



University of Navarra

Newsletter Research Division

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Journals

Antonio Argandoña

"Fostering values in organizations", *Journal of Business Ethics*, Vol. 45 (issues: 1-2), June 2003, pages 15-28.

Abstract: Today, values hold a prominent place both in business ethics and in organization theory. However, there persists considerable confusion about what these values are and what role they play in these theories and, therefore, how they can be developed both within the individual and within the organization. Therefore, this paper seeks to define a conception of values based on a theory of human action that can provide a basis for an organization theory, and to propose a series of ideas about how personal and organizational values can be fostered.

Esteban García-Canal - Ana Valdés - Africa Ariño

"Effectiveness of dyadic and multi-party joint ventures", *Organization Studies*, Vol. 24, No 5, June 2003, pages 743-770.

Abstract: Using data from 80 joint venture (JV) experiences, this paper compares the influence on JV effectiveness of two alternative means of management: relational investments and formal control. The results show that adoption of one or other of these means is contingent upon the number of partners: while relational investments significantly influence the effectiveness of dyadic JVs, formal controls are pivotal in the case of multi-party JVs.

Manel Baucells - Rakesh K. Sarin

"Group Decisions with Multiple Criteria", *Management Science*, Vol. 49, No 8, August 2003, pages 1105-1118.

Abstract: The authors consider a decision problem where a group of individuals evaluates multi-attribute alternatives. They explore the minimal required agreements that are sufficient to specify the group utility function. A surprising result is that, under some conditions, a bilateral agreement among pairs of individuals on a single attribute is sufficient to derive the multi-attribute group utility. The bilateral agreement between a pair of individuals could be on the weight of an attribute, on an attribute evaluation function, or on willingness to pay. The authors focus on the case in which each individual's utility function is additive. They show that the group utility can be represented as the weighted sum of group attribute weights and, more remarkably, of attribute evaluation functions. These group are in turn weighted sums of individual attribute evaluation functions.

Manel Baucells - Steven A. Lippman

"Legal hold-up in cotenancy", *Topics in Economic Analysis & Policy*, Vol. 3, No 1, pages 1-31.

Abstract: The authors' analysis in (Baucells and Lippman [2001]) of the problem of legal hold-up in co-ownership, in which legal partition is the only remedy to force a sale, proceeded as if a sale of the asset could be effected at any time at a fixed price if the cotenants agree. In this article they utilize the more realistic assumption that potential buyers appear intermittently (in



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accord with a Poisson process and that the price offered is drawn from a specified distribution).

In applying the Nash bargaining solution, they select the disagreement point in accord either with Nash's methodology of rational threats or with reservation values. While neither methodology for selecting the disagreement point produces a credible threat when the agents incur legal costs, the authors argue that the rational threats approach produces more reasonable answers. Their main analysis considers the impact of a Poisson arrival of offers and an exponential time to court upon the optimal bargaining strategies of the cotenants.

Ramón Casadesus-Masanell

"Probabilistic representation of complexity", *Journal of Economic Theory*, Vol. 111 (1), No 1, June 2003, pages 49-87, co-authors Nabil Al-Najjar and Emre Ozdenoren.

Abstract: The authors study individuals' behavior in an environment that is deterministic, but too complex to permit tractable deterministic representation. Under mild conditions, behavior is represented by a unique probabilistic model in which the agent's inability to think through all contingencies of the problem translates into uncertainty about random states. The authors interpret this probabilistic model as embodying all patterns the agent perceives in his environment, yet allowing for the possibility that there may be important details he had missed. The implied behavior is rational in the traditional sense, yet consistent with an agent who believes his environment is too complex to warrant precise planning, foregoes finely detailed contingent rules in favor of vaguer plans, and expresses a preference for flexibility.

Domènec Melé

Guest co-editor of Volume 45 (issues: 1-2), June 2003, of the *Journal of Business Ethics*, which contains a selection of papers presented at the conference "Sustaining humanity: Beyond humanism", held in Brussels in August 2002 under the auspices of the European Parliament. In it he publishes "Sustaining humanity beyond humanism: Editorial Introduction", co-authored by E. Cludts (Belgium) and A. Kleinfeld (Germany), and the article:

"Organizational humanizing cultures: Do they generate social capital?", pages 3-14.

Abstract: An organizational culture can be described as an "Organizational Humanizing Culture" if it has the following features: 1) recognition of the person in his or her dignity, rights, uniqueness, sociability and capacity for personal growth; 2) respect for persons and their human rights; 3) care and service for the persons around one, and 4) management oriented towards the common good rather than particular interests. Current findings and generalized experience suggest that an organizational culture with these features tends to bring about trust and sociability, which are basic building blocks of social capital (a sort

of asset embedded in the relationships of individuals, communities, networks or societies).

Sandra Sieber - Josep Valor

"Market bundling strategies in the horizontal portal industry", *International Journal of Electronic Commerce*, Vol. 7, No 4, Summer 2003, pages 37-54.

Abstract: The Internet offers opportunities for incremental efficiency gains as well as complete industry redefinition, but the marketplace has been slow to realize opportunities because of problems with value appropriation. This paper focuses on horizontal portals, a business activity that has emerged thanks to the Internet. It shows how different approaches to strategic industry analysis fail to provide a comprehensive view of industries in the information value system. As different markets become intertwined, strategic market bundling appears to be a superior strategy, and overall value appropriation opportunities have to be analyzed from this broader perspective.

Books

M^a Nuria Chinchilla - Steven Poelmans - Consuelo León - Sonsoles Gallo

"Dues professions i una família", *Generalitat de Catalunya*, Departament de Benestar Social, 2003, 157 pages.

Abstract: Analiza la problemática de las parejas de doble ingreso en Cataluña aportando sugerencias para sus resolución a distintos niveles: individual, político, legal y empresarial. El modo de vivir el conflicto es distinto entre hombres y mujeres, ellos sienten una mayor invasión del trabajo hacia la familia, y ellas, al revés: de la familia al trabajo. En cuanto a las causas del conflicto, la más importante -sin restar trascendencia a las políticas de empresa y desde los Estados- es la ausencia de una estrategia personal de conciliación adecuada.

Contributions to books

Antonio Argandoña

"Political party funding and business corruption", in the book "Standards and audits for ethics management systems. The European perspective", edited by Josef Wieland, *Springer*, Berlin, 2003, pages 163-190.

Abstract: The funding of political parties raises interesting economic, political, social and ethical problems. This paper seeks to address these problems with the intention of contributing to the general debate, but, above all, of understanding the issue from

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the company's viewpoint, since companies are directly implicated in political party finance, as donors, as supposed beneficiaries of political activity, or as the sufferers of the consequences of illegal party funding. The analysis is focused in economic, political and, above all, ethical terms, first on a general level and then from the company's viewpoint.

M^a Nuria Chinchilla

"La conciliación de la vida laboral y familiar en la empresa", en el libro "Familia y Trabajo", editado por Adroher Biosca, Salomé et al., *Instituto Universitario de la Familia*, pages 133-138.

Abstract: La incorporación masiva de la mujer al mundo laboral y, por consiguiente, la doble condición que deben asumir ambos cónyuges como padres y profesionales, ha generado una nueva realidad social y laboral. En el ámbito laboral, los conflictos entre trabajo y familia pueden traducirse en problemas como la rotación (el 19% de las empresas en el estudio IFREI indica que éste es un problema), dificultad de trasladar empleados a otras ciudades (10%), contratar empleados clave (17%), empleados que se niegan a viajar (7%), absentismo (21%), y estrés (14%).

Como respuesta a esta realidad, y según la segunda edición del estudio IFREI (IESE-Family Responsible Employer Index), solamente un 7% de las empresas españolas con más de 100 empleados tienen un programa de políticas familiarmente responsables diseñado e implantado. Si consideramos a empresas que en estos momentos están poniendo en marcha o están estudiando la posibilidad de implantar un programa para armonizar trabajo y familia, la cifra se elevaría hasta el 19%.

Domènec Melé

"Developing a corporate values statement. A case study", in the book "Standards and audits for ethics management systems. The European perspective", edited by Josef Wieland, *Springer*, Berlin, 2003, pages 191-202.

Abstract: This paper proposes a conceptual framework for developing a Corporate Values Statement and presents the case of a medium-sized Spanish company whose CEO decided to formulate and implement a set of corporate values. The case describes the situation of the company prior to this decision and the reasons for introducing the values statement. It then describes the process whereby the statement was drafted and the values that were chosen. Lastly, it explains how the corporate values were promoted and developed.

Gary A. Lewis - Lluís G. Renart - Francesc Parés

"Chupa Chups Vending: Choose your flavor" (M-1145), in the book "International Marketing", 6th edition, edited by Michael R. Czinkota and Ilkka A. Ronkainen (Georgetown University), *Thomson South-Western*, 2003, pages 627-633.

Abstract: At the end of 2001, Andrew Lewis must decide whether to accept a job as head of international marketing for a large

alcoholic drinks company or take up an alternative offer to work on a freelance basis as a commercial agent selling a new vending machine worldwide. The machine has been developed by Discapa, S.A. following guidelines laid down by Chupa Chups, S.A. It is a completely new type of machine for selling Chupa Chups lollipops. To make the decision Andrew must evaluate the potential of the project, using a set of criteria.

Working Papers

NOTE: Working papers may be consulted on the Internet at <http://wwwfm.iese.edu/research/rp.html>

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Jordi Gual - Francesc Trillas

TELECOMMUNICATIONS POLICIES: DETERMINANTS AND IMPACT

Abstract: This paper presents new data, in the form of four indices, on liberalization policies and the independence of regulators for a cross-section of countries. These indices are combined with a comprehensive set of performance, institutional and political data to analyze both the determinants and the impact of telecommunications policies. The authors find that liberalization policies are negatively associated with the degree to which countries have an interventionist tradition, but not with the partisan ideology of reforming countries per se. They also find that countries where the institutional endowment constrains less the behavior of the executive bodies, and countries with a stronger incumbent, are more prone to create truly independent regulatory agencies. There is weak evidence that the creation of independent regulatory agencies has a positive effect on network penetration when the endogeneity of regulatory independence is taken into account.

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Pablo Fernández

HOW TO VALUE A SEASONAL COMPANY BY DISCOUNTING CASH FLOWS

Abstract: The correct way of valuing seasonal companies by cash flow discounting is to use monthly data. It is possible to use annual data, but it requires some adjustments. In this paper the author shows that when using annual data in the context of the adjusted present value (APV), the calculations of the value of the unlevered equity (V_u) and the value of the tax shields (VTS) must be adjusted. However, the debt that has to be subtracted to calculate the equity value does not need to be adjusted. The author derives the adjustments to be made. The errors due to using annual data without making the adjustments are big. Adjusting the calculations only by using average debt and average working capital requirements does not provide a good approximation.



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When the inventories are a liquid commodity such as grain or seeds, it is not correct to consider all of them as working capital requirements. Excess inventories financed with debt are equivalent to a set of futures contracts. The author shows that not considering them as such leads to an undervaluation of the company.

This paper values a company in which the seasonality is due to the purchases of raw materials: the company buys and pays for all raw materials in the month of December. It is shown that the equity value calculated using annual data without making the adjustments understates the true value by 45% if the valuation is done at the end of December, and overstates the true value by 38% if the valuation is done at the end of November. The error due to adjusting only by using average debt and average working capital requirements ranges from -17.9% to 8.5%.

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Ercilia García Alvarez - Jordi López Sintas
**COHERENCE BETWEEN VALUES AND SUCCESSOR SOCIALIZATION:
FACILITATING FAMILY BUSINESS CONTINUITY**

Abstract: The problem of CEO succession is critically important yet unique and distinct from that of turnover at other levels. Research in management agrees with the findings in family business research regarding the preference for an insider as successor, more specifically a family insider. Successful family business continuity requires raising potential successors who will add value to the firm by seeking new opportunities and fostering entrepreneurship. Parties external to the firm are likely to view succession as a signal about the institution's future; this makes CEO succession a critical event for virtually every organization. In this paper the authors outline a model that presents the different coherent options for value transmission and successor socialization that facilitate family business continuity from first to second generation. The findings are grounded in combined qualitative and quantitative techniques applied to an extensive research project involving in-depth cross-case analysis. Based on the results, the authors identify issues that families and practitioners should take into account to maintain consistency during the succession process. Professionals can assist families in preparing for continuity by: 1) identifying family value systems; 2) analyzing the variables at play in the family-business system, and 3) proposing a coherent option of continuity that both family and business can pursue. The model presented in this paper is intended to help families and practitioners follow this path by pointing out coherent combinations of values and family business characteristics and different successor socialization processes.

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Johanna Mair
**OPENING THE BLACK BOX: APPLYING A PEOPLE PERSPECTIVE TO
EXAMINE THE ORIGINS OF UNIT PERFORMANCE**

Abstract: This paper sets out to identify the origins of performance differences between units within the same

organizational and industry context. Building on and reconciling diverse research streams, it empirically tests the effect of strategic, individual and context factors on profit growth. The study complements traditional research in strategy by advancing a "people-oriented perspective". More in particular, it centers on middle managers and emphasizes the importance of their actions aligned with strategy, their demographic characteristics, and their immediate competitive environment in stimulating performance. Data on 119 managers and units of a European financial services firm suggest that how managers enact strategy, who they are, and where they are significantly affect the performance of their units.

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Pablo Fernández
**SHAREHOLDER VALUE CREATORS AND SHAREHOLDER VALUE
DESTROYERS IN EUROPE. YEAR 2002**

Abstract: 2002 was a bad year for the shareholders of the companies in the Euro Stoxx 50: the shareholder value destruction of the companies in the Euro Stoxx 50 was 958,968 million euros. In 2002 only Eni created value (3,374 million euros). The remaining 49 companies destroyed value and had negative returns. Alcatel had the lowest shareholder return in 2002 (-77.9%).

Shareholder value destruction in the 3-year period 2000-2002 was 1.9 trillion euros. The market value of the 50 companies was 1.42 trillion euros in 2002, and 2.24 trillion euros in 2001, and 2.75 trillion euros in 2001.

The author also calculates the created shareholder value of the 50 companies during the six-year period 1997-2002. Nokia was the top shareholder value creator and Allianz the top shareholder value destroyer during the six-year period.

A very weak relationship is found between return and size.

A portfolio long in the companies that entered the index and short in the companies that abandoned the index had on average a 10% return in the 16 days prior to the index recomposition and a -6% return in the 12 days after the index recomposition.

In 2002, the Euro Stoxx 50 was much more volatile than the S&P 500 or the Dow Jones.

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Pablo Fernández
**75 COMMON AND UNCOMMON ERRORS IN COMPANY
VALUATION**

Abstract: This paper contains a collection and a classification of 75 errors seen in company valuations performed by financial analysts, investment banks and financial consultants. The author had access to most of the valuations that are referred to in this paper when consulting in purchases, sales and mergers of companies, and in arbitrage processes. Some valuations are from public reports by financial analysts.

The errors are classified in six main categories: 1) errors in the discount rate calculation and about the riskiness of the company; 2) errors when calculating or forecasting the expected cash flows;

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3) errors in the calculation of the residual value; 4) inconsistencies and conceptual errors; 5) errors when interpreting the valuation, and 6) organizational errors.

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Julián Villanueva - Shijin Yoo - Dominique M. Hanssens
THE IMPACT OF ACQUISITION CHANNELS ON CUSTOMER EQUITY

Abstract: Customer equity (CE henceforth) is a powerful new paradigm to evaluate the firm's value and to optimally allocate marketing resources. This paper is focused on the relationship between customer acquisition and CE. The authors attempt to answer the following four questions: 1) how should customer acquisition channels be categorized to make them meaningful to managers and academics?; 2) how do we measure the effects of different acquisition channels on the firm's performance?; 3) how do we disentangle short-run effect and long-run effects?, and 4) how should the manager allocate a limited budget among the acquisition channels so as to maximize customer equity?

The authors first propose a way of categorizing customer acquisition channels according to their level of contact and intrusiveness. A vector-autoregressive (VAR) model is used to examine the dynamics of acquisition channels and the firm's performance, and an empirical illustration on a surviving Internet company is provided. The results show that each cohort (i.e., customers from different acquisition channels) has different short-run and long-run effects on the firm's performance by the subsequent login and purchasing behavior.

Building on previous research on optimal resource allocation, the authors develop a Marketing Decision Support System (MDSS) to help managers allocate the acquisition budget among different channels with the objective of maximizing customer equity. The consequences of naively maximizing the short-term profit and not accounting for differences in the margin contribution of different cohorts are illustrated.

Other publications

Miguel A. Gallo

"Preservando el espíritu emprendedor en la empresa familia",
Iniciativa Emprendedora, No 39, April-June 2003, pages 7-19.

Abstract: Las empresas familiares son iniciadas, con frecuencia, por un emprendedor, quien a través de un liderazgo muy marcado hace que la organización se desarrolle y crezca a la vez que se construye una cultura de empresa muy fuerte. Los valores de esta fuerte cultura instaurada son, por lo general, un reflejo directo del impulso y orientación emprendedora del fundador.

Miguel Angel Rodríguez - Joan E. Ricart

"Estrategia medioambiental y creación de valor", *Harvard Deusto Business Review*, No 115, July-August 2003, pages 58-69.

Abstract: La finalidad de toda estrategia empresarial es mostrar hacia dónde ha de dirigirse la empresa y de qué manera debe actuar para conseguir unos resultados superiores sostenibles. En este sentido, consideramos que incluir el medio ambiente en el proceso de formulación estratégica es no sólo conveniente, sino también necesario para la pervivencia de las empresas, y será percibido por el conjunto de *stakeholders* de la empresa como una apuesta por el éxito, lo que realimentará las probabilidades de dicho éxito.

Ercilia García Alvarez - Jordi López

"Valores para emprender o valores para continuar. El legado del fundador a la siguiente generación familiar", *Iniciativa Emprendedora*, No 39, April-June 2003, pages 29-41.

Abstract: El problema de la sucesión del máximo directivo tiene una importancia crítica. Los resultados de investigación en el ámbito de la dirección de empresas han constatado la preferencia por seleccionar a alguien de dentro como futuro sucesor, y en el caso de la empresa familiar, la preferencia reside en un miembro de la familia. No obstante, para que la empresa familiar continúe con éxito debe incorporar sucesores que aporten valor mediante la identificación de nuevas oportunidades empresariales y el despliegue de un impulso emprendedor.

Conferences and seminars

Antonio Argandoña

On July 15-18, attended, in Bilbao, the *Fifth International Symposium on Catholic Social Thought and Management Education* "Business as a calling. The calling of business", where he presented the paper "What does being a Catholic add to business as a vocation?".

Abstract: A businessperson is a man or woman who leads the firm's persons into action to change reality and achieve results efficiently. Taking this description of the role of the businessperson as a starting point, in this paper the author discusses the tasks of the businessperson, the variables that define the state of a business firm (efficiency, attractiveness and unity), and the firm's mission. He then goes on to explain what being a Catholic adds to all of this, the Christian's role in the world, and the function of the Christian businessperson.



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On August 29-31, attended, in Budapest, the *Building Ethical Institutions for Business Conference*, organized by EBEN, where he presented the paper "Economic ethics and institutional change".

Abstract: Our economic system, the market economy, is part of a broader system or "society". We frequently study the operation of the market economy as if it were autonomous, even though there are many complex and mutual relationships between society, the economic system and the other systems –political, cultural, religious, legal, etc.– that make up society.

In a market economy we may identify several components: a frame or background in which economic activity takes place, a set of ideas and theories, the values shared by the society, the set of institutions, norms and rules that control people's economic behavior, and the incentives or motivations of the economic agents. The interplay of these elements defines the operation of a market economy.

Is ethics an institution, or does it belong to the set of values and ideas? In this paper the author discusses the role of institutions, norms and rules in society, with special reference to the economic system, in order to gain insight into the relationship between institutions and ethics. He studies, first, the concept and features of social institutions and norms; second, institutional change; and third, the relationship between ethics and institutions.

On July 31 - August 3, attended, in Seattle, the *Society for Business Ethics Annual Meeting*, where he presented the paper "On ethical, social and environmental management systems".

Abstract: There are three types of solutions to the problems deriving from companies' ethical, social and environmental responsibilities: those based on regulation by an authority or agency; those designed to create market incentives; and those that rely on self-regulation by companies themselves. In the specific field dealt with in this paper, regulation has significant costs and drawbacks that make it particularly desirable that companies should set up their own ethical, social and environmental management systems or programmes. The purpose of this article is twofold. On the one hand, it explains how implementing voluntary ethical, social and environmental management systems or programmes may help to develop and sustain ethical behavior in organizations, overcoming the conflict between compulsory regulation and occasional ethical practices. On the other, it shows what conditions must be met for an ethical management programme to be effective.

Africa Ariño

On August 1-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where she presented the paper "Strategic alliances as contractual forms".

Abstract: In contrast to prior studies examining strategic alliances as discrete structural alternatives, in this paper the author investigates their contractual features. A focus on the contractual provisions that firms use permits a more fine-grained

understanding of alliance design than is allowed by current taxonomies of collaborative agreements. The analysis examines the dimensionality of the contractual complexity construct and uses transaction cost theory to understand the determinants of firms' adoption of different contractual provisions for their collaborative agreements.

The paper was nominated among more than 500 papers for the BPS Research to Practice Award for its value to managers and practitioners and was published in the Best Paper Proceedings of the Academy of Management Meetings.

She also was invited panelist at the Junior Faculty Consortium of the International Management Division.

Miguel A. Ariño

On July 5-7, attended, in London, the *Global Conference on Business & Economics*, organized by the *International Journal of Business & Economics*, where he presented the paper "Managerial and organizational approaches to face the requirements of the globalization process", co-authored by David Pastoriza.

Abstract: Globalization is a complex phenomenon, an unconsolidated process in a state of flux. Parallel to the different "eras" of globalization, different organizational and managerial models have arisen in the effort to adapt to the demands of a changing global environment. The current global scenario is described by Bartlett & Goshal, who present an organizational solution that fits the new global requirements: the transnational organization. The aim of this paper is to propose and describe the "anthropological paradigm" that underlies this organizational model. The anthropological paradigm is the keystone around which the transnational company is built, that is, a model of managing persons based in three parameters: effectiveness, attractiveness and unity. Without organizational unity, the transnational company would never develop its full potential.

Manel Baucells

On July 6-10, attended, in Istanbul, the *EURO/INFORMS Joint International Meeting*, where he presented the paper "Re-evaluation of the results by Levy and Levy (2002)", co-authored by Franz Heukamp.

Abstract: The paper shows that the Levy and Levy (2002) results are consistent with Cumulative Prospect Theory. Conclusions on the preference of a specific value function (Markowitz/Prospect Theory) cannot be drawn based on the experimental results presented by Levy and Levy. The importance of the probability weighting function in Prospect Theory is underscored.

Adrián Caldart - Joan Enric Ricart

On August 3-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where they presented, in a

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Symposium on "Democracy in a knowledge economy", the paper "Creating corporate advantage in turbulent environments".

Abstract: The paper analyzes the evolution of the corporate strategy of a car components manufacturer in order to determine the influence of corporate strategy in a company exposed to a turbulent environment. The authors find that the corporate level plays two key roles. First, it sets the pace of the company's evolution, alternately shifting the balance of organizational initiatives between "long jump" and "local search" strategies. Successful long-jump corporate strategies are carried out through limited downside strategic initiatives such as real options or strategic alliances. Corporate strategies based in local search are chosen in times of stability or economic slowdown. The second source of corporate advantage is the development of an organizational architecture that promotes the recombination of units, and units' self-organized engagement in intraorganizational collaboration initiatives.

Juan Ignacio Canales - Joaquim Vilà

On August 1-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where they presented the paper "Strategy formation effects on managerial action: Strategy in the back of your mind".

Abstract: This paper examines the relationship between strategy formation and managerial action. It focuses on the effects strategy-making has on middle managers, exploring the factors that make strategy useful to them. The paper reports on a qualitative case study at a major Barcelona-based company operating in the automobile service industry with an aggressive expansion strategy. This basically exploratory study analyzes the evolution of thirteen strategic initiatives, building on the Bower-Burgelman model (Bower, 1970; Burgelman, 1983a). In addition, internal and external contexts for the evolution of strategic initiatives are examined. Of particular interest was that strategy-making took place on a stable participative basis, one outcome of which was the creation of a shared frame of reference among participating managers. This frame subsequently provided guidance for carrying out strategic initiatives, in an induced manner. Its guiding character was enforced by a legitimizing mechanism. The authors also found that complementary administrative systems were used to ensure that strategic conversation took place on an ongoing basis. This strategic conversation at middle level kept managerial action coupled with strategy. From this analysis, propositions for future research are drawn and a revised conceptual framework is presented.

On August 24-26, attended, in Fontainebleau, the *Advance in Strategic Management Conference*, organized by INSEAD, on the theme "Expanding perspectives on the strategy process", where they presented the paper "Sequence of thinking and acting in strategy-making".

Abstract: The paper examines the emergent-deliberate debate in strategy-making. Thinking and acting are two outstanding features

of this debate. The authors develop a framework to show how thinking co-evolves with action in a succession of strategic activities, within an agreed-upon frame of reference. Either mode, thinking or acting, may enhance the organization's ability to achieve change. The framework developed here explains under what circumstances each of these two modes takes place throughout the strategy-making process. Both action-thinking emergent issues as well as thinking-acting deliberate issues constitute triggering events. Changes in strategic activities are determined by attention-triggering events, driven by both thinking and acting.

Pablo Cardona

On August 1-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where he presented the following papers:

"Trust in management: The effect of managerial trustworthy behavior and reciprocity"

Abstract: This paper studies the antecedents of subordinates' trust in their leaders (STL). In particular, it focuses on the effects of managerial trustworthy behavior (MTB) and subordinates' perceptions of leaders' trust in them (LTS). A scale of managerial trustworthy behavior is developed, based on the typology proposed by Whitener, Brodt, Korsgaard and Werner (1998), which includes: behavioral consistency, behavioral integrity, sharing and delegation of control, communication, and demonstration of concern.

A sample of 109 Spanish middle managers provided data for the study. The results of the hierarchical regression analysis show that both MTB and LTS have a significant relationship with STL. Further, the author studies the effect of reciprocity in the trusting relationship. He finds that there are significant differences between subordinates' trust in management and their perceptions about superiors' trust in them.

This paper won the *Award for the Best 10 Research Paper* presented at the Academy of Management Conference.

"Outcome-based theory of work motivation"

Abstract: The paper introduces an outcome-based theory of work motivation. This theory focuses on the individual's expected consequences of his or her action. Four different types of expected consequences, or motives, are identified. These motives lead, in turn, to four types of motivation: extrinsic, intrinsic, contributive, and relational. These outcomes are categorized using two criteria: the perceived locus of causality, which defines the origin of the motivation, and the perceived locus of consequence, which defines who receives the consequences of the action. Individuals generally act based on a combination of extrinsic, intrinsic, contributive, and relational motivations, each one having a particular weight. The term "motivational profile" is used to refer to the particular combination of an individual's motivations in a



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certain context. Individuals may experience conflict when different alternatives convey different expected consequences (or motives). Resolution of conflicts among motives results in motivational learning. In particular, the resolution of conflicts among motives of the same type results in calculative learning. On the other hand, the resolution of conflicts among motives of different types results in evaluative learning. Evaluative learning implies a change in the individual's motivational profile.

Ramón Casadesus-Masanell

On June 30–July 6, attended the 2003 Society for the Advancement of Economic Theory Conference, held in Rhodes (Greece), where he presented the paper "Dynamic mixed duopoly: A model motivated by Linux vs. Windows", co-authored by Pankaj Ghemawat (Harvard Business School).

Abstract: This paper analyzes a dynamic mixed duopoly in which a profit-maximizing competitor interacts with a competitor that prices at zero (or marginal cost), with the cumulation of output affecting their relative positions over time. The modeling effort is motivated by interactions between Linux, an open-source operating system, and Microsoft's Windows in the computer server segment, and consequently emphasizes demand-side learning effects that generate dynamic scale economies (or network externalities). Analytical characterizations of the equilibrium under such conditions are offered, and some comparative static and welfare effects are examined.

He presented the same paper: On August 2003 at the Universidad Internacional Menéndez y Pelayo, "Escuela de Economía de la Empresa Herbert Simon" in Santander.

Bruno Cassiman

On August 24–26, attended, in Helsinki, the 30th Annual Conference of the European Association for Research in Industrial Economics, where he presented the paper "Which firms have cooperative R&D agreement with universities".

Abstract: This paper presents an econometric analysis of firm and industry characteristics conducive to cooperation with universities, using Community Innovation Survey data for Belgium. The author finds that large firms are more likely to have cooperative agreements with universities. These agreements are formed whenever risk is not an important obstacle to innovation and typically serve to share costs. Consistent with the open science paradigm, the author finds no evidence for the importance of the capacity to appropriate the returns from innovation for explaining cooperative agreements with universities. It is argued in the paper that cooperating with universities is complementary to other innovation activities such as performing own R&D, sourcing public information and cooperative agreements with suppliers and customers. Therefore, the decision to cooperate with universities cannot be analyzed in isolation from the overall innovation strategy of the firm.

Ercilia García

On June 11–13, attended, in La Londe, Les Maures, Francia, the 30th International Research Seminar in Marketing, where she presented the paper "Four characters on stage playing three games: The performing arts consumption in Spain", co-authored by Jordi López.

Abstract: There are currently three competing hypotheses about the symbolic role played by consumption: the distinction effect, the boundary-effacement effect, and the omnivore effect. The research design follows another recently proposed alternative view in which all three effects operate simultaneously but to differing degrees, and introduces several innovations. The authors find that in the symbolic space of the Spanish performing arts, the stage has four characters: sporadic, popular, snob and omnivorous consumers, playing three symbolic games, namely, boundary-effacement, omnivore and distinction, but to differing degrees. The authors also find: 1) weak evidence of a few popular performing arts events liked by everyone, but not necessarily lowbrow performances; 2) strong evidence favoring the hypothesis that consumers from the highest social class consume all arts at higher rates than everyone else, and 3) moderate evidence that social classes use the performing arts' space of consumption to symbolize status differences.

On June 15–18, attended, in Belfast, the International Council for Small Business 48th World Conference, where she presented the paper "Coherence between values and successor socialization: Facilitating family business continuity", co-authored by Jordi López.

Abstract: Successful family business continuity requires raising potential successors who add future value to the firm by seeking new opportunities and fostering entrepreneurship. Parties external to the firm are likely to view succession as a signal about the institution's future; this makes CEO succession a critical event for virtually every organization. In this paper the authors outline a model that presents the different coherent options of value transmission and successor socialization that facilitate family business continuity from first to second generation. The findings are grounded in combined qualitative and quantitative techniques from an extensive research project involving in-depth cross-case analysis. Based on the results, the authors propose issues that families and practitioners should take into account to maintain coherence during the succession process. They also point out possible mismatches by explaining the reasons behind all of them. Adoption of any given possibility has consequences for the future continuity and competitiveness of the family business.

Carlos García Pont

On July 5–8, attended, in Monterrey, California, the 45th Annual Meeting of the Academy of International Business, on the theme "The power of ideas and international business", where he presented the paper "Fighting for power: The strategy of global MNCs' subsidiaries", co-authored by Fabrizio Noboa.

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Abstract: The purpose of this paper is to examine the relational configurations of a subsidiary belonging to a global industry such as auto components. As global integration pressures are high in this environment, there are pressures for centralization and some subsidiaries lose resources and capabilities to headquarters or other subsidiaries. Consequently, they may fight within the MNC to maintain control over certain resources and capabilities, mainly through strong relationships with local suppliers, providers, customers or other units of the MNC which may acquire global relevance. While previous studies have identified the significance of networks as a metaphor to understand MNC structure, the authors attempt to show how the analysis of a subsidiary's networks of contacts can be a useful tool to identify the role the subsidiary is playing in the multinational as a whole. It proves useful to apply networks as a tool to proactively develop a formulated strategy on the part of the subsidiary.

He also acted as Discussant in the session on "Survival, innovation, and competitiveness through exploration of social context".

Javier Gómez

On August 3-8, attended, in Los Angeles, the XVIII Congress on the Enlightenment, UCLA, where he presented the paper "Exchange rate behavior and exchange rate puzzles: Why the 18th century might help", co-authored by Rafael Torres and Fernando Pérez de Gracia (University of Navarra).

Abstract: This paper analyzes the behavior of exchange rates in Spain during the 18th century. The authors briefly explain how the exchange rate was determined, with special emphasis on the economic context, especially as regards the relationships between Spain and Great Britain. They postulate that the exchange rate during the 18th century was mostly a market rate, that is, the result of market forces. They then assess the extent to which the exchange rate responded to market fundamentals by testing the purchasing power parity (PPP) hypothesis and partial versions of the monetary model of exchange rate determination. The results suggest that the PPP hypothesis held throughout the century, with the exchange rate tracking quite closely the behavior of inflation differentials. Deviations from PPP seem to appear at the end of the century, due mostly to changes in the real exchange rate caused by the bilateral trade balance between Spain and Great Britain.

On August 19-24, attended, in Stockholm, the 2003 Meeting of the European Economic Association, where he presented the paper "The informational content of the spread and other financial variables in Europe: Could the last 'recession' have been predicted?"

Abstract: In this paper the author analyzes the predictive power of the term spread of interest rates and of other financial variables concerning future output. Using a recession indicator to proxy for output, examines the predictive power of term spreads in a set of ten European countries and the US. The results show how domestic spreads can be used to predict future recessions in the US, Belgium,

France and the UK. International spreads also contain information about future activity. In particular, German spreads anticipate activity in Italy and Spain, whereas US spreads have predictive power over output in Germany, Ireland and Sweden in the short run, as well as in Spain and Italy in the longer run. Other financial variables seem to have very little information.

Jordi Gual

On July 24-25, attended, in Santiago de Chile, the VI Cumbre de Reguladores y Operadores de Telecomunicaciones REGULATEL-AHCIET, where he presented the paper "Telecomunicaciones: Los fundamentos de la recuperación".

Abstract: En esta ponencia se argumenta que las tecnologías de la información y la comunicación van a ser claves en la recuperación económica internacional, puesto que son fundamentales para la eficiencia empresarial y el crecimiento económico, y además, el exceso de inversión en el sector ya empieza a ser historia. Se muestra también que si la banda ancha ha de ser el motor del sector, la clave es no penalizarla a nivel regulatorio, así como permitir la coordinación y la interoperabilidad (en redes y sistemas). Por último, una de las conclusiones fundamentales es que no existe un único modelo de negocio en el sector, pero en cualquier caso se debe evitar, con la ayuda del marco legal, la "granelización" del mismo.

On August 23-24, attended, in Helsinki, the 14th European Regional Conference, organized by the International Telecommunications Society, where he presented the paper "Telecommunications Policies: Determinants and Impact", co-authored by Francesc Trillas.

Abstract: This paper presents new data, in the form of four indices, on liberalization policies and the independence of regulators for a cross-section of countries. These indices are combined with a comprehensive set of performance, institutional and political data to analyze both the determinants and the impact of telecommunications policies. The authors find that liberalization policies are negatively associated with the degree to which countries have an interventionist tradition, but not with the partisan ideology of reforming countries per se. They also find that countries where the institutional endowment constrains less the behavior of the executive bodies, and countries with a stronger incumbent, are more prone to create truly independent regulatory agencies. There is weak evidence that the creation of independent regulatory agencies has a positive effect on network penetration when the endogeneity of regulatory independence is taken into account.

Franz Heukamp

On July 6-10, attended, in Istanbul, the EURO/INFORMS Joint International Meeting, where he presented the paper "Stochastic dominance and cumulative prospect theory: Theory and experiments", co-authored by Manel Baucells.



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Abstract: Stochastic dominance definitions are a useful tool to draw qualitative conclusions in economics of information, finance, and decision analysis. They are also a guideline for designing experiments that test qualitative features of individual preferences. Based on recent theoretical and empirical results about the significance of Cumulative Prospect Theory (CPT), the authors define $RW_{\{c\}}\text{-SD}$, an extended notion of stochastic dominance that captures both the reflection effect (R) and an empirically relevant class of probability weighting functions. A second definition of stochastic dominance ($R^*W^{\{d\}}\text{-SD}$) for preferences with reverse reflection effect (R^*) (Markowitz 1952) is presented. Using these definitions, the authors empirically discriminate between two competing explanations of behavior under risk, namely, CPT and Markowitz. Their experiments reject the reverse reflection effect recently advocated by Levy and Levy (2002a) and offer insight into the relevance of the weighting function in empirical research on choice under risk. An additional definition of stochastic dominance that embodies loss aversion, an important feature of CPT, is presented.

This paper won the *Decision Analysis Student Paper Award 2003*. The Student Paper Competition Award is given annually to the best decision analysis paper by a student author, as judged by a panel of the Decision Analysis Society of INFORMS.

Johanna Mair

On August 1-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where she presented the following papers:

"Social entrepreneurship: How intentions to create a social enterprise get formed"

Abstract: Social entrepreneurship has aroused increasing interest among scholars, yet we still know relatively little about the particular dynamics and processes involved. This paper aims at contributing to the field of social entrepreneurship by clarifying key elements, providing working definitions, and illuminating the social entrepreneurship process. In the first part of the paper we review the existing literature. In the second part we develop a model on how intentions to create a social venture –the tangible outcome of social entrepreneurship– get formed. Combining insights from traditional entrepreneurship literature and anecdotal evidence in the field of social entrepreneurship we propose that behavioral intentions to create a social venture are influenced, first, by perceived social venture desirability, which is affected by attitudes such as empathy and moral judgment; and second, by perceived social venture feasibility, which is facilitated by social support and self-efficacy beliefs.

"The emergence of social enterprises and their place in the new organizational landscape"

Abstract: Recent dynamics in the social and economic environment have facilitated the emergence of new-hybrid-

organizational forms, a phenomenon that has been frequently associated with the blurring of boundaries among the for-profit, public and nonprofit sector. Focusing on social enterprises, a particular type of hybrid organizations emerging in the nonprofit sector, this paper suggests that the appearance of hybrid organizational forms triggers behavioral changes at the micro –i.e. organizational– level, but hardly affects sector boundaries. The paper offers a fresh conceptualization of social enterprises, and furthermore presents an original way to classify traditional and new organizational forms according to economic, public and social authority. The new organizational landscape is illustrated.

Domènec Melé

On July 28-30, attended the *Symposium on Business Ethics Scholarship and Teaching in Catholic Environments*, hosted by the University of Notre Dame, Mendoza College of Business, where he presented the paper "Business ethics and wealth creation: Is there a Catholic deficit? A response to G. Enderle".

Abstract: In response to G. Enderle's paper on wealth creation, the author emphasizes Professor Enderle's differentiation between public and private goods, the distinction between wealth creation and acquisition, accumulation and possession of wealth, and his "dynamic concept" of wealth creation. Regarding Professor Enderle's observations concerning a supposed deficit with respect to business ethics and wealth creation in the Catholic tradition, the author formulates some objections and clarifications in his five criticisms: failure to fully articulate the notion of the common good; criticism and condemnation of wealth; an attitude of suspicion towards making money; a view of wealth creation as a secondary good; and fighting against poverty only through wealth redistribution measures.

On July 31-August 3, attended, in Seattle, the *2003 Annual Meeting of the Society for Business Ethics*, where he presented the paper "Shareholders vs. stakeholder normative theories: A relational analysis".

Abstract: The debate between normative shareholder and stakeholder theories of management has been going on for years, but is still far from over. This paper is intended to clarify this debate by presenting a systematic relational analysis of the concepts "Business Corporation" and "Business in Society", which underlie both shareholder and stakeholder theories. The relational analysis is carried out using Donati's AGIL Scheme, a revised formulation derived from a method originally proposed by T. Parsons. Using Donati's Scheme, each concept studied has four relational dimensions. The concept of Business in Society has the following four dimensions: 1) legitimacy; 2) purpose of business in society; 3) contribution of business to society, and 4) standards for business in society. These four dimensions are used to analyze the two theories at issue. Although there is an extensive literature on these normative theories and most of the dimensions, or parts of them, have already been discussed, there has nevertheless been very little research on the interconnection among the dimensions. The

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author therefore suggests moving towards a more comprehensive understanding of the Business Corporation in Society by using a relational analysis of these concepts, as presented in this paper.

On August 3-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where he presented the following papers:

"Integrating Christian spirituality into transactional, transformational and transcending leadership"

Abstract: Over the last few decades a set of leadership theories has emerged that focuses more on the nature of the relationship between the leader and his/her followers than on factors relating to the features of the leader or situation. Although different approaches based on relationships have been proposed, most of them can be grouped in three forms: 'Transactional Leadership', 'Transformational Leadership' and 'Transcending Leadership'. A complete 'Relational Leadership', which includes all of these forms, can be reinforced by including an appropriate spirituality. This paper firstly discusses the main characteristics of these forms of "Relational Leadership" and their openness to ethics and spirituality. Secondly, some aspects of Christian spirituality which can be integrated into Relational Leadership are examined. Willingness and a disposition to fairness fit in with Transactional Leadership; a calling for conversion and personal growth (perfection) has a lot to do with Transformational Leadership. Furthermore, Christian spirituality provides a transformational leader with the values required for this kind of leadership. Finally, Christian spirituality, in which care and service are crucial, reinforces Transcending Leadership, since in this form of leadership the leader transcends his or her self-interest in favor of others.

"Ethics in management: Exploring the contribution of Mary Parket Follett"

Abstract: Although Mary Parker Follett never wrote on now familiar topics such as Ethics in Management or Business Ethics, nevertheless there are some implicit and even explicit references to these topics to be found in her thought. Moreover, underlying her whole approach to business and management are concepts that have a lot to do with ethics. Follett calls for the integration of ethics in management and argues that the manager has to accept ethical standards established by professional management associations. She is aware of the contribution of business management to individual development, the welfare of society and culture. She also adopts 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 either human virtues or a rational search for human excellence.

On August, 29-31, attended, in Budapest, the *16th EBEN Conference*, on the theme "Building ethical institutions for business", where he presented the following papers:

"Corporate ethical policies in large corporations in Spain, Argentina and Brazil", co-authored by P. Debeljuh and M. C. Arruda.

Abstract: This paper examines the status of Corporate Ethical Policies (CEP) in large companies in Argentina, Brazil and Spain, with a special emphasis on Corporate Ethics Statements (CES) or documents that define the firm's philosophy, values and rules of conduct. It is based on a survey of the 500 largest companies in these three countries.

The findings reveal many similarities among companies in all three countries. Most take ethics into account in business and have adopted some kind of formal or informal ethical policies. Whether or not they have a CES, companies agree on the need to take ethical conduct into account in the selection, appraisal and promotion of personnel as a relevant ethical policy. There is an increasing tendency to implement formal corporate ethics documents. These documents are perceived, first, as an aid for developing corporate culture. The philosophical foundation of these documents lies mainly in human virtues, generally accepted social values and universal ethical principles. Most respondents believe that the primary responsibility for ethical issues in the company lies with the CEO. Lastly, the authors find that the companies that make the most effort to communicate and implement CES tend to have two or more formal ethics documents.

The main differences between the three countries lie in the relative importance given to certain aspects, such as avoiding misconduct or taking ethical criteria into account in personnel selection. Emphasis on these aspects is greatest in countries where corruption seems most prevalent.

"Corporate social responsibility: Mapping the territory", co-authored by Elisabet Garriga.

Abstract: The field of Corporate Social Responsibility (CSR) encompasses not only a landscape of theories but also a proliferation of approaches which frequently are controversial, complex and unclear. This article aims to clarify the situation by 'mapping the territory'. It is assumed that the main CSR theories are related approaches that can be classified in four groups: 1) instrumental theories, in which it is assumed that corporations are instruments for wealth creation and that their social activities are merely a means to achieve economic results; 2) integrative theories, where the primary concern is to satisfy social demands; 3) political theories, which focus on the power of corporations in society and the responsible use of this power in the political arena, and 4) values theories, based on ethical values and/or theories. In practice, each theory has some bearing on or relation to profit, political performance, social demands and ethical values. This suggests that there is a need to develop a more comprehensive theory of CSR that includes all four dimensions: ethical values and principles as the essential reference; the integration of social



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demands, mainly those of stakeholders; the role of the corporation in the political context; and how corporate social objectives contribute to wealth creation.

He also acted as Chairman of one of the sessions of the EBEN conference.

Steven Poelmans

On August 3-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where he presented the following papers:

"Contrasting HR managers' and employees' perceptions of family-supportive culture", in the showcase symposium on "Formal and informal Family-friendly organizational support"

Abstract: The goal of this study is to take a closer look at the gaps between intended family-friendliness by company management and perceived family-supportiveness as experienced by employees. The study contributes to the literature by going one step beyond what Allen (2001) termed "family-supportive organization perceptions" (FSOP). Based on comparisons between human resource managers' and employees' opinions, the author asserts that in addition to a perception problem, there may be an implementation problem. Whereas several scholars have pondered on the question of why companies adopt family-oriented policies, the central question in this paper is: once companies have adopted such policies, what seems to go wrong? Six companies and a total of 284 employees participated in the study. Three were subsidiaries of foreign multinationals (2 American and 1 Swiss) and three were Spanish companies. In all these companies data were collected from a company informant, generally the HR manager, and from a sample of employees.

In addition to confirming Allen's (2001) finding that perceived organizational support mediates the relationship between available benefits and the experience of work-family conflict in employees, the author finds that the same is true for another crucial criterion variable –perceived organizational performance. In 35% of all cases, HR managers differ in opinion with more than 50% of the employees about the availability of work-family policies. As a general rule, human resource managers seem to overestimate the level of penetration of work-family support to all echelons of the firm. Interviews with human resource managers participating in the study allowed us to identify three possible explanations for gaps between these managers' impressions and employees' perceptions: communication problems, implementation problems and self-selection problems. In conclusion, the author cautions human resource managers against overestimating the level of organizational support for family-related issues, even if they are actually taking measures, and encourages them to take the issue seriously, given the clear correlation with work-family conflict and turnover intentions.

"Collaborative international research: Successes and pitfalls", in the Career Division pre-conference workshop on "Collaboration across borders and career stages"

Abstract: This presentation examines the process of collaborative international research (CIR). Based on the experience with four CIR projects, both as a participant (n = 2) and coordinator (n = 2), the author discusses potential pitfalls at different stages of the project: forming a research group, generating and operationalizing research questions, defining concepts across countries, developing comparable measures across countries, standardizing research procedures, deciding on the ownership of data and co-authorship, and collaborative manuscript writing.

M^a Julia Prats

In July, attended the *Clifford Chance 2003 Oxford Conference on Professional Service Firms* held in Oxford, where she presented the paper "Sustaining superior performance in high velocity environments: Empirical evidence from the e-Consulting industry".

Abstract: This paper examines how: 1) early strategies, and 2) organizational resources, including the effect of human capital and firm legitimacy, affect firm performance in the context of an entrepreneurial boom and bust (EBB) period. An analysis of the performance drivers of 104 e-consulting firms from January 1998 through December 2001 suggests that initial endowments (time zero) shape firm strategy during the expansion phase of the boom and bust period, and that both initial endowments and firm strategy predict firm survival at the end of the EBB period. It also suggests that new firms that are successful over the long-term, independent of industry conditions, follow distinctly different growth and organizational strategies than new firms that are successful only when the industry is expanding. They tend to grow less rapidly, more through organic and local development than through acquisitions and internationalization expansion. These companies also specialize in a more valued set of skills and wider service portfolios than those that succeed during industry expansion but fail during industry contraction. This exploratory study indicates that the path to sustained superior performance might well be significantly distinct from the path to quick success during boom times.

On August 3-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where she presented, in a Symposium on "Worker Response to Constraints", the paper "Professionals pursuing new business opportunities: Do they really need to leave their firm? Empirical evidence from e-Consulting".

Abstract: In a knowledge-based economy, managers must leverage and retain scarce employee talent. Ineffective organizational routines can constrain employees from achieving their full potential, resulting in job dissatisfaction, missed opportunities for both employee and organization, and low utilization of talented employees. This

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symposium offers new insights on these issues by focusing on how problem-solving resources and support for entrepreneurial behaviors impact employee response to constraints. Building on prior research, the author finds that dissatisfied but motivated employees can create organizational change (Zhou & George, 2001), and argues that a critical first step is to recognize the various ways in which talented employees respond to constraints. Using qualitative and quantitative data, the symposium looks at how employees in three knowledge-intensive industries respond positively to constraints, and the individual- and firm-level outcomes of employee actions. First, Prats' study of the consulting industry finds that highly capable workers often voice their concerns and attempt to enact change within the organization before leaving to start their own firm. Second, Shah finds that software developers from different firms often join together and work on open-source projects, an inter-firm "skunkworks" in which knowledge is developed and shared across organizational boundaries. Third, Tucker examines the conditions under which hospital nurses voice their ideas for improvement when they encounter operational failures. Collectively, the presentations suggest that managers and organizational designers can effectively channel creative and entrepreneurial employee responses to organizational constraints for the benefit of both the employee and organization, especially in fields where human resources are scarce or specialized.

Silviya Svejenova - Luis Vives

On August 3-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where they presented the paper "The becoming of a global player: Coevolution of managerial discretion, regulation and competition".

Abstract: This paper examines how a local, state-controlled monopolist organization was able to proactively adapt to global competition. A longitudinal analysis of the Spanish telecom Telefónica is undertaken to illuminate coevolutionary processes of managerial discretion, institutional regulation and competitive dynamics. The study compares three periods of the company's adaptation between 1982-2000, each period driven by a CEO with different background, style and priorities, and characterized by gradual relaxation of regulatory constraints and increase in competition. The paper traces how managerial discretion, regulation and competition coevolved in the becoming of Telefónica as a global player. The interplay of constrained and proactive intentionality of the company's managers led to the enlargement of the competitive arena.

This paper was nominated for the Carolyn Dexter Award.

Luis Vives - Silviya Svejenova - Joan Enric Ricart

On August 3-6, attended, in Seattle, the *Academy of Management Annual Meeting*, where they presented the paper "Cascading strategies: A pattern for firm's internationalization".

Abstract: This paper examines the international expansion of a local monopolist that succeeded in becoming a major global

player. Drawing on a longitudinal exploratory case study of the entry of former Spanish telecom monopolist Telefónica into Latin American markets, the authors identify and define a particular internationalization pattern: "cascading strategy". In general cases of internationalization, such a paced, sequential pattern that balances exploration and exploitation practices may allow firms to tame risks and costs while at the same time accumulating expertise and capturing superior rents from their expansion.

Awards

Ramón Casadesus-Masanell

Has been granted the Ramón y Cajal Award by the Spanish Ministry of Education and Science.

Miguel A. Rodríguez

Has been recognized by the European Academy of Business in Society as a Highly Commended Runner-up in the first European Faculty Pioneer Award, organized by EABIS as part of the ASPEN Institute and the World Resources Institute's Beyond Grey Pinstripes initiative.

Doctoral theses

Rafael Fraguas

PATOLOGIAS DE LOS CONSEJOS DE ADMINISTRACION EN ESPAÑA
(IESE)

Abstract: La tesis doctoral trata de identificar las causas que provocan que una parte de los consejos de administración en España no funcionen o bien lo hagan de manera incorrecta. Para ello se establecen, a priori, una serie de causas que pueden provocar estas situaciones en los consejos. Estas causas se agrupan en siete patologías, tres correspondientes a consejos activos ("Sanos", "Ignorantes" y "Locales") y cuatro correspondientes a consejos pasivos ("Legalistas", "Incapaces", "Partidistas" y "No Laboriosos"). Por otra parte, se busca establecer una relación entre estas patologías de los consejos de administración con las tipologías estratégicas de Miles y Snow: "Defensores", "Buscadores", "Analistas" y "Reactores".

El análisis de los resultados de una investigación empírica realizada sobre 180 consejos de administración de empresas españolas, revela la existencia de las tipologías en el grupo de empresas de la muestra. Más del 72% de los consejos de la muestra son pasivos, es decir, no desarrollan su función. Además, dentro de los consejos activos, aquellos que se reúnen, trabajan, etc., otro 18% de los consejos de la muestra revelan un mal funcionamiento.

Sin embargo, dicho análisis no permite establecer una relación entre estas patologías y las tipologías estratégicas de Miles y Snow.



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La razón de ello es que la ausencia de respuestas a algunas preguntas de los cuestionarios no permite definir los indicadores necesarios para poder establecer esa relación.

Un análisis posterior de la información generada por la investigación empírica permite reconocer causas comunes a todas las patologías que provocan el no funcionamiento o mal funcionamiento de los consejos de administración y posibilita una posible vía de solución al problema.

Las principales causas son:

– Conocimientos poseídos por las personas que componen el consejo de administración. Se pueden diferenciar dos tipos de conocimientos:

1. Conocimientos genéricos del campo de la empresa (presupuestos, control de gestión, modelos de dirección estratégica, modelos de organización, etc.). Son extraordinariamente bajos, por lo que los consejeros carecen de unas mínimas herramientas que les puedan ayudar a desarrollar sus responsabilidades.

2. Conocimientos prácticos de cada empresa en particular. Sorprende que casi un 33% de los consejos de la muestra no conocen los negocios que desarrolla su empresa; también un 33% de los consejos desconocen los sectores en los que la empresa desarrolla sus negocios. Este porcentaje de desconocimiento casi se dobla en el caso del entorno económico nacional y alcanza valores superiores al 72% en el caso de sectores relacionados o en el caso del desconocimiento del marco legal.

– Razones para nombrar consejeros. La principal razón para nombrar consejeros es la de ser propietario de la empresa. Teniendo en cuenta el nivel de formación de los consejeros de la muestra, se puede inferir que se confunde propiedad con capacidad.

– Proceso de nombramiento de los consejeros. Consecuencia de lo anterior, no existe ningún mecanismo que permita filtrar la capacidad, disponibilidad de tiempo, etc. de los consejeros.

– Desconocimiento de lo que puede aportar un consejo de administración activo. Más del 72% de los consejos que componen la muestra se encuadran dentro de la categoría de pasivos, es decir, tan sólo un 28% de los consejos de la muestra se reúnen para tratar de cumplir con las funciones que debe desarrollar un consejo.

– No laboriosidad. En casi un 38% de los consejos de la muestra se le da poca importancia a la laboriosidad de los consejeros.

– Poca dedicación. En casi un 34% de los consejos de la muestra se le da poca importancia a la dedicación de tiempo de los consejeros.

Nuno Fernandes

MARKET INTEGRATION AND INTERNATIONAL FINANCIAL MARKETS

(IESE)

Abstract: This doctoral dissertation contains three essays on the implications of integration to international equity markets.

The first chapter is entitled "Market Liberalization: Spillovers from ADRs and implications for local markets". In this paper I perform a firm-level analysis of the implications of financial liberalization. In particular, the paper focuses on the link between cross-listing in a foreign exchange and market integration. The specific focus is on the spillover effect to individual firms of the local market. I show that the first ADR from a country produces a spillover effect, and

can thus be interpreted as an indirect market liberalization event. On average it leads to lower cost of capital, lower volatility and increased exposure to world factors. In addition, I find that the effects of liberalization are asymmetric across firms, and I identify the channels that influence the magnitude of the gains from higher integration. The results are consistent with improved risk sharing after the cross-listing. Nevertheless, besides risk sharing, the results provide support to the predictions of models of capital market equilibrium with incomplete information.

The second chapter is entitled "Market Integration and International Asset Allocation". The aim of this paper is to explore the asset allocation implications of financial market globalization. The analysis focuses on two aspects – diversification benefits and risk profiles. The empirical analysis shows that there are no significant gains from an aggregate investment in emerging market equities once the possibility for investment in several developed market asset classes is allowed. However, it is shown that investors can achieve superior results by specializing their investment in some markets, rather than aggregate investment in all emerging markets. These results contrast with previous studies, and can be justified by the increasing integration of emerging markets, broader definition of the benchmark portfolio, and a longer (and more realistic) time frame.

The third paper (co-authored with José Manuel Campa) is entitled "Sources of Gains from International Portfolio Diversification". This paper looks at the determinants of country and industry specific factors in international portfolio returns using a sample of thirty-six countries and thirty-nine industries over the last three decades. Country factors have remained relatively stable over the sample period while industry factors have significantly increased during the last decade. The importance of industry and country factors is correlated with measures of economic and financial international integration and development. Country factors are smaller for countries integrated in world financial markets and have declined as the degree of financial integration and the number of countries pursuing financial liberalizations has increased. Higher international financial integration within an industry increases the importance of industry factors in explaining returns. Economic integration of production also helps in explaining returns. Countries with a more specialized production activity have higher country factors.

Miscellaneous

Antonio Argandoña

El 10 de julio, participé, en Barcelona, en una mesa redonda sobre "La utilització dels consells d'administració com a base del valor de l'empresa", en la jornada sobre Sostenibilitat, Responsabilitat Social i Economia organitzada por la Fundació Bosch i Gimpera.

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Albert Fernández

Ha sido nombrado miembro del Consejo Asesor de la Asociación Catalana de Contabilidad y Dirección (ACCID), así como miembro de su Comisión de Contabilidad y Gestión.

Teaching materials

NOTE: The updated bibliography can be consulted on the Internet at <http://www.iesep.com>

Business Ethics and Theology

TDIndustries: Developing a corporate culture (TD-153-E - 0.303.009)

TDIndustries (TDI) was a Texas-based company engaged in activities related to the construction industry. It was owned by its employees and no shareholder held more than 6% of the shares. It had a strong culture founded on the Servant Leadership philosophy and on trust. Five pillars had been established: Continuous improvement, Shared commitment, Continuous learning, Strategic planning and Diversity. The CEO believed that all of this created a powerful community of trusting partners and, consequently, led to satisfied customers and stable profits. TDI had been growing ever since it started in 1946. Currently it had some 1400 employees and reported results well above the industry average. Ever since *Fortune* magazine had started publishing its list of the "100 Best Companies to Work For", TDI had been among the top six. However, the future held certain threats and risks. In the short term there was the severe economic slowdown, but the main concern was the succession at the head of the company. The CEO and two other top managers were due to retire within the next three years.

(Also available in Spanish).

Melé D.; 26 pages.

Ethical theory for managers (TDN-121-E - 0.302.039)

This technical note is an abbreviated version of the research paper entitled "Survey of Theories Employed in Business Ethics" (Torres M., 1997), which surveys, describes and critiques the dominant theories employed in the academic sub-discipline of business ethics. The term "theories", as it is used here, refers to various philosophical approaches that inform discourse and research in this field as well as to the alternative paradigms to which those approaches pertain in accordance with the nomenclature utilized by William Shaw (1996) in his recent overview of business ethics. Shaw distinguishes among three rival orientations, or ways of conceptualizing research and pedagogy in business ethics: 1) the

standard, or individual moral decision, model; 2) the politics model, and 3) the virtue model.

Torres M.; 15 pages.

Decision Analysis

Fugesa Portuguesa (AD-275-E - 0.102.029)

A fast food chain has to design an optimal expansion plan of franchises in a new market. The case sets the stage to model this situation using integer programming. The situation includes constraints of a financial, human resources and strategic nature. In particular, the financial constraints limit the negative magnitude of both the annual and the cumulative cash flows.

Baucells M.; Murillo de Araoz J.F.; Torres R.; 6 pages.

Serviteléfono S.A. (AD-276-E - 0.102.030)

A 24/7 call center operated by a firm providing high-tech services by means of cellular phones has to allocate operators to shifts in such a way as to minimize costs. The firm runs on small profit margins, so saving a few percent through good scheduling can make an enormous difference in terms of profitability. In doing so, the firm has to make sure that the day is covered and the regulations concerning working time are met. The assignment can be determined using linear programming. (Also available in Spanish).

Baucells M.; Labayen T.E.; 3 pages.

The battle of wits (AD-279-E - 0.102.033)

This case describes in detail the example of penalty kicks in soccer and sets the stage to discuss the relevance of mixed strategies. Students are asked to provide their mixed strategies, but the introduction and calculation of equilibrium strategies is reserved for class discussion.

Baucells M.; 5 pages.

Economic Analysis for Management

Is there life after Endesa-Iberdrola? (A) (ASE-405-E - 0.302.031)

In 1996 the European Union passed the Electricity Directive, which required each Member State to open its electricity market to



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competition from February 1999 –initially by at least 26%. The Directive also made it illegal, from 2003 onward, for any one producer to generate more than 50% of a country's electric power. The liberalization process made European electricity markets an investment target for many electric utilities wishing to extend their range of influence.
(Also available in Spanish).

Gual J.; Jódar S.; 24 pages.

Chile: Transformación Económica y Desarrollo - Nota del Instructor (ASET-8 - 5.302.014)

(Véase caso ASE-404).

Uso restringido a Instituciones Académicas.

Cruzat A.; Videla P.; 4 pages.

Entrepreneurship

Nicolás Correa - Hyperbaric (E-56-E - 0.603.021)

Nicolás Correa is a world leader in the manufacture of capital goods (milling machines) for the aerospace and automobile industries. The company is listed on the Madrid stock market. One of its subsidiaries has been conducting an innovative diversification project to develop a machine for pasteurizing food through the application of ultrahigh pressure in a water-filled chamber. To do this it has formed an alliance with Campofrío, the leading player in the meat products sector. In late 2002, with the prototype apparently a success, Nicolás Correa's top management has to decide whether to pursue this new of business.
(Also available in Spanish).

De la Huerta J.; Nuño P.; 18 pages.

Financial Management

Atlas Investment Management (F-727-E - 0.202.016)

The case aims to introduce MBAs and executives to the issue of bond valuation. A group of financial advisors must decide which bond or bonds to recommend to one of their clients, considering the pros and cons of the four bonds proposed. The case provides information to compute and discuss yields to maturity, default risk, and interest-rate (market) risk.

Estrada J.; Prada A.; 7 pages.

Atlas Investment Management - Teaching Note (FT-60-E - 5.202.017)

(See case F-727-E).

Use is restricted to Academic Institutions.

Estrada J.; 5 pages.

Inmobiliaria Sevillana y Aceites Ron (F-735 - 0.203.004)

Los hermanos Manuel y Ramón Ron alcanzaron un acuerdo para desvincular lo más posible la gestión y la propiedad de sus negocios el 23 de noviembre de 2001. Manuel tenía 58 años y era el presidente de Inmobiliaria Sevillana (Inmosev), empresa que se dedicaba a comprar terrenos, edificar y vender pisos en Sevilla y en muchas localidades de la costa andaluza. La empresa no distribuía ningún dividendo y destinaba todos los flujos que generaba a financiar el crecimiento. Ramón tenía 53 años y era el presidente y director general de Aceites Ron, empresa que producía y vendía aceite de oliva y salsas. Manuel y Ramón Ron tenían cada uno el 50% de las acciones de ambas empresas. Manuel no estaba nada contento de la labor de su hermano al frente de Aceites Ron y había propuesto a Ramón en repetidas ocasiones su deseo de venderle o intercambiarle sus acciones de Aceites Ron, para desvincularse de la empresa y conseguir mayor armonía entre las familias. Por fin, asesorados por un experto en empresas familiares y protocolos, firmaron el 23 de noviembre de 2001 un acuerdo de permuta de acciones. El caso presenta el contrato de permuta de acciones y muestra tres valoraciones muy distintas de cada empresa.

Fernández P.; 25 pages.

Valor del dinero en el tiempo (FN-486 - 0.202.018)

En esta nota técnica se ofrece una visión sobre el valor del dinero en el tiempo. En primer lugar, se ve el valor futuro de una inversión realizada hoy y el valor presente de una cantidad recibida en el futuro. Posteriormente se hace una explicación de la rentabilidad que tiene una inversión. Por último, se ve cómo anualizar rentabilidades.

Guasch J.; Martínez Abascal E.; 10 pages.

Valoración de bonos (FN-487 - 0.202.019)

En esta nota técnica se ofrece una visión sobre la valoración de bonos. En primer lugar, se presentan los elementos de un bono y

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cómo se calcula la rentabilidad y precio del mismo. Por último, se presenta un ejemplo de valoración de bonos con calculadora.

Guasch J.; Martínez Abascal E.; 11 pages.

Volatilidad de bonos (FN-488 - 0.202.020)

En esta nota técnica se presenta una visión sobre la volatilidad de los bonos o, en otras palabras, cuánto puede bajar o subir de precio un bono. Se estudian los factores que afectan a la volatilidad de un bono y cómo se mide la volatilidad.

Guasch J.; Martínez Abascal E.; 17 pages.

Opciones sobre bonos (FN-494 - 0.202.026)

En esta nota técnica se presentan las principales características de las opciones sobre bonos. Para ello, primero se hace una descripción de las diferentes clases de opciones y de los elementos del contrato de la opción. Posteriormente, se estudia el perfil de rentabilidad y riesgo en los diferentes tipos de opciones. También, se analiza qué factores afectan al precio de las opciones. Finalmente, se presentan algunas estrategias de carteras con opciones.

Guasch J.; Martínez Abascal E.; 17 pages.

Introducción a los "swaps" (FN-495 - 0.202.027)

En esta nota técnica se hace una descripción de los «swaps», se detalla su origen y los diferentes tipos existentes, así como para qué los utilizan los gestores. Por último, se presenta un ejemplo de un «swap» de tipo de interés.

Guasch J.; Martínez Abascal E.; 9 pages.

Valoración de "swaps" (FN-496 - 0.202.030)

En esta nota técnica se ve, en primer lugar, cómo cotizan los "swaps". Posteriormente se presentan los principios de valoración de los mismos. Por último, se presenta un ejemplo de valoración de un "swap" de tipos de interés.

Guasch J.; Martínez Abascal E.; 17 pages.

Cobertura de carteras de renta fija con futuros (FN-499 - 0.202.033)

En esta nota técnica se presenta cómo se pueden cubrir las pérdidas de una cartera de bonos usando futuros sobre bonos. Se estudian los principios generales para hacer una cobertura y luego los pasos concretos a dar para llevarla a cabo. Por último, se hace referencia a los posibles errores que pueden aparecer en la cobertura.

Guasch J.; Martínez Abascal E.; 13 pages.

VaR de crédito (FN-505 - 0.202.039)

En esta nota técnica se explica qué es el VaR de crédito. Para ello, se hace una descripción de los pasos que sigue el VaR de crédito para calcular el riesgo de crédito de carteras de bonos. A continuación, se revisan las limitaciones de esta metodología. Finalmente, se hace una breve descripción de otras medidas alternativas para medir el riesgo de crédito.

Guasch J.; Martínez Abascal E.; 11 pages.

General Management

Globaltex (DG-1403-E - 0.303.043)

A textile company decides to create the post of plant director with wide responsibilities as a way to move beyond the typical functional organization.
(Also available in Spanish).

Andreu R.; Vilà J.; 6 pages.

Towards the sustainable business (DGN-628-E - 0.303.007)

Acknowledging the fact that companies have a vital role to play in achieving sustainability, this technical note, which follows on from the article "Towards Sustainable Development", explores some of the characteristic features of what we might consider the paradigm of sustainable business, contrasting it with various models of unsustainable business.
(Also available in Spanish).

Ricart J.E.; Rodríguez M.A.; 9 pages.



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La internacionalización del Grupo Inditex: Retos ante el año 2000 - Nota del Instructor

(DGT-22 - 5.300.017)
(Véase caso DG-1352).

Uso restringido a Instituciones Académicas.

Ariño A.; Baena V.; Chiari P.; 5 pages.

Information Systems

Implementation of SAP at Celsa (A) (SI-139-E - 0.103.019)

The case describes the situation of a company with a large number of centres of operations, as a result of acquisitions and takeovers, that decides to implement SAP. It presents the problems associated with the implementation of a complex system in a distributed environment. Case (A) should be accompanied by case (B), to be handed out in class, which describes the solution eventually adopted, which leads to an improvement in the company's competitive situation.

(Also available in Spanish).

Andreu R.; Jiménez F.; Sieber S.; Subirana B.; Valor J.; 26 pages.

Implementation of an ERP at Celsa (B) (SI-140-E - 0.103.020)

Case (B) describes the solution eventually adopted, which leads to an improvement in the company's competitive situation.

(Also available in Spanish).

Andreu R.; Jiménez F.; Sieber S.; Subirana B.; Valor J.; 4 pages.

Managing People in Organizations

Tessuti Dalmine, SPA (A) y (B) - Nota del Instructor (DPOT-1 - 5.403.020)

(Véanse casos FH-648 y FH-649).

Uso restringido a Instituciones Académicas.

Rodríguez J.M.; 2 pages.

Launching flexible work-arrangements within Procter & Gamble EMEA (A) (FH-716-E - 0.402.023)

Helena Josue, HR manager for Western Europe at Procter & Gamble, was meeting significant resistance to the flexible work

arrangements that had been launched across Europe. This was strange because the introduction of the work/life policies had been meticulously prepared, and systematically deployed, with the support of top management and promotional materials. At first, things had seemed to go well. Some managers had taken to the policies more than others, but there had been no real problems. But now she was finding that things were not working out as planned.

Andrews W.; Poelmans S.; 16 pages.

Necesidades de los seres humanos (FHN-339 - 0.402.031)

Se presentan las necesidades del ser humano en tres grandes grupos, que permiten comprender de forma sencilla algunos comportamientos que en otros paradigmas se explican de forma compleja. Las empresas están ante el desafío de comprender y tratar de satisfacer, en la medida de lo posible, todas estas necesidades.

Chinchilla M.N.; Rodríguez A.; 5 pages.

La motivación (FHN-340 - 0.402.032)

Este documento es una divulgación, especialmente pensada para empresarios, del conocido modelo del profesor Juan Antonio Pérez López. La motivación aparece como una realidad dinámica que evoluciona según el comportamiento de cada persona.

Chinchilla M.N.; Rodríguez A.; 8 pages.

Las dimensiones de la empresa (FHN-341 - 0.402.033)

Así como la salud de un organismo vivo trata de definirse mediante una compleja serie de parámetros, las dimensiones de una empresa son los parámetros que definirían la salud de esa organización. Se trata de un documento de divulgación del modelo que usaba el profesor Juan Antonio Pérez López en sus clases.

Chinchilla M.N.; Rodríguez A.; 6 pages.

Dimensiones del profesional de la dirección (FHN-342 - 0.402.034)

Es una divulgación para empresarios del clásico tema de liderazgo tratado según el modelo del profesor Juan Antonio Pérez López. La literatura sobre liderazgo es realmente impresionante y,

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precisamente por eso, la sencillez y fuerza del modelo tienen un atractivo extraordinario.

Chinchilla M.N.; Rodríguez A.; 7 pages.

Relaciones interpersonales difíciles. Siete relatos breves - Nota del Instructor
(FHT-42 - 5.403.004)

(Véase caso FH-709).

Uso restringido a Instituciones Académicas.

Rodríguez J.M.; 2 pages.

Marketing

Apogeo, S.A.
(M-1149 - 0.503.016)

Carlos Martínez, director de la división de colonias masculinas de Apogeo, S.A., tenía que proponer a su consejero delegado las acciones más convenientes para aumentar las ventas. La empresa se plantea distintas alternativas: lanzar una nueva marca, relanzar la marca más conocida de su división, ampliar la distribución de todos o algunos de sus productos a grandes superficies y cadenas de alimentación, y modificar ciertos aspectos del plan comercial.

Font V.; 8 pages.

Smith & Nephew - Innovex - Teaching Note
(MT-23-E - 5.502.009)

(See case M-1092).

Use is restricted to Academic Institutions.

Renart L.G.; 16 pages.

Production, Technology and Operations Management

Health Reform in Bolivia: Generating evidence and sustainability with performance-based management
(P-1026-E - 0.602.012)

In 1999, Bolivia started an evidence-based health reform. The case describes the efforts the Ministry of Health and Social Provision undertook to generate and institutionalize a management culture based in results by establishing management contracts with the departmental authorities, specifying objectives and related indicators. The objectives concern the Basic Health Insurance (SBS) and the extended immunization program (PAI). The case describes

the results and the difficulties encountered in the implementation of these policies, and the current challenges with respect to the continuation of the process, especially in the application at the local level. The case shows how the Ministry of Health strengthened its regulation and enforcement role by creating instruments that allowed it to ensure the implementation of agreed-upon health policies.
(Also available in Spanish).

Pancorvo J.; Schwab N.; 26 pages.

Hospital management and labor dispute: The case of the San Juan de Dios Hospital
(P-1027-E - 0.602.014)

The San Juan de Dios Hospital in Antioquia, Colombia, had been in a very difficult situation due to financial and labor difficulties. After five years of integrative management and negotiations with the different parties involved, including the hospital employees, the situation had improved. Productivity increased and labor conditions stabilized, to the benefit of the hospital and its workforce. For the Health Ministry to perform a stewardship function, it has to be able to shed its provision function and turn hospitals into self-governing bodies. In practice, this is often prevented by resistance from unions. The case presents a situation where it has been achieved.
(Also available in Spanish).

Gallardo H.M.; García Prat A.; González I.D.; 10 pages.

Agustín Rivero
(P-1031-E - 0.602.018)

The case describes an attempt to evaluate and adapt the DRG (Diagnosis Related Group) system of patient classification to the Spanish context so that it could be used as a budgetary and financial tool in the National Health System. The Health Ministry, through its Interterritorial Committee, conducted a study to determine whether DRGs, adapted to the Spanish health care system, could be used not only as a benchmark for the State but also as the basis for payments with respect to patients who received treatment in regional health systems other than their own. In an increasingly decentralized National Health System, establishing a solid basis for financial relations between the different regions was one of the Health Ministry's vital roles.
(Also available in Spanish).

García Prat A., Rivero A.; 13 pages.



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Agustín Rivero - Teaching Note (PT-39-E - 5.602.059)

(See case P-1031-E).
(Also available in Spanish).

Use is restricted to Academic Institutions.

García Prat A.; 3 pages.

Developing the health services purchasing function in the São Paulo Health Secretariat (P-1041-E - 0.602.041)

After the initial stages of implementation of an innovative solution to solve the problem of launching several new hospitals under severe labor hiring constraints (achieved through new legal entities using the framework of the Philanthropic Organizations), the State Health Secretary faces new challenges: how to consolidate the different contracts of the Organizaciones Sociales de Salud, how to advance in the existing payment systems, and how to create an information system that facilitates the economic and activity monitoring of hospitals required for the State Secretary to perform its stewardship function.
(Also available in Spanish).

García Prat A.; Vicente R.; 11 pages.

Developing the health services purchasing function in the São Paulo Health Secretariat - Teaching Note (PT-42-E - 5.602.062)

(See case P-1041-E).
(Also available in Spanish).

Use is restricted to Academic Institutions.

García Prat A.; 7 pages.

The learning process in the Health Care Reform in Estonia (P-1042-E - 0.602.042)

The Chairman of the Board of the Tartu University Clinics Foundation reflects on the changes his institution has undergone in the last few years. The 17 clinics that existed under the Soviet system have been brought together under the Tartu University Clinics Foundation and now have a unified organization with a Governing Council that includes government representatives. The dual managerial structure (reporting to the Ministry of Higher Education as a teaching institution, and to the Ministry of Social Affairs as a health care provider) has been combined in a single structure, and systems have been put in place to foster efficiency and create an internal market among the clinics. And all of this has been accomplished while reducing the number of hospital beds, shortening the average length of stay, and reducing the number of employees.
(Also available in Spanish).

Ribera J.; Soone I.; 14 pages.

Marconi Shoes - Exercise (PE-56-E - 0.603.020)

The owner of a shoe store belonging to a European chain is considering the possibility of reducing the range of products, replacing inventory held in the store by direct delivery from the distribution centre.
(Also available in Spanish).

Ribera J.; 3 pages.

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