute trading orders. Unlike the high quality information shared by hedge fund managers, brokers provide only general information and broad investment ideas. Our evidence indicates that this structure of connections supports collaborative decision-making practices. Following an examination of these practices, we focus on the Volkswagen-Porsche stock crisis of October 2008, a series of events that led dozens of hedge funds to suffer loses estimated in the tens of billions (USD). Our findings indicate that the Volkswagen-Porsche crisis was closely related to the social structure and the sets of practices through which investment decisions were made. We show that the nature of the connections among hedge fund managers, and between them and their brokers, contributed to a situation in which, once hedge funds had collectively accepted an investment idea and invested accordingly, they “locked in” on it, ignoring warning signals. This paper is the first to analyze hedge funds’ activity in such detail: we collect and triangulate data from interviews, ethnographic field observations and social network analysis. We conducted interviews with 60 hedge fund managers and brokers and held field observations over a period of 18 months, between December 2007 and June 2009. Our sample includes 26 hedge funds and 8 brokerage firms in Europe, the United States and Asia. The hedge funds analyzed in our sample controlled 15% of all assets managed by hedge funds.

Josep Tàpies

On July 6-9, attended the 10th World Family Business Conference organized by IFERA (International Family Enterprise Research Academy) in Lancaster, where he presented the paper ‘Business School Students’ perceptions on family-owned firms. A cross-
cultural approach”, co-authored with Juha Kansikas and Lucia Ceja.

Abstract: If family-owned businesses account for more than half of the world’s business corporations, it is very likely that a vast majority of future management graduates will end up working in these firms, not to mention the number of students who will inherit a family-owned company. Hence, management graduates represent a pool of talent that can help family firms to thrive. For this reason, studying their perceptions should be of great use to business schools, CEOs and managers in family-owned corporations. Past research has found that family firms are generally perceived by management students as a unique type of organization, different from other companies. However, there has been little research comparing the perceptions of business school students from different countries. With the aim of starting to fill this research gap, the present study explores whether perceptions of management students in Finland differ from those of management students in Spain. More specifically, the study aims at investigating the perceptions of Spanish and Finnish management students toward family firms in comparison to non-family firms, in relation to the implementation of strategic changes, financial performance, talent management, financial obstacles to growth, managing people, and the effects of interpersonal problems among shareholders on business performance.

On May 14-16, Domènec Melé chaired the 16th International Symposium on Ethics, Business and Society, with the theme “Facing the crisis: Toward a new humanistic synthesis”, held at IESE in Barcelona. The following presentations were given:

Natalia Cugueró – Marion Fortin
"Doing justice to multiple motives in organisations and society: Beyond instrumental justice theory and research”.

Abstract: Organizational justice research has found that individuals have instrumental, relational and moral reasons for reacting to unfair treatment in the workplace. It is therefore surprising that in communicating organizational justice research to managers, the field seems to appeal to instrumental motives of organizational decision makers only – that is, justice is treated as a mere tool for economic viability. We draw on social-psychological justice research and on the work of several philosophers to develop a multiple motives model for justice in organisations. In doing so, we go beyond previous organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993). We discuss why the different organizational justice taxonomies in differentiating between extrinsic, intrinsic and transcendental motives of decision makers in organizations (Pérez López, 1991, 1993).

Alejo J. Sison – Joan Fontrodona
“Profit, purpose and the common good of business”.

Abstract: “Caritas in Veritate” poses a challenge to the business community when it asks for “a profoundly new way of understanding business enterprise” (CIV, 40). This request for a new paradigm implies rethinking the purpose of the firm and the role of business in society. The purpose of this paper is to address this challenge. First, we give a historical account of the concept of the common good as used in “Caritas in Veritate”. Second, we describe the common good of business. From there, we discuss the role of profit within the purpose of business and propose the role of work as alternative. We end with some suggestions for further questions.

Juan C. Vázquez-Dodero – Miguel A. Ariño – Rama Velamuri
“Holistic decision making and long-term firm performance”.

Abstract: We propose a holistic managerial decision making framework that encourages managers to take into consideration the three impact dimensions of any decision involving interactions with internal or external stakeholders. The impact dimensions are: a) effectiveness; b) operative learning, and c) relational learning. We submit that an organization whose managers systematically take into consideration these three impact dimensions in their decision making is more likely to achieve superior long-term performance. We discuss the implications of our framework for researchers, practitioners and educators.

Doctoral Theses

Natalia Cugueró
MANAGING JUSTICE IN ORGANIZATIONS BY REPAIRING INJUSTICES: AN INTEGRATIVE REVIEW, DEVELOPMENT OF A MODEL AND EMPIRICAL STUDY
(IESE) thesis director: Josep M. Rosanas

Abstract: This dissertation consists of three separate but interrelated articles. The first is devoted to understanding different theoretical approaches to managing justice in organizations. At a most basic level, justice in organizations can be managed by creating perceptions of justice and by finding ways of amending injustices created.
Normative-ethical and psychological-descriptive approaches to these challenges are reviewed, and possibilities for integration are discussed. The second article aims at understanding how injustices may be repaired. In this article, I present several taxonomies of remedial choices, and finally suggest a comprehensive model of repairing injustices in organizations. Finally, an in-depth empirical study of justice repair is presented in the third article. This study builds on the theoretical model developed in the second article, and tests how combinations of specific remedies lead to different levels of reparation, how different remedial options interact, and how remedies are chosen depending on the source creating the injustice.

Justice in business organizations has been studied mainly using sociological and psychological approaches, following empirical enquiries to understand how people perceive justice. This field of study has been labelled Organizational Justice. Researchers in this field look at justice from the individual perceiver’s point of view, the main objective being to understand what people believe to be just. This approach to justice is mainly subjective and descriptive. A second possible approach to justice is the one taken by philosophy, in which justice is an ethical aspect of any human being or human system, especially of people engaging in relationships. The main concern is knowing “what justice is” and understanding “what justice must be”. This approach to justice is mainly objective and prescriptive. Scholars in ethics study how institutions, relationships, transactions and people must look like to be considered just. In their conceptualizations and theories of justice they discuss procedures and outcomes and justice norms.

The first objective of this dissertation is to understand the psychological/subjective and normative/objective views in depth and identify possibilities of integrating the two.

Hugo Zarco Jasso

DETERMINANTS OF CONTRACT CHOICES IN PUBLIC-PRIVATE PARTNERSHIPS: AN APPLICATION TO THE WATER INDUSTRY

(IESE) thesis director: Bruno Cassiman

Abstract: The purpose of this dissertation is to contribute to the understanding of public and private sector collaborative agreements (public-private partnerships) for the provision of public services that previously were the responsibility of central and local governments. Although numerous countries around the world have tried different forms of private participation in their infrastructure industries during the past two decades – and there now exists a burgeoning literature on the topic of privatization – there has been little systematic work on the determinants of the mix of public-private participation. The major conceptual contribution of this dissertation is therefore the examination of the factors determining the adoption of various forms of “hybrid” public-private governance structures. By drawing on literature from public management, international business, and institutional economics I focus on the water industry because it exhibits particular characteristics that make it a “politically salient” sector and therefore a suitable field for testing the proposed framework.

BOSE – Research Seminars

Production, Technology and Operations Management

July 6

Speaker: George Zsidisin, Bowling Green State University

“A comparison of European and North American perspectives on purchasing and supply”.

Abstract: Supply chains have truly become global in scope. Likewise, in recent years we have seen an increase in international collaboration on the scholarship side of purchasing and supply management, which is a fundamental business discipline for studying supply chains. For example, almost every academic supply chain journal has scholars from Europe, North America, and Asia on its editorial board.

Further, there seems to be a growing number of research projects emerging that have an international component. Indeed, there appears to be growing momentum of cross-country and cross-continent scholarship in many forms for studying and advancing knowledge in purchasing and supply management. Academic journals serve a critical role in sharing and advancing new knowledge in purchasing and supply management. There is also often personal motivation for publishing research, including meeting professional requirements for promotion and tenure, performance appraisals, and evidence of overall contributions to the field. As a result, determining the journals to target for publication consideration becomes an important decision. The criteria for determining what constitutes a rigorous journal and which are the most rigorous journals may depend in part on the cultural orientation of the scholar. The purpose of this presentation is to share preliminary findings from a survey instrument examining similarities and differences between European and North American supply chain scholars in how they prioritize academic journals in the purchasing and supply management discipline. We hope that the findings from this study will shed light on how we can better integrate global viewpoints of scholarship to advance the field of purchasing and supply management worldwide.

Strategic Management

July 5

Speaker: Dror Etzion, McGill University

“An industry-level view of environmental performance: Office furniture manufacturing in the United States”.

Abstract: A great deal of research on organizations and the natural environment has focused on the level of the individual firm, and has
attempted to determine which organizational traits correspond with enhanced environmental performance. Less attention has been paid to industry-level factors affecting environmental performance, and results are inconsistent. Based on an analysis of the office furniture industry, clustered in Grand Rapids, Michigan, I contend that the presence or absence of shared cultural and professional values plays a significant role in determining the environmental performance of firms within a given industry. Moreover, an industry’s structural characteristics determine whether industry members have the capacity to pursue proactive environmental strategies. I briefly compare the office furniture industry with another highly clustered, mature oligopolistic manufacturing industry in the state of Michigan, the automotive industry, and assess what has led the automotive industry to adopt a recalcitrant approach to environmental issues, in stark contrast to the office furniture industry. More fundamentally, I argue that economic rationalities may enable or constrain – but do not drive – an industry’s approach to the natural environment.

Abstract: La crisis actual y los elevados déficit públicos han reabierto el debate sobre la sostenibilidad del estado del bienestar y, en particular, han aumentado la presión para reducir el gasto público en salud. En este primer artículo se argumenta que obsesionarnos solamente con la reducción del gasto es una visión incompleta del problema, ya que olvida su impacto sobre la salud de la población, que es, al fin y al cabo, el objetivo principal de todo sistema sanitario. Segundo, en este contexto, el copago ha reaparecido como una de las soluciones de moda. Aquí se propone repasar algunas de las lecciones que se pueden aprender de otros países que han adoptado ya esta fórmula, con la finalidad de poder beneficiarse de las ya muy variadas experiencias internacionales.

Research Seminars

Luis Cabral
On July 1, at Shanghai University of Economics and Business, presented the paper “Aftermarket power and basic market competition”.

Abstract: Many industries are characterized by a basic market for a durable good (e.g., Nespresso machines) and an associated aftermarket for a non-durable good (e.g., Nespresso coffee capsules). I show that under certain conditions an increase in aftermarket power (e.g., monopolization) leads to greater competition but ultimately to greater concentration in the basic market.

Miscellaneous

Antonio Argandoña
On July 1-2, attended the Third Bergamo-Wharton Joint Conference “Stakeholder theory(ies). Ethical bases, managerial applications, conceptual limits”, in Bergamo, where he gave the lecture “The role of prudence in stakeholder management”.

Núria Mas
On July 16, attended the Jornades del Col·legi de Metges en Puigcerdà, where she gave the lecture “Impacte de la crisi sobre les organitzacions sanitaris. Com implantar el copagament?”.

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

Farmacia Camino García
(C-750 – 0.110.009)

El caso presenta la cuenta de resultados, el balance y la descripción de un negocio de farmacia. Los participantes deben analizar los estados contables utilizando, para ello, ratios financieras. Asimismo, se presenta la posibilidad de tener descuentos por volumen de compras y descuentos pronto por parte de proveedores (distribuidores de productos de farmacia), lo cual permite discutir sobre la conveniencia de comprar a uno u otro proveedor.


Farmacia Vila Solé
(C-752 – 0.110.012)

La farmacia ha de tomar tres decisiones en que se deben analizar los ingresos y costes diferenciales y discutir sobre si llevarlas a cabo o no. En concreto, son la ampliación del local destinado al negocio de farmacia, una actividad promocional y la implantación de un sistema de incentivos en función de las ventas para los empleados de la farmacia.

Entrepreneurship

Dorna Sports SL: Managing the MotoGP World Championship
(E-138-E – 0.610.025)

Dorna’s Carmelo Ezpeleta and Pau Serracanta are considering the possibility of organizing a big new motorcycle competition in North America. Dorna is the company that organizes the MotoGP World Championship. The case presents Dorna’s business model and how the company adds value in an industry in which there are several competing players but in which Dorna decides the rules of the game and establishes the product’s appeal. It provides an opportunity to assess the business design and how added value is distributed.
(Also available in Spanish.)

Nacre (A): Turning a Lab Idea into a High-Growth Firm: The Challenges of Bringing an Innovative Device Technology to Market
(EFC-2-E – 0.610.022)

This FocusCase is about a CEO who took over a spin-off from a research institute, became the new firm’s #1 employee and tried to turn this lab idea into a prototype, then get it ready for industrialization, and finally sell it to a very demanding client, while facing some significant crises along the way. Besides the challenge of getting the product (an integrated hearing protection and communication device) working and a painful failure with a contract manufacturer, this case also displays how a very small team from a small town in Norway tried to sell a highly innovative product to one of the most difficult markets: the military. Furthermore, the company’s directors pushed the CEO in a different strategic direction (market segment) than the one the CEO wanted to pursue. Eventually, this firm – with only 12-15 employees at that time (plus a large contract manufacturer) – managed to land a US$30 million deal with the United States Marine Corps. Soon after, the company was acquired by a large corporation in the most successful exit deal in Europe that year (2007). Afterwards, the firm was integrated into the new parent corporation and proved to have one of the best technologies on the market.

Financial Management

Inmobiliaria del Levante, S.A.: El fin del concurso
(FE-41 – 0.210.021)

Promotor inmobiliario que diversifica en negocios hoteleros y en la adquisición de una participación significativa en un club de fútbol. Ante una caída radical de las ventas, se plantea la conveniencia de solicitar concurso de acreedores.
Sancho, C.; Santomá, J.; 3 pages.

Financiación extraordinaria para situaciones extraordinarias (I): diferimiento de impuestos
(FN-577 – 0.210.025)

Las empresas pueden encontrarse en situaciones excepcionales de necesidad de liquidez, habiendo consumido las vías ordinarias de financiación a través de los proveedores y entidades financieras. Es el momento de abrir la alternativa legal del diferimiento ordenado del pago de impuestos. La nota describe los aspectos esenciales del diferimiento en el pago del IVA y del impuesto sobre sociedades, valorando los costes y sus riesgos.

Fuentes de financiación para la PYME (III): financiación a largo plazo
(FN-578 – 0.210.026)

La nota describe los instrumentos financieros con estructura de largo plazo para la financiación de inversiones en bienes productivos e inmuebles, desde la óptica de las entidades financieras y de las Pymes solicitantes. Se describen en concreto los siguientes instrumentos: Préstamos con garantía personal, Préstamos con garantía hipotecaria, leasing financiero, renting y Project Finance.
Carrillo, J.; Segarra, J.A.; 7 pages.
Managing People in Organizations

LIPA (A): Impacto de una fusión
(DPO-172 – 0.409.100)

El director de recursos humanos de OLTRA, líder industrial en España que acababa de adquirir una de las mayores compañías argentinas, LIPA, no tenía todavía ideas claras sobre la mejor manera de conducirse para el desembarco. Creía que en primera línea poco importaba lo que pudiese arrojar un ejercicio de evaluación de este tipo; las decisiones se tomarían fuera de su ámbito y sujetas a otros motivos. ¿Cómo conjugar la experiencia ya validada en España con el reto que implicaba valorar profesionales de una empresa diferente, en otra cultura y país? ¿Dónde estaba el equilibrio entre no aparentar mano de hierro y lograr información fiable y uniforme con sus sistemas?

Rábago, E.; Stein, G.; 16 pages.

LIPA (B): Decisiones sobre personas
(DPO-173 – 0.409.101)

OLTRA, líder industrial en España, ha adquirido LIPA, líder en Argentina. Antes de tomar otras medidas, se desea hacer una evaluación de la segunda línea de LIPA. El director de recursos humanos de OLTRA decide emplear Assessment centres que desvelan múltiples gaps entre ambas compañías, a la vez que pone sobre la mesa decisiones sobre personas concretas.

Rábago, E.; Stein, G.; 8 pages.

Microsoft Spain: La nueva dirección del talento en recursos humanos
(DPO-195 – 0.410.015)

Microsoft Spain aborda el cambio de gestión tanto del departamento de recursos humanos como en su relación con el personal de la compañía, desde 2003 a 2005. En 2003 se acusan deficiencias en el rendimiento del personal y en su grado de satisfacción laboral. Aprovechando el cambio de sede, el equipo de recursos humanos se plantea generar un cambio cultural en los procesos establecidos y en mejorar su estrategia interna dentro de la empresa.

Prats, M.; Chinchilla, M.N.; Elvira, M.; 23 pages.

Victorinox: 125 Years in the Cutting Edge
(DPO-202-E – 0.410.024)

With 125 years of experience and a unique set of values, Victorinox seemed to be well prepared to survive the worldwide economic crisis which became evident in the fall of 2008. At the end of the summer of 2009, before the brand board meeting, 51-year-old Carl Elsener Jr., the CEO of the company, was wondering whether the measures taken so far to fight back the crisis would work, taking into account that the current crisis was much deeper and wider than the previous ones. In addition, Victorinox had made its first substantial acquisitions in the past few years and was still in the integration phase. In this regard, Elsener was also wondering whether and how the culture of Victorinox should change in the new context and how it could be transplanted to those acquired businesses.


Eye Care (E): A Second Assessment
(DPO-205-E – 0.410.030)

In February, as usual, Alejandro had his 2009 Global Performance and Development meeting with his superior, Tiago de Vasconcelos. His results the previous year had been very good: sales growth was 12.5%, reaching 100.3% of budgeted sales, above the business unit average of 98.1%. In the new refractive line he had achieved 98%, compared to the average of 87%. Alejandro declared that communication had improved significantly, but even so he was nervous about his meeting with Tiago de Vasconcelos.

(Also available in Spanish.)

Cebrecos, E.; Stein, G.; 5 pages.

Jordan Cohen at pfizerWorks: Building the Office of the Future – Teaching Note
(DPOT-40-E – 5.410.035)

Case DPO-187-E.
Use is restricted to Academic Institutions.

Wedell-Wedellsborg, T.; Miller P.; 21 pages.

Effective Evaluation of Spoken Communication: A Checklist for Evaluating Speaker Performance
(DPON-92-E – 0.410.043)

An important part of powerful communication is developing your own ability to continuously improve as a communicator. Immediate, specific feedback is necessary if you are to become a truly great speaker. Effective evaluation is an important part. As you become more skilled in evaluating others, you will become better able to ask for feedback on your own speaking.

(Also available in Spanish.)

Production, Technology and Operations Management

The “la Caixa” Foundation: Art Exhibitions
(P-1103-E – 0.610.026)

With a 2009 budget of 500 million euros, Fundación “la Caixa” is Europe’s third largest private foundation. Through this foundation the “la Caixa” savings bank manages its Obra Social community projects. The founding objective of Fundación “la Caixa” is to finance and promote activities in the fields of social welfare, education, culture and science. The case focuses on the cultural aspect and illustrates the foundation’s production of art exhibitions. Over the years the number of exhibition projects has increased, reaching a total of 160 exhibitions in 2008, which attracted more than three million visitors. Each exhibition is developed through a management process for which the foundation has established detailed stages, milestones and control mechanisms. For exhibition production, the foundation also relies heavily on independent subcontractors and companies. To more effectively exploit synergies among its activities (in terms of cost and audience impact), in 2008 and 2009 the foundation underwent a reorganization. (Also available in Spanish.)

Moscoco, P.G.; 18 pages.

Strategic Management

Kansai Holding: Solicitud de préstamo a su filial Nara Beer (A)
(SM-1552 – 0.310.007)

Se trata de una historia novelada que pretende describir conflictos propios del gobierno de las empresas. Está ubicada en Japón, distinto y distante, pero con idénticos conflictos: entre los intereses de las empresas y el de sus ejecutivos, entre el de los accionistas mayoritarios y el de los minoritarios y, por último, entre los intereses públicos (reguladores, legisladores y gobiernos) y los privados (empresas e individuos). El ambiente en el que sucede el caso refleja el vivido en una parte de la sociedad, al menos desde el atentado de las torres gemelas en septiembre de 2001 y el colapso de Lehman Brothers en septiembre de 2008: a) fuerte inflación de activos (en el que cualquier precio de una transacción, por elevado que fuera, devenía en barato) con coste de financiación nulo o negativo (en términos reales, aun cuando la inflación de consumo era muy baja); b) desprecio del concepto riesgo, que ni fue bien valorado ni tampoco bien incorporado al proceso de formación de precios, y por último, c) peculiares procesos de toma de decisiones, cuyos rasgos más característicos fueron: la improvisación, las ocurrencias, el carisma de los líderes y los titulares de prensa. Fue el más reciente de los muchos períodos estelares de los especuladores que ha habido y que volverá a haber. La especulación fue practicada por muchos (familias y empresas) a la vista de todos, mientras que los reguladores y los gobiernos miraban para otro sitio. No fueran a terminar con la gran fiesta ¡que no faltasen ni la música ni el alcohol! ¡Qué difícil resulta ir a contracorriente si no se tienen instintos suicidas! Cualquiera que tuviera acceso al crédito y que poseyera un excepcional sistema nervioso (que le librase del insomnio), podía disfrutar del festín. El crédito y la euforia convivieron, con frecuencia, promiscuamente, al tiempo que ignoraban la realidad y la instrumentaban a su antojo.

López Cardenete, J.L.; 11 pages.

See case (A).

López Cardenete, J.L.; 2 pages.

See case (A).

See case (A).

See case (A).

See case (A).

Occasional Papers

No 174 – July 2010

Pablo Maella

LAS VARIABLES Y LAS CONDUCTAS DE LA EFICACIA PERSONAL

Abstract: La eficacia personal es la que conduce al profesional a obtener resultados positivos en su trabajo, siendo la suma de esos resultados particulares lo que posibilita el rendimiento de la empresa en global. Las variables que facilitan la eficacia de las personas son la responsabilidad, la capacidad, la autogestión, la suerte y la simplificación. La iniciativa en la gestión de estos factores corresponde al propio individuo, quien puede alcanzar el rendimiento personal siguiendo una serie de comportamientos concretos asociados a cada una de las variables de la eficacia.
No 175 – July 2010

Antonio Argandoña
LA ECONOMIA SUMERGIDA: CONSIDERACIONES ETICAS

Abstract: La economía sumergida es un concepto caleidoscópico, rico en variedades y matices, que tiene, principalmente, dos causas: la necesidad de ajustarse a una situación difícil, creada, por ejemplo, por la aparición de competidores agresivos o por una recesión grave, y una manera habitual de trabajar, total o parcialmente fuera de la ley, a fin de evitar algunos costes o regulaciones. Este artículo trata de analizar el fenómeno de la economía sumergida desde un punto de vista ético: ¿es moralmente aceptable que una empresa lleve a cabo prácticas de economía sumergida, bien de modo permanente, bien ocasionalmente, ante un entorno económico adverso? Y, ¿son válidos los argumentos que suelen darse para justificar la economía sumergida?