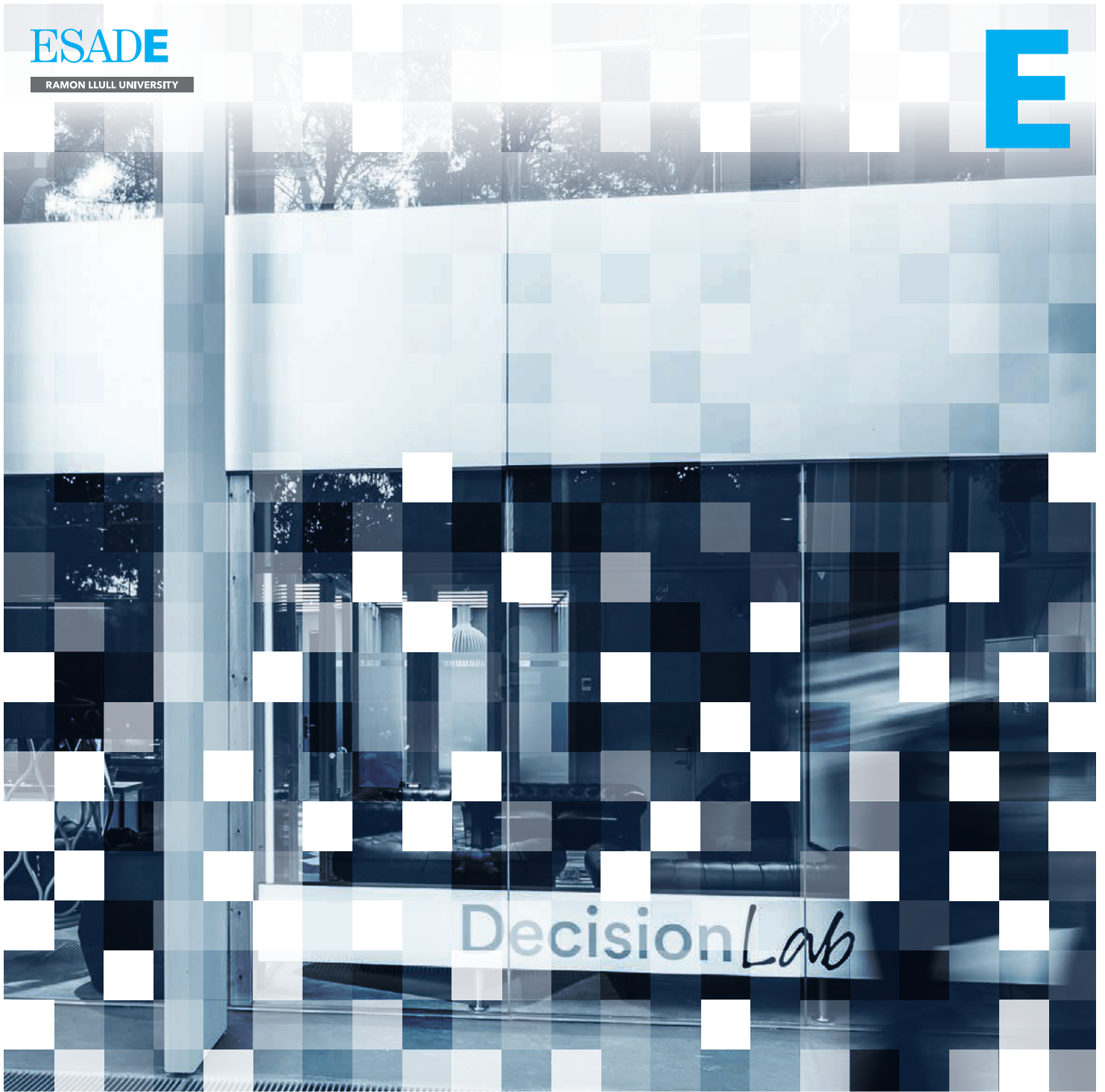


ESADE

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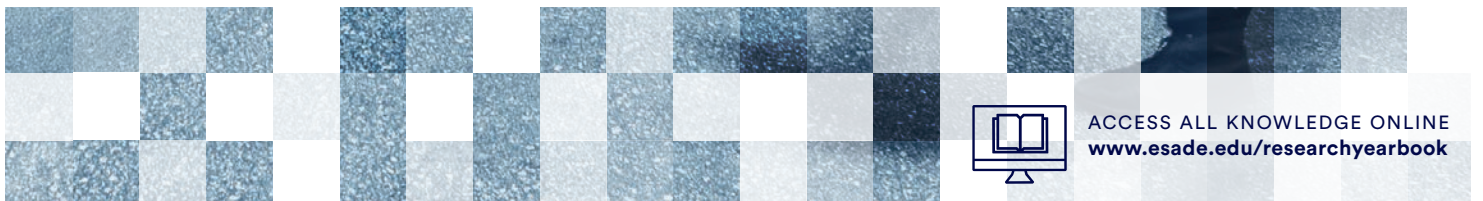
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2017
2018

Research Yearbook

ESADE Foundation



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ESADE

RAMON LLULL UNIVERSITY

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Publications

Evolution of appearances in journals	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Articles in peer-reviewed journals	82	100	96	91	110	109	118
IF journals	45	67	63	68	86	64	71
FT journals	6	20	18	13	9	14	14

Impact factor publications by quality quartiles	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Q1 journals	13	30	35	29	48	43	49
Q2 journals	15	25	7	20	17	6	13
Q3 journals	10	10	15	10	17	6	5
Q4 journals	7	2	6	9	4	9	4

Other academic publications



9 National publishers
1 International publisher



11 National
15 International

47
Papers accepted
in academic
conferences

08
Cases

11
ESADE
publications

7
Doctoral
theses

Research budget 2017-2018

TOTAL RESEARCH FUNDING € 4,232,059



External funding
€ 3,058,830

Internal funding
€ 1,173,229

EXTERNAL FUNDING SOURCES



Public
€ 1,519,354

Private
€ 1,462,892

Faculty dedicated to research



Faculty members



During the 2017-18 academic year, no fewer than 136 faculty members contributed to advancing academic research in their respective disciplines.

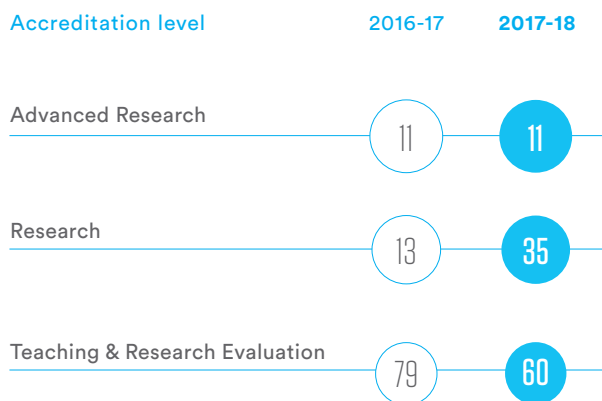
Accreditations and merits in research evaluation

FACULTY ACCREDITATIONS

The quality of faculty members' research and teaching is assessed by the external accreditation bodies ANECA (Spanish National Agency for Quality Assessment and Accreditation) and AQU (Catalan University Quality Assurance Agency).

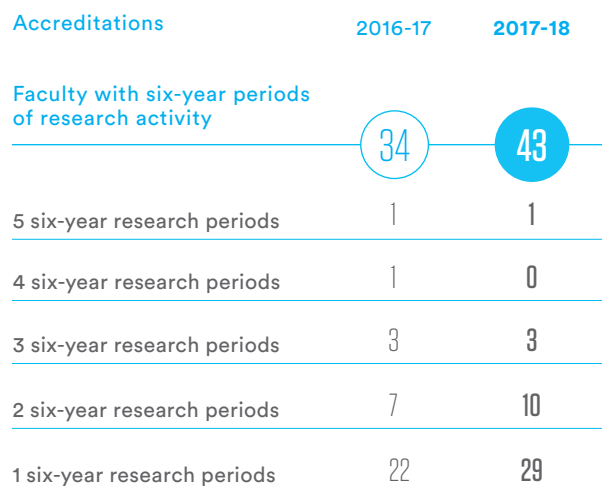
These types of accreditations are required for promotion within the university system.

Number of ESADE faculty holding ANECA and/or AQU accreditations:



RESEARCH MERITS

Faculty at private universities in Catalonia can apply to have the AQU evaluate their research merits. These achievements are evaluated in six-year stretches of research activity, which may or may not be consecutive.



RESEARCH PROJECTS

Over the 2017/2018 academic year, researchers in ESADE Knowledge Units participated in 25 competitive research projects at the national and international levels.



Knowledge Generation Units 2017-2018

UMBRELLA CENTERS

Center for
Global Economy
and Geopolitics
(ESADEgeo)

Center for
Public Governance
(ESADEgov)

ESADE
Entrepreneurship
Institute
(EEI)

ESADE
China Club

Research Group
for Leadership &
Innovation in Public
Management
(GLIGP)

Research Group
on Entrepreneurship
(GRIE)

PARTNERS
Program

Observatory of
Spanish Multinational
Companies
(OEME)

BUSINESS SCHOOL

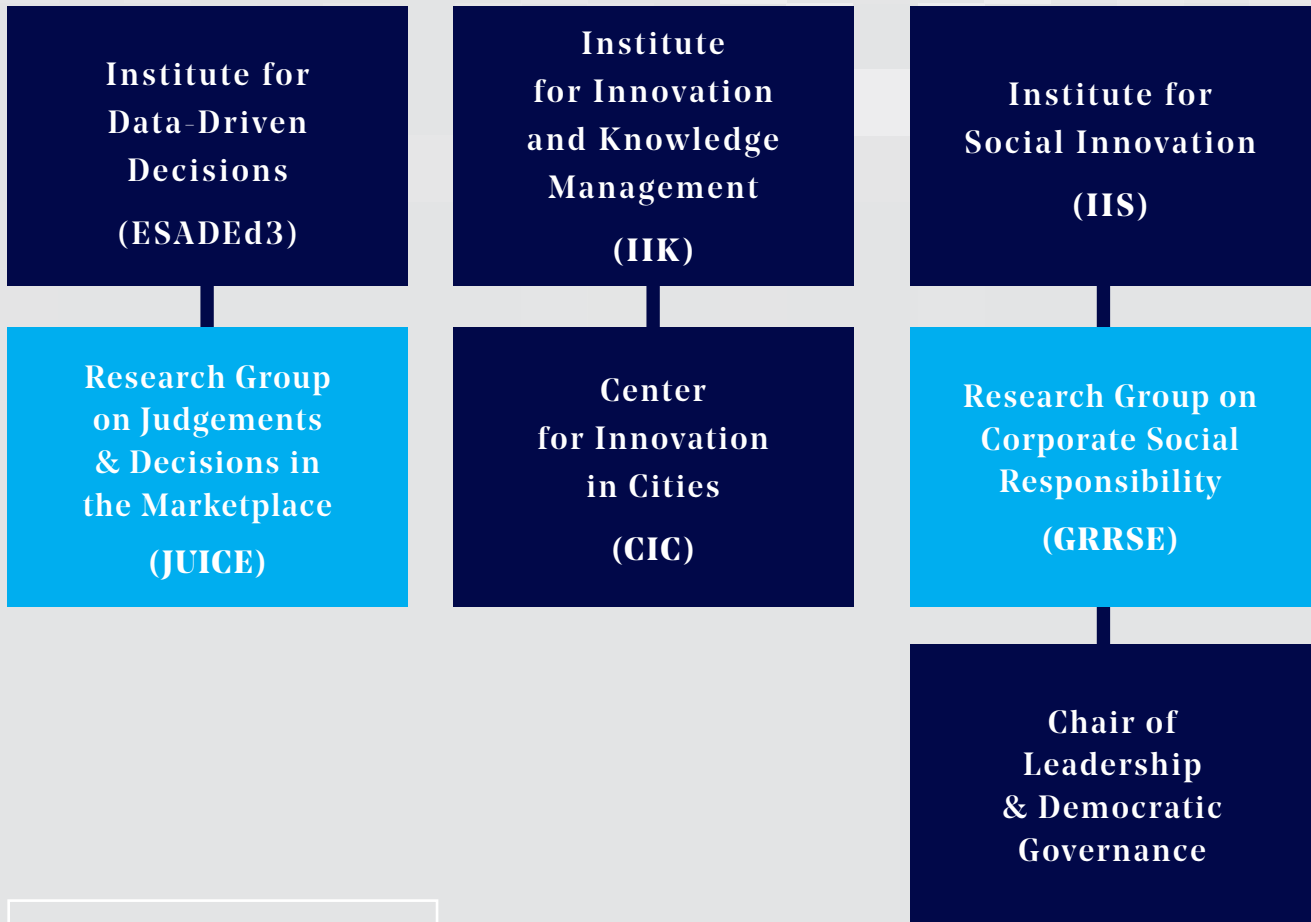
Institute for
Healthcare
Management

STAND-ALONE SGR RESEARCH GROUPS

Business Network
Dynamics
(BuNeD)

Group for Research
on Economics
& Finance
(GREF)

Leadership
Development
Research Center
(GLEAD)



LAW





Research Highlights



Software tool helps college students find the best job match



By Núria Agell
& Xari Rovira

Choosing a career path after college may no longer be a subjective decision.

Researchers at ESADE, BarcelonaTech and the University of Vic have developed a new software tool to help college students make decisions on their first job experience.

“Internships may be a student’s first experience in the job market, and thus it may be hard for him or her to express preferences clearly when searching for a job. Our software tool analyzes students’ interests based on the words they use when verbally expressing their job preferences,” says ESADE Professor Núria Agell.



“The software tool helps students by identifying internships related to their interests when searching for a job position for the first time. The system automatically proposes a shortlist of jobs based on individual preferences to help students decide where to focus their attention,” says co-author and ESADE Professor Xari Rovira.

Beginning offline, the algorithm analyzes each student’s resume to build a preference profile. It then defines a position profile from each job description. When logged into the system, a student can view his/her auto-generated profile and adjust preferences accordingly. Students can convey their inclinations based on different degrees of linguistic terms. The software then analyzes indecision and hesitance in the decision-making process and calculates the best job matches automatically.

“ ———

The software tool helps students by identifying internships related to their interests when searching for a job position for the first time

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A real case example with business students

In order to test their software, the authors used a ‘real life’ example based on the internship program for the Bachelor of Business Administration at ESADE Business School. The researchers matched 275 student resumes and 549 available internships (in English) at a national and international level. From these resumes, a set of features was determined to represent the main interests of the student body and define features for positions.

A set of five features (Client and team oriented, Strategy, Sales and marketing, Technical skills, and Finance) was selected. With these features, the system created the student profiles, assigning linguistic terms ‘Low,’ ‘Medium,’ and ‘High’ for each one of the features. Finally, for each student, the system used linguistic terms to evaluate the fit between the student and each position. The set of positions with a degree of satisfaction equal to ‘High’ was shown to the student. On average, 22 positions were proposed to each student. By narrowing the focus for the internship search, students save a lot of time and can work more effectively applying for only those positions that match their interests.

Finally, to evaluate the advantages and drawbacks of their method, the authors compared it to the Hellinger ranking method. The results showed higher performance in their method. While the Hellinger Method recommended 65 or more positions to the majority of students,

the new method was able to narrow the number of recommended positions for most students to fewer than 40, letting students focus on those positions that most closely matched their interests.

The new software tool was also compared to TOPSIS, a decision analysis method developed in 1981 to help people with decision-making processes. Compared to the TOPSIS Method, the new method was able to identify more positions matching what kinds of jobs students wanted.

A better decision-making process

Personnel selection processes are subjective by nature and tend to focus on the position and job requirements instead of a candidate’s preferences.

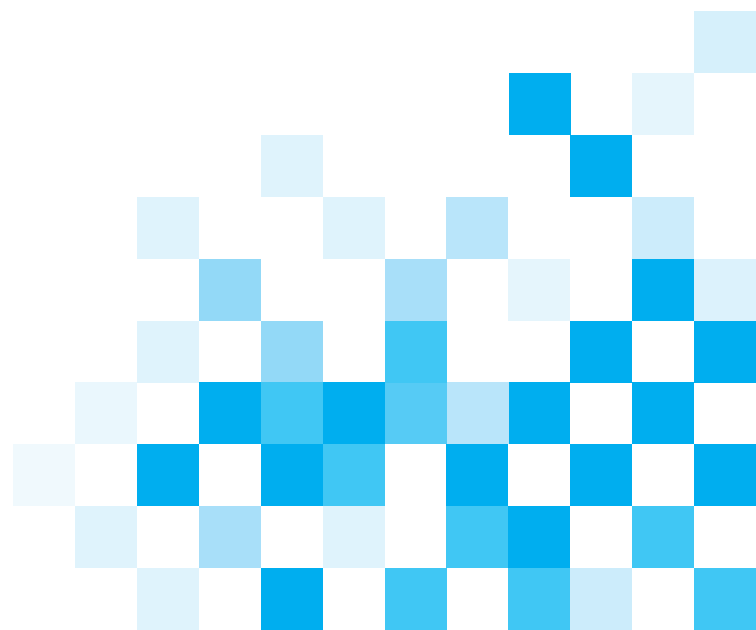
“Our method matches students and internships from the perspective of the job candidate rather than the position itself. A job position that is closely aligned with the interests of a candidate may lead to greater employee loyalty compared to a selection process in which only job requirements are taken into account.”

The findings could make decision-making processes more efficient in settings such as headhunting firms, online job boards, and corporate recruiting to uncover the interests of a job candidate prior to the interview process.

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The software calculates the best job matches automatically

————— ”



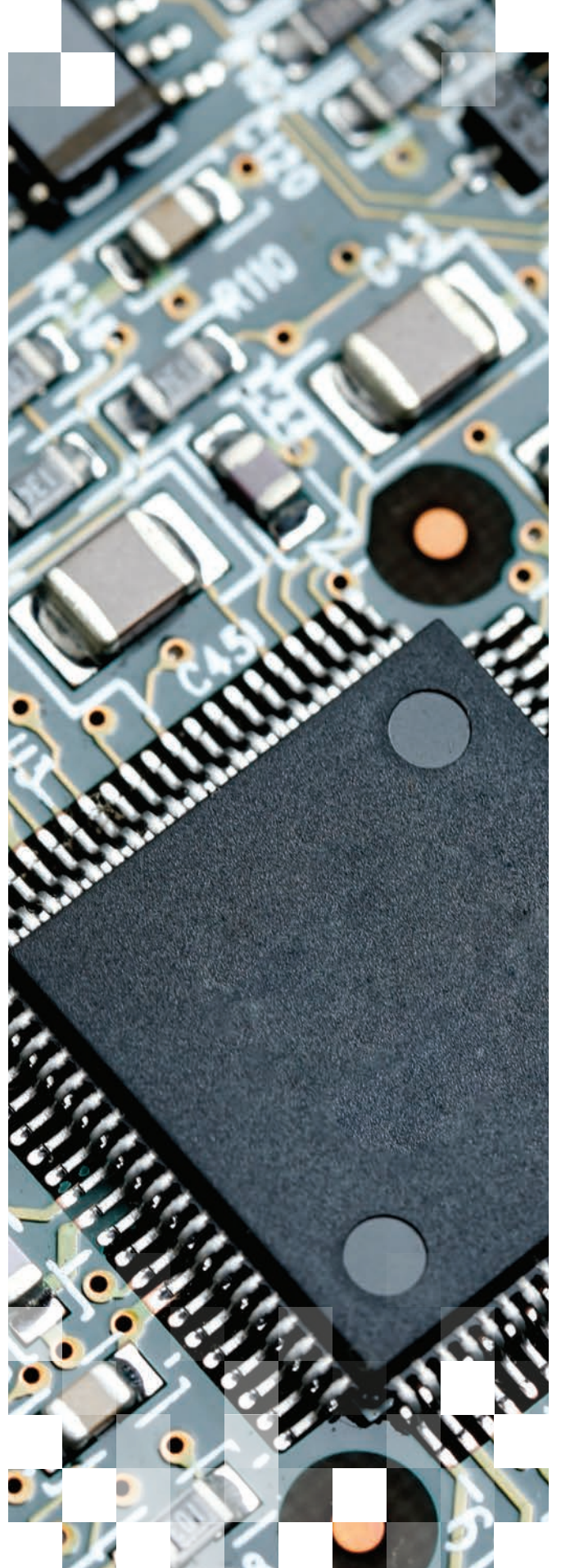
3 ways artificial intelligence can set you apart from the competition



By Esteve Almirall

Artificial intelligence (AI) is a hot topic in business. Experts estimate that the AI market will grow exponentially, becoming a \$36 billion business by 2025. Are companies ready for this revolutionary change? How can they take advantage of intelligent systems to become more competitive?

All companies, without exception, are searching for the same holy grail: finding a sustainable competitive advantage that allows them to build temporary monopolies and move away from the relentless struggle of the 'red ocean,' where companies are stuck competing against each other for the same market space.



“Real competitive advantage doesn’t come from competing with similar products or ideas, making processes more effective or increasing productivity. This approach will never get you anywhere, as you’ll only achieve a limited competitive advantage,” warns ESADE Associate Professor Esteve Almirall in his latest article in *Harvard Deusto Business Review*. “Real competitive advantage appears not from competing with similar business proposals, but with disruptive ideas that hold great potential, and this is only possible with innovation.”

Innovation and artificial intelligence: the holy grail of business

Companies can use innovation to compete in many ways – not necessarily through technology. However, when disruptive technologies promise a whole new universe of potential solutions, these can become the number-one key to gaining a competitive advantage in business.

“Artificial intelligence emerged in the sixties and it has experienced ups and downs – ‘hype’ periods followed by drought winters. The reality hasn’t lived up to the promise just yet,” says Prof. Almirall.

What has changed since the sixties? How will advances in AI accelerate in the near future? According to Prof. Almirall’s article, two main areas – technology and data – are leading the way to a promising AI future.

“ ———

Having access to large amounts of data doesn’t automatically give companies a competitive advantage

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Technology and artificial intelligence

In 2012, when Andrew Ng presented his findings at the Google X Lab after examining 10 million YouTube video thumbnails, his results started a revolution that was dubbed ‘deep learning.’ Andrew used a neural network based on 16,000 processors and one billion connections that allowed him to identify human faces with an 81.7% successful match rate. This technological revolution later led to self-driving cars and algorithms that can transcribe voices better than humans or beat humans at any game.

Data and artificial intelligence

“Data is the second element that is leading the way to a promising future for artificial intelligence. Data is the new oil, we often hear,

especially big chunks of data. Yet data can be meaningless if not used properly,” says Prof. Almirall. His findings offer a word of caution: “Having access to large amounts of data doesn’t automatically give companies a competitive advantage. It is not about how much data you have, but about your capacity to use the data in an effective way that creates value.”

Data and artificial intelligence are reshaping how businesses compete. The new deep-learning algorithms in artificial intelligence have two unique characteristics: they require a large amount of data and they are capable of learning without supervision.

“Companies that have access to technology and have a business structure in place that allows them to extract value from data will be the ones that benefit from a sustained competitive advantage, improving their capacities constantly and autonomously.”

3 ways artificial intelligence can set your business apart

1. Universal technology

Artificial intelligence is a universal technology – it can be applied to any business, regardless of its scope or area of expertise. Adding artificial intelligence to any process or product, no matter what it is, will bring value to your business.

2. Marginal cost close to zero

At scale, the marginal cost of applying artificial intelligence is close to zero. Once sufficient scale is reached, the cost of adding an additional search, detecting another face or identifying another car on a highway is practically zero.

3. Infinite scalability

Since new functionalities are implemented in code without human intervention and these implementations normally take place in cloud platforms, it is possible to scale and de-scale extremely quickly and at a very low cost.

“ ———

Technology and data are leading the way to a promising AI future

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Are eurozone countries more prone to financial risk?



By **Fernando Ballabriga**
& **Carolina Villegas**

The financial crisis reopened the debate about the long-run sustainability of the euro. Today, the monetary union is under scrutiny. Will the euro be sustainable in the long term? Are eurozone countries more exposed to financial risk?

“Financial integration was expected to play a leading role in the potential success of the eurozone. Our article documents the failure to fulfill this expectation,” the authors warn.

“We provide evidence supporting the claim that progress in financial integration has not led to effective risk-sharing mechanisms across EU members. As a result, monetary union members face higher income fluctuation risk.”

Productivity split between North and South

The current eurozone difficulties, the authors argue, seem to suggest that the euro has hampered structural reforms. It has also favored a split between countries specializing in high-productivity sectors and those specializing in low-productivity ones.



“Southern European countries have been especially vulnerable to global competitors and the impact of the crisis. What we find is that specialization has been enhanced, but in the direction of increasing the productivity distance between North and South,” says Prof. Ballabriga.

After the introduction of the euro, Southern European countries like Spain, Italy, Greece and Portugal experienced, on average, an increase in sector specialization, yet mostly in low-technology industries.

Northern European countries, on the other hand, experienced accelerated specialization growth in high-technology sectors.

This specialization split between Northern and Southern European countries has negatively affected productivity in the South. Part of the lower productivity growth in Southern Europe is related to the boom in the construction sector and the shift of financial resources from traded to non-trade sectors.

“Our results suggest that sectors with higher specialization in the eurozone are more productive, but this positive effect on productivity is lower in Southern European countries,” says Prof. Villegas.

“ ———
**Our results suggest
 that sectors with higher
 specialization in the
 eurozone are more
 productive**
 ——— ”

Higher financial risk

One of the expected benefits of the adoption of the euro was an increase in financial integration among eurozone countries. However, the expected financial integration has not led to improvements in risk-sharing. “In order to be helpful, financial integration has to be sufficiently deep. When it is just incipient and dominated by plain borrowing, integration may actually end up having negative results,” the authors warn.

“The euro initiated a process of financial integration that was mainly dominated by the South’s borrowing of from the North, eventually leading to a highly indebted South. This is clearly not an integration process that would be expected to provide risk-sharing improvements.”

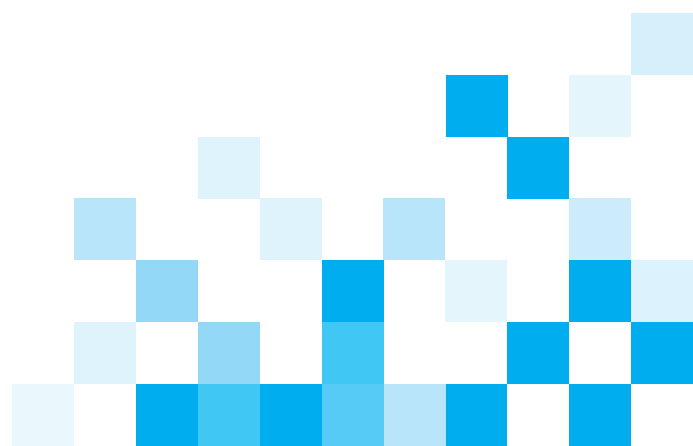
“ ———
**The findings point
 to a failure in the task
 of fulfilling financial
 integration**
 ——— ”

Club of non-equals

The findings point to a failure in the task of fulfilling financial integration. Progress in financial integration has favored a specialization split between countries with low or medium-technology productive structures and those which are high-tech. As a result, monetary union members face higher income fluctuation risk without enhanced insurance protection.

“Our evidence suggests that the specialization split has led to different impacts on sector productivity, negatively affecting those euro members specializing in low-medium technologies, thus helping to make the monetary union a club of non-equals.”

“ ———
**Monetary union
 members face higher
 income fluctuation risk**
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Keys to creating a winning digital strategy

Why your company needs
a hybrid online-offline
strategy to win the digital
disruption battle

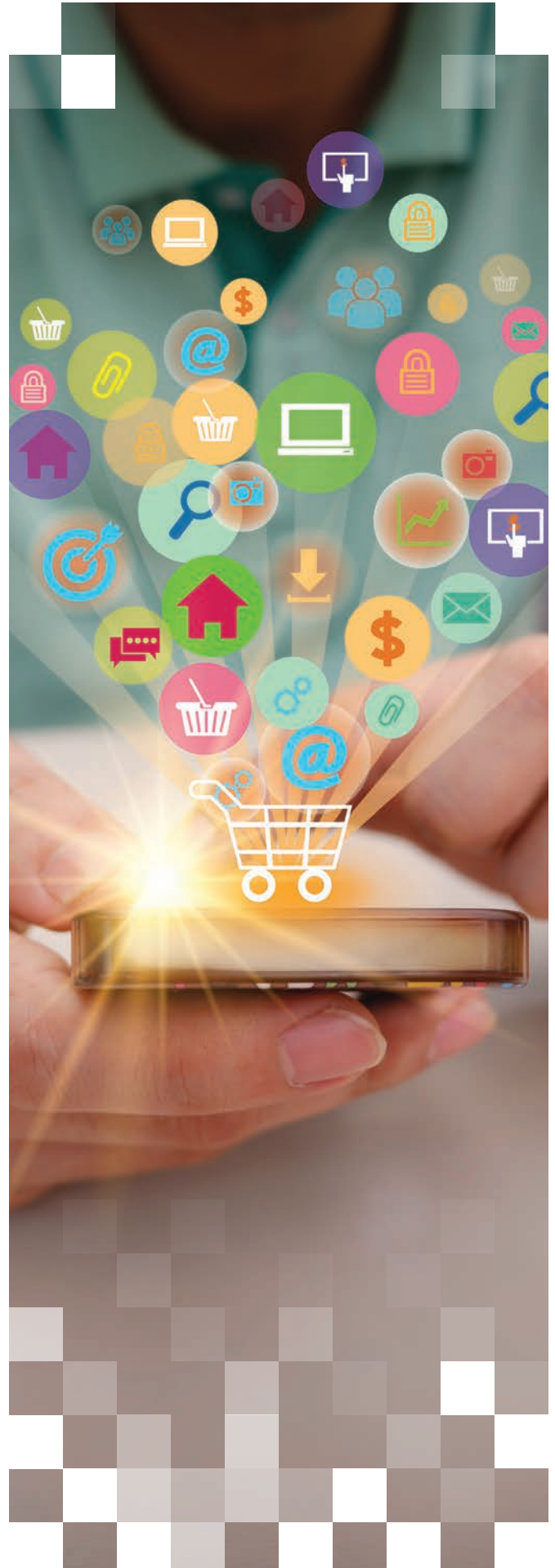


By Xavier Busquets, Josep Lluís Cano
& Jaume Hugas

Companies that focus solely on their digital strategy may get into trouble. ESADE Associate Professor Xavier Busquets and his research colleagues Josep Lluís Cano and Jaume Hugas reveal why firms need to adopt a hybrid online-offline strategy in *Harvard Deusto Business Review*.

Picture yourself in front of a smart digital mirror that could not only suggest the type of clothes that look best on you but also give you access to a virtual closet filled with infinite options. If you enjoy shopping, this may sound like the ideal scenario to avoid the frustration of not finding your size or favorite color in the real world.

“In the digital era, customer relations must overcome the online-offline duality and take advantage of both strategies to make users feel unique,” says Prof. Busquets. “Companies that combine online information with physical experiences are the ones that will win the digital disruption battle.”



A recent study by Google reveals that 84% of consumers search for information online before visiting a store and 71% of buyers admit that their smartphone has become the most important device for their offline purchases. “Customers are one step ahead and are already trying to use the best of both worlds. This behavior is what we call ROBO: research online, buy offline.”

In their study, the authors warn that companies must implement hybrid strategies that include both the online and offline worlds if they are to offer their customers rich and unique purchasing experiences.

“ ———

In the digital era, customer relations must overcome the online-offline duality and take advantage of both strategies to make users feel unique

————— ”

Click-and-mortar strategies

Companies that have an online presence and also sell physical products face logistical challenges such as implementing the right distribution channels, finding the right time for physical home delivery or facing the costs of failed delivery attempts. Keeping customers happy can result in higher costs if both online and offline strategies are not met.

“Click-and-mortar strategies have the potential to minimize the negative impact of these logistical challenges,” state the authors. Click-and-mortar strategies combine the virtual world (online channel) and the physical world (offline channel) by following a hybrid strategy in which consumers buy their products online and sellers use their own or third-party distribution systems for physical delivery.

A successful example of a click-and-mortar strategy was the one adopted by the Belgian company Kiala. The firm established its own ‘delivery points’ and third-party distribution stores in cities across Europe. It also developed a powerful technology that ensured and optimized its distribution systems and the efficiency of its deliveries. This hybrid strategy was so successful that in 2012 the company was acquired by the American logistics giant UPS.

Omni-channel customers

Omni-channel was invented in 2003 by the American company Best Buy when it integrated its offline and online strategies. In 2010, several other

American companies started adopting this hybrid strategy (‘buy online, pick up in store’) after realizing that their main competitor was no longer same-sector companies but the titan of e-commerce: Amazon.

“Today omni-channel strategies are becoming the king of modern logistics and e-commerce. The first to adopt a real omni-channel strategy in their sector will become dominant players and win the global market war,” predict the authors. “This is why e-commerce leaders such as Amazon, Alibaba and JD.com are opening physical stores and leading physical stores such as Walmart, Macy’s and Inditex are investing and buying e-commerce businesses to integrate these into their physical stores.”

Digital transformation

For many customers, the boundaries between physical channels and digital ones have disappeared. Technology is no longer an added value; it has become a part of who they are and how they think.

“Many companies still have a lot of room to interact with their customers through both physical channels and digital ones in a symbiotic way. In this quest to develop new predictive and personalized experiences, firms are facing a heavy legacy of often obsolete systems, processes and culture,” warns Prof. Busquets.

The authors claim that implementing a hybrid online-offline strategy is the key for companies to succeed in their digital transformation and meet the expectations of consumers.

Data is the future

In the near future, a growing number of companies will see their core business shift from post-sales services to a data-driven approach based on customer interactions. Firms will need to focus their efforts on data analysis to build predictive and personalized experiences that improve the efficiency of their business models.

In this new digital scenario, reactive strategies will no longer work and experts will need to implement new strategies that involve transforming their marketing efforts into predictive tools thanks to dynamic microsegmentation. The authors predict that, in the near future, companies will be able to access their ideal customer, with the ideal message, at the right moment, with the right offer and the right personalized price.

Digital acceleration

Nevertheless, data isn’t valuable to customers without powerful visualization tools that can help them understand it intuitively in order to support real-time decisions.

“Mixing data with predictive patterns will be among the most powerful ways for companies to support hybrid business models. The Internet of Things combined with physical sensors placed in the real world and the many possibilities of big data will be the key accelerators of digitalization in companies,” state the authors.

3 leadership traits in the era of data

How can leaders use data to optimize their decision-making?



By Manu Carricano

Having a traditional leadership mindset can be a handicap in the era of data. Things that used to work in the past no longer work in today's data-driven world. Leaders need to embrace new skills to compete and make sound decisions.

Manu Carricano, Director of the ESADE Institute for Data-Driven Decisions, has identified in *Harvard Deusto Business Review* the following three major leadership traits that characterize leaders in the era of data.

1. Know the context

The modern leader is not defined by his 'vision,' but by his knowledge of the context in which his company operates. Knowing and understanding the context allows leaders to shed light in a world of high volatility in which external information is accessible in real time.

Exxon, for instance, systematically collects external indicators about macroeconomic changes (GDP, unemployment, etc.), sector dynamics (unbalances between production and stocks, commodity prices and so on), and customer sentiment, among others. The company synthesizes these data into a control panel which serves to establish automated tactical scenarios.



The ability to adjust strategic scenarios to external indicator variations is critical to allow leaders to combine a sound strategy with execution agility.

2. Make learning a privilege

The second trait of the modern leader is his capacity to make learning a privilege. The current decision-making systems can be summarized in two major alternatives: ‘delivering the fish’ (programming, ‘rule’ engines) or ‘showing one how to fish’ (algorithms and machine learning).

In the first scenario, companies risk dying a slow death due to the growing complexity of data accumulation and consumption. In the second system, however, leaders can use analytical ‘bricks’ that can be accumulated, recycled and combined to improve the resolution of business problems.

“ ———

Companies risk dying a slow death due to the growing complexity of data accumulation and consumption

————— ”

Walmart is an example of this new capacity. In order to exploit its world’s largest private cloud, the company has created a Data Cafe (collaborative analytics facilities for enterprises) where smart boards and alert systems invite external teams to solve its business problems. Stock challenges, delivery route issues and promotional campaigns that used to take weeks or months to manage now are solved in the Data Cafe within hours by using preestablished models updated in real time.

Combining these analytical ‘bricks’ with testing models and large amounts of data is one of the keys to boosting a company’s learning capabilities.

3. Embrace automation

Modern leaders use technology to solve complex problems in real time. Thinking analytically to solve business problems means boosting human decision-making with additional capabilities. Since 2015, artificial intelligence models have already surpassed humans in a number of tasks, such as image recognition, among others.

Embracing more efficient technologies is another trait that characterizes leaders in the era of data. Examples of big data usage show the same tendency: using models when these surpass manual results.

For instance, in 2016 O’Reilly estimated that the first case of big data usage was fraud. In most companies, fraud is detected through manual processes – an approach that has its limitations: teams of 20-30 people checking only 10 % of the total company transactions, which implies a very low success rate. In other more advanced companies, machinelearning models scan 100 % of the transactions, achieving unheard-of success rates.

Reinvent or die

Leaders have to take advantage of this unique moment in history to reinvent themselves. If they do not, their competitors will, tapping the new talented generations of workers entering the market. Leaving beliefs aside and replacing these by evidence is the key to embracing a new world full of opportunities.

“ ———

Modern leaders use technology to solve complex problems in real time

————— ”



The 8 Ms of artificial intelligence marketing



By Ivana Casaburi

Since 1960, when Jerome McCarthy proposed the four Ps of marketing – product, promotion, price and place – the world has changed substantially. Back then, there was no internet, mobile phones were an utopia and only a few visionaries could envision smartphones as we know them today – not to mention the artificial intelligence revolution that is currently underway.

In an article published in *Harvard Deusto Business Review*, ESADE Associate Professor Ivana Casaburi and marketing expert Manu Monasterio have proposed an update to McCarthy's concept: the 8 Ms of artificial intelligence marketing.

Although we do not see them in our homes, offices or streets, we are increasingly surrounded by robots that use algorithms to control enormous amounts of data and continuously make decisions. As Prof. Casaburi points out, robots control 90% of the information that exists about the market and the customers that companies wish to target.



“Potential customers no longer want or accept marketing proposals that say – based on the good intentions and intuition of marketing managers, who have only 10% of the existing data on the market – that they ‘could’ satisfy the customers’ needs,” says Prof. Casaburi.

Clearly it’s time to upgrade the 4 Ps to the 8 Ms developed by Prof. Casaburi and Mr. Sanchez-Monasterio:

1. Machine to machine

Communication between machines is essential in infinite aspects of daily life; the world of business is not an exception but a paradigm. Smart machines tell Wall Street brokers what assets to buy. At Amazon stores, humans play only a symbolic role, while robots do most of the work. And of course, iPhone’s Siri manages our requests by contacting systems that have the information we need.

2. Man to machine

Although communication between machines is what allows robots to access the bulk of the available information, human leadership is essential. “We are the ones who direct the smart machines based on the strategic marketing variables that we indicate,” says Prof. Casaburi, citing elements such as benchmarks, analysis of competitors, and positioning in price or place as key elements for converting data into smart data.

3. Managing smart data

Converting this huge volume of data into new customers and products or services that meet their needs is essential. To do this, it is necessary to manage the smart data generated by robots. One example of success in this regard is the American giant Walmart, which has combined online and offline data in order to continually adapt to its customers’ needs.

4. M-Glocal

Smartphones have helped to democratize internet access. More importantly, they have allowed this access to become ubiquitous in our lives. This has turned internet sales – which, in turn, is managed by robots – into an everywhere market. Look no further than ‘Chinese Black Friday’: 90% of sales during this event – about €21.8 billion were made through mobile phones.

5. Making smart products

The product – one of the key elements of the classic marketing mix – has been and will be revolutionized by artificial intelligence. The future belongs to smart products that are “tailor-made and the result of work between smart machines and managers,” explains Prof. Casaburi. The iPhone X, Apple’s latest flagship, is the best example of smart product.

6. Marketing dynamic prices

Price is no longer a simple label. In real time, machines can combine the various factors that have traditionally conditioned pricing, including stock available in the warehouse, demand at the selling

point, level of sales of the product by the competition, and the impact of marketing campaigns. Through its artificial intelligence system, Uber bases the price of its service on a personalized calculation of numerous factors, ranging from the time and place of travel to what each person is willing to pay.

7. Multi e-channels

Robots are not only going to make key decisions when designing, pricing and promoting products. Their influence has also reached distribution, with drones acting as more spectacular but not unique protagonists. TMall, a portal of the Chinese giant Alibaba, has already been delivering the iPhone X to customers via drones. Other companies such as BMW and Volvo have introduced holograms at their points of sale.

8. Machine-generated communication

Machines can also indicate the best means of reaching customers, a responsibility that now falls to creative directors. “Smart machines are capable of visualizing the most efficient means of getting a positioning proposal to the target customer,” says Prof. Casaburi.

“ — Although communication between machines is what allows robots to access the bulk of the available information, human leadership is essential — ”



Are legal obligations in contracts irreversible?

—
What happens to both parties when unforeseen circumstances arise



By Jorge Castiñeira

If you or your company is about to sign a contract, be sure to follow the traditional advice: read the fine print. But don't be overly optimistic: reading all the legal clauses carefully may not be enough to prevent unforeseen contractual problems.

Jorge Castiñeira, Assistant Professor in the Department of Law at ESADE, has analyzed what happens to both parties when circumstances change unexpectedly after a contract has been signed.

“Recent decisions by the Spanish Supreme Court have underscored the need to consider the contractual problems that may arise when circumstances change unexpectedly,” advocates Prof. Castiñeira. “The economic crisis, particularly severe in Southern Europe, made many contracts difficult to perform from an economic perspective.”



Exceptional circumstances

On June 30th, 2014, for the first time in history, the Spanish Supreme Court made an exceptional decision in a case involving a company and an advertising agency, rescinding contractual obligations on the basis of exceptional circumstances.

“The service fee initially accepted by the parties in the contract had become economically disproportionate due to the devaluation of advertising services in Spain derived from the economic crisis,” writes the author in *European Review of Private Law*.

The effect of the economic crisis on the advertising sector meant that the contract became extremely inefficient for the company hiring the services. Performance of the contract would have meant losses of €4,107,128. “This decision by the Spanish Supreme Court was significant because the Court expressed for the first time in history the need to abandon the traditional justification of the doctrine based on exceptional notions of equity and fairness.”

A pending legal challenge

Spanish law currently doesn't provide a clear solution for cases in which there are unexpected changes of circumstances in contracts. According to Prof. Castiñeira, there is no provision in the Spanish civil code to solve problems regarding a supervening change of circumstances: “The only way to solve these issues has traditionally been to adopt foreign solutions or to allege a doctrine not expressly included in our civil code: the doctrine of *clausula rebus sic stantibus*, which allows for a contract to become inapplicable due to a change of circumstances.”

Despite the Spanish Supreme Court's acceptance of this doctrine, it is hardly ever applied in Spain because it is considered exceptional. This doctrine could only be applied when the following requirements are met: a supervening, extraordinary and absolute unforeseeable change of circumstances that causes performance of the contract to become excessively onerous.

“It is extraordinarily difficult to meet these requirements. In fact, the Spanish Supreme Court states that this doctrine should be applied only in cases of war or natural, political or economic disasters,” states Prof. Castiñeira.

The US contract law approach as an alternative

With the aim of finding a solution to this legal challenge, Prof. Castiñeira used comparative law and analyzed the mechanisms used by the US legal system to tackle this issue.

Under US law, when there is a change of circumstances in contracts, parties can allege ‘impossibility’ (when contractual performance is impossible), ‘impracticability’ (when something can only be done with excessive and unreasonable economic difficulty) or ‘frustration’ (the impossibility of fulfilling the parties' purposes).

In contrast to Spain, the doctrines of impracticability and frustration are fully normalized under US law. They are included in the Uniform

Commercial Code and the Restatement of Contracts. These doctrines, however, are applied only in a few cases. “The doctrines are accepted but this has not led to their acceptance by American courts. A good example of this is the well-known case of Alcoa,” writes the author.

The case of Alcoa

Alcoa signed a contract with Essex to process molten aluminum. The contract included a complex ‘price escalation’ clause that varied with changes in the Wholesale Price Index and the wages paid to Alcoa employees. The OPEC oil embargo caused the cost of electricity to rise significantly; consequently, Alcoa's production cost also rose substantially. Due to this increase in the production cost, the performance of the contract under the terms initially agreed upon would have caused Alcoa to lose around \$60 million.

The court determined that the failure of the price index system agreed by the parties was a mutual mistake. The court applied the doctrines of impracticability and frustration to the case and decided to adjust the contract by establishing a new minimum price that would still be under the market value but would allow Alcoa to obtain profits from the contract.

“In Alcoa, the court adjusted the contract since its performance would have led to serious economic hardship for one of the parties. To do so, the doctrine of impracticability was applied in a very flexible way, equalizing it not only to the doctrine of frustration but also to mistake cases.”

However, American courts have not accepted the reasoning and proceedings of *Alcoa* – it remains an isolated case within US case law.

“As argued by many authors, courts are unwilling to apply the doctrines of impracticability or frustration and also to adjust the terms of contracts,” warns Prof. Castiñeira. “Courts seem to feel more comfortable with the traditional common law rule – contracts must be obeyed – and see these doctrines as a way for parties to escape the duties assumed in a given contract.”

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Should you outsource to suppliers or do it in-house?

Why your firm should combine both approaches for better results



By George Chondrakis

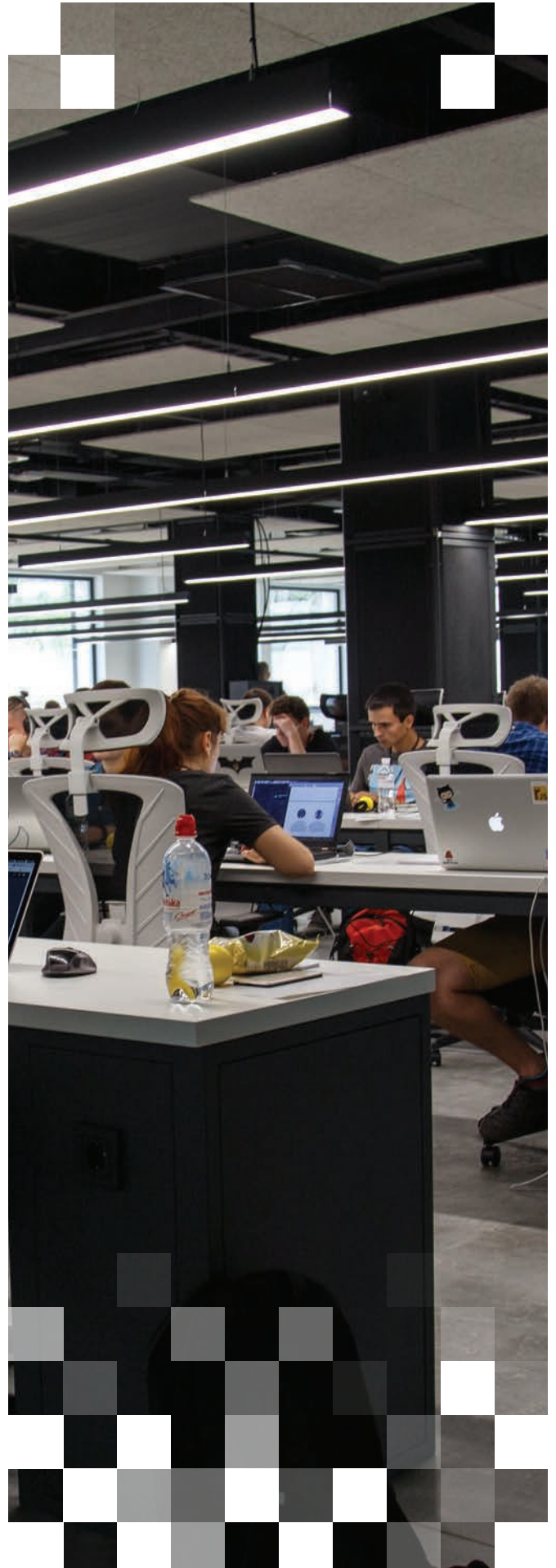
Executives must frequently decide whether to outsource to suppliers or do things in-house. ESADE Assistant Professor George Chondrakis has published evidence that suggests that executives should stop viewing this dilemma as a black-or-white decision.

What does your research reveal?

George Chondrakis: Economic theories tend to look at the in-house versus outsourcing dilemma as a binary relationship. If the cost of outsourcing is high, firms tend to do things in-house whereas if the cost of using external suppliers is low they tend to outsource more. Our research studies cases in which this relationship is actually not binary...

Why not?

For instance, if your company makes phones and you need a particular component, the standard theories would suggest that, if you have a competitive advantage over the market, then you should do it in-house.



If you don't, or if the cost of using an external supplier is low, then you should outsource. So according to these theories, it's either one or the other. Our findings question this black-or-white approach and reveal that, in practice, many firms actually use both options and exhibit important differences in designing their sourcing strategies.

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If the cost of outsourcing is high, firms tend to do things in-house

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What advice would you give to managers who are pondering whether to do something in-house or outsource?

There are many potential answers, but our research suggests that one idea to consider is what we call plural sourcing – that is, using in-house and external suppliers at the same time. Using both options is not always applicable, and sometimes it won't be possible, but managers should stop thinking about this relationship in terms of in-house versus outsourcing. They should be thinking that under certain conditions there are benefits to using both options.

What type of benefits?

One of the main benefits of using in-house and external suppliers simultaneously is that it allows companies to better manage uncertainty. If you don't know what your needs are going to be in the future, combining both approaches can help you balance your resources more effectively. For instance, we analyzed companies that filed patents frequently. Some months a company might need 20 lawyers, whereas other months it would only need 10 lawyers or fewer. As a manager, the last thing you want is to hire 20 lawyers and then have half of them sitting around with their arms crossed.

Another reason why firms combine in-house and outsourcing is that it helps them to negotiate better. Let's say you're negotiating with a supplier how much they would charge you for a given product or service. If you have an in-house department, the supplier knows you can do it without their help. Therefore, you have more leverage to negotiate better conditions. In addition, you gain more leverage by having a better understanding of the product or process being outsourced. This will help you avoid being 'outsmarted' during negotiations.

How do firms choose how much to do in-house and how much to outsource?

This was the primary focus of our study. Some firms may do 50% in-house and outsource the other 50%, while others may do 80% in-house and outsource 20%, or vice versa. We show that this relative balance is based on the relationships firms develop with their suppliers.

What type of relationships?

The type of supplier your company has is a strong predictor of how much you will do in-house and how much you will outsource. We find that some firms have stronger relationships with their suppliers (what we call relational suppliers) while others have weaker relationships (what we call contractual suppliers).

When firms have weaker relationships with their suppliers, they tend to do more tasks in-house and outsource less. This is because working with such suppliers is comparatively costlier, so the in-house department becomes a more attractive option.

However, when companies use fewer suppliers, over time they tend to develop stronger relationships with them. The fact that you're working with fewer people makes these relationships stronger. They outsource more because it's easier to work with them, they build trust, and they reduce the costs of contracting because they have established standardized interfaces, billing systems and so on. We also found that such benefits are even more pronounced when the suppliers are able to offer a diverse range of services. They can act as one-stop shops as their clients' needs change over time.

How can managers choose what's best for them?

Depending on the relationship you want to develop with your suppliers, you might want to decide how much in-house investment you want to do versus outsourcing. If you prefer to work on a relational basis with your suppliers, it may make sense to increase your percentage of outsourcing and reduce your in-house workload.

But if, as a firm, you want to avoid being stuck with the same supplier, then you may want to consider having a stronger in-house department and approaching your suppliers in a more aggressive way in order to have more leverage for negotiation. Ultimately, there is a trade-off between developing strong relationships with your suppliers and maintaining flexibility in choosing them.

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Focus on values to keep public servants motivated



By Marc Esteve
& Carlos Losada

Bureaucratic work might be hard for public servants, but they will find it even harder if they receive lower pay and are asked to work more hours. That's what happened – and is still happening – in many developed countries since the onset of the financial and economic crisis in 2008.

For years, public organizations have been asked to simultaneously be austere and provide better public services, a trend summarized in the mantra 'doing more with less.'

In the wake of the financial problems suffered by many states after the 2008 crisis, 20 member countries of the Organization for Economic Co-operation and Development (OECD) have imposed public-sector wage cuts since 2009 and an additional 15 countries have implemented staff-reduction programs.

A paper by ESADE faculty members Marc Esteve and Carlos Losada, published in the journal *Public Administration Review*, analyzes the impact of these policies on work motivation and job satisfaction in 9,761 public servants from 34 European countries using data from the 2010 European Working Conditions Survey.

The results confirm the authors' hypothesis, showing strong evidence that cutbacks leave public employees less motivated and less satisfied with their jobs.

"There are thus no free austerity lunches: while public employees in Europe may work longer hours at lower pay, they are less satisfied and less motivated to perform for their organizations when doing so," summarizes Prof. Esteve.

Public servants' feelings show a strong relationship between work pressure and changing working conditions, on the one hand, and decreasing job satisfaction and work motivation, on the other.

The authors conclude that these results are consistent with job demand theory (worse working conditions exhaust employees, thus decreasing their satisfaction) as well as psychological contract theory (cutbacks are perceived as breaches of contract that curb employee satisfaction).

But there's still hope: the results also show that value alignment between employees and organizations moderated this negative effect. The employees interviewed said that the fact that their organization's values were aligned with their own made them feel less unmotivated by wage cuts and higher workload.

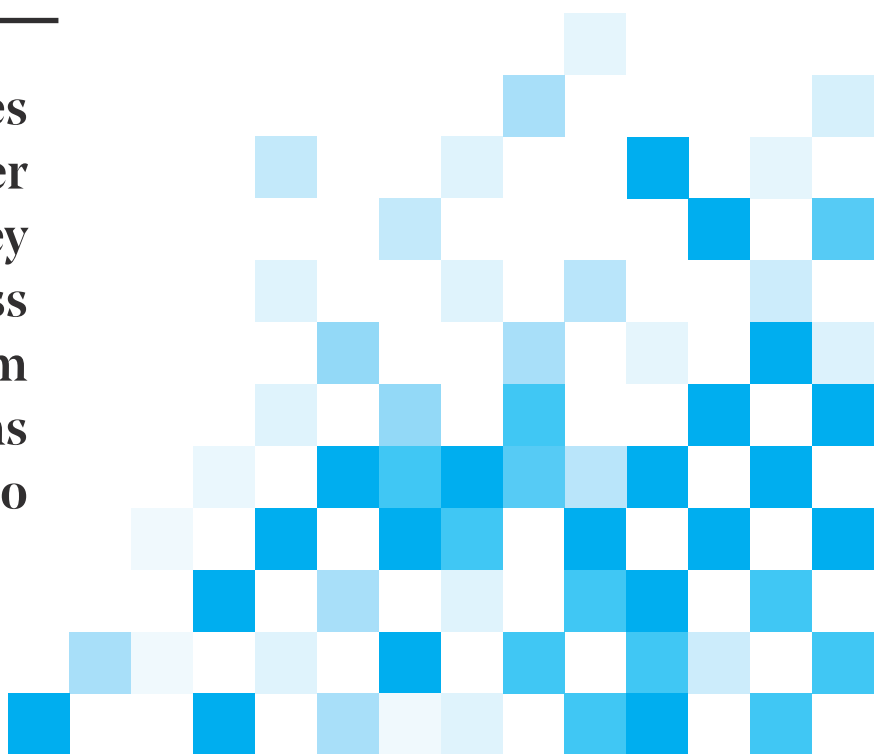
Although this moderating effect does not apply to job satisfaction, value alignment might offer a suitable 'shield' for preventing the negative impact of austerity on public employees. "Public-sector leaders should put a premium on measures that strengthen value alignment, particularly when it is arguably hardest to achieve: in times of cutbacks," argues Prof. Esteve.

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Can a robot be a leader?

The future of management in a world of electronic brains



By Xavier Ferràs

Artificial intelligence (AI) is increasingly able to make decisions in complex situations. Digital machines are replacing all kinds of human tasks, whether repetitive, specific, manual or cognitive.

There is, however, a worrying dark side to this potent force. We are increasingly bombarded with news stories on the way machines may threaten jobs – something that has huge implications for modern Capitalist society. Robots are eliminating jobs in factories, warehouses, and customer service centers at an accelerating pace.

The future of work will be shaped by digital automation, which may open the door to hyper-productive corporations without employees. Yet with ever-greater AI capabilities, the future could also be one that dispenses with human management.

With intelligent automation, managers at various levels may also become redundant. We could well see data-processing networks making decisions and sending electronic instructions to the corporate structure round the clock. What better than an intelligent algorithm to analyze data and to make decisions in Marketing, Human Resources, Operations, and Finance?



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The electronic CEO

We might even have a future ‘Digital CEO’ (just an algorithm) that would continuously analyze all worthwhile information on the news, review customer comments on social networks, and supervise internal production indicators.

This electronic CEO would give the right orders to manufacturing plants to maximize corporate results. The entire management could be replaced by a digital machine that would learn all by itself and become more productive with every passing day.

Given this backdrop, many questions arise that go far beyond just the economic implications of AI. How will artificial intelligence affect the practice of management itself?

Operations management and strategy

Machines are clearly superior in the interpretation of big data, pattern identification, error prevention and subsystem coordination. Management processes that are strongly based on logic, statistics, and rational decision-making will soon be performed much better by intelligent algorithms.

This will obviously soon be the case in the fields of Operations Management, where decisions and policies bearing on Stock Management, Procurement, Supply Chains, Production Planning, Quality Control, Distribution Logistics, all require a high level of mathematical reasoning. This is also the case in Financial Management. Once the strategy is defined and the corporate objectives are set, machines can be left to get on with implementing the strategy all by themselves.

Under these models, not only will production lines be robotized but so too will Operations Management in those fields that are highly susceptible to automation.

Will robots replace managers?

Leadership is an example of a very human activity – it requires understanding and interpretation of emotions (your own and those of others). It is an activity that needs interaction among people, recognition of individual needs, and the use of this recognition to guide teams toward achieving defined goals.

Can a robot be a leader? MIT researchers show that it would not be difficult for people to receive robot instructions. People could accept a robot as a boss. Yet it is one thing to give cold instructions to a human team mate and quite another to lead people, to have the emotional ability to guide a team in VUCA (Volatile, Uncertain, Complex and Ambiguous) situations. To do so, trust must be forged – something for which emotional skills are needed.

Although artificial intelligence is highly capable when it comes to, say, determining the key characteristics of a product to be launched in a particular market, or in diagnosing some types of cancer, AI still lacks the emotional skills to successfully complete interactions with people (for instance, creating brands with emotional values, persuading a customer, negotiating a major contract, or communicating a serious illness in a medical process).

Machines cannot assume the functions of institutional representation. Could a machine act as a company’s institutional representative? Could it have legal responsibilities? Could a machine even be the owner of a business or, say, a patent? It is likely that processes that involve persuasion, leadership, institutional relations, and ownership will resist the encroachments of artificial intelligence better.

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Employees with disabilities: promoting inclusive practices in the workplace

Organizational interventions can help managers prevent illness and injury absences in the workplace



**By Joan M. Batista
& Conxita Folguera**

Despite legislative efforts to encourage disability inclusion in the workplace, companies and managers still have concerns about employing people with disabilities due to their presumed frequent levels of absenteeism compared with other employees.



Absence from work by employees with disabilities has been analyzed at the macro level, but not within the day-to-day context of an organization. In our study, we wanted to address this gap and get inside these organizations to see whether voluntary organizational interventions (actions designed to facilitate employee inclusion) could help to reduce the absenteeism of employees with disabilities.

evidence – although weaker – that interventions also help to reduce absences caused by work-related injuries. For instance, two years after the intervention started absences due to medical reasons were reduced by 25% and 45% in employees with disabilities compared to those employees with and without disabilities who didn't take part in the intervention.

Practical implications for managers

Our findings confirm that managers' reluctance to hire people with disabilities due to their presumed levels of absenteeism can be addressed through an organizational intervention. Our research helps to challenge the biased negative stereotypes of workers with disabilities and provides support for organizations aiming to develop proactive inclusion policies.

We hope our findings will help to raise awareness and change employers' perceptions of the consequences of employing people with disabilities. Increasing the participation of people with disabilities in the workforce is a key part of efforts to reduce discriminatory behavior towards these individuals.

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Our findings prove that organizational interventions are an effective tool for reducing absenteeism in the workplace
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An effective tool for reducing absenteeism

In order to dig deeper into the reasons for absenteeism, we analyzed Parcs i Jardins, a company that provides gardening services for the city of Barcelona. This company has a policy of actively recruiting people with disabilities. Its workers are organized in teams called garden brigades, and each brigade can include one or more employees with disabilities.

In 2009, Parcs i Jardins decided to take a new step forward in its organizational practices. At the time, the company focused on complying with legislation regarding the number of employees with disabilities as a percentage of total staff (surpassing the limit required) and ensuring that the company's recruitment process was adapted to the needs of people with disabilities.

The new measures introduced in 2009 consisted of a complete diagnosis of the situation and resulted in voluntary training and development actions for employees with disabilities, as well as support for their coworkers and supervisors.

In our study, we measured the absenteeism rates of all employees – both with and without disabilities – before and after the intervention. We analyzed injury and illness workplace absences.

Our findings proved that organizational interventions are an effective tool for reducing absenteeism in the workplace.

We demonstrated that the absences of employees with disabilities decrease after this sort of intervention. Specifically, we showed that such interventions have a clear and significant effect on reducing illness-related absences in employees with disabilities. We also found

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Should you change your company logo?

How customers alter their perception of a business based on its logo shape



By María Galli

Your company logo is often the first thing potential customers see. People tend to make up their mind in a split second as to whether your company is trustworthy or not, so making a good first impression is crucial.

ESADE Assistant Professor María Galli and her research colleagues at the Hong Kong Polytechnic University and INSEAD have investigated how company logos can influence customer perceptions in the *Journal of Consumer Research*.

The research article *Does Your Company Have the Right Logo? How and Why Circular and Angular Logo Shapes Influence Brand Attribute Judgments* reveals a novel finding for marketing experts: The shape of a logo can affect the judgments people make about the attributes of a company or a product.



What circular or angular logos say about your product

The researchers conducted five experiments in which participants were asked to evaluate products after seeing advertisements. For instance, people were shown an ad for a sofa featuring either a circular logo or an angular logo, and were then asked to report how they perceived it in terms of certain attributes.

“We found that the circular logo led to perceptions of higher comfortableness, while the angular logo led to perceptions of higher durability,” says Prof. Galli.

But how did the differently-shaped logos lead to these perceptions of comfortableness and durability?

According to Prof. Galli, seeing a circular shape activates the concept of ‘softness’ in our brain, and this alters our perception of the product’s comfortableness. Similarly, seeing an angular shape activates the concept of ‘hardness’ in our brain, altering our impression of the product’s durability.

And about your firm’s behavior...

Interestingly, the influence of logo shape even transcended the physical notions of softness and hardness. In one experiment, participants were shown the scenario of a passenger with overweight luggage trying to board a flight operated by an airline with either a circular or angular logo. When asked if the passenger would be allowed on board without a penalty, participants judged it more likely when the airline had a circular logo.

They also thought the airline with the circular logo cared more about its customers and would more likely respond to their needs.

How can businesses benefit from these findings?

Knowing how customers react to circular vs. angular logo shapes gives businesses additional tools to shape perceptions of physical (e.g. comfortableness) and nonphysical (e.g. customer sensitivity) attributes, helping them achieve a better impact based on their needs.

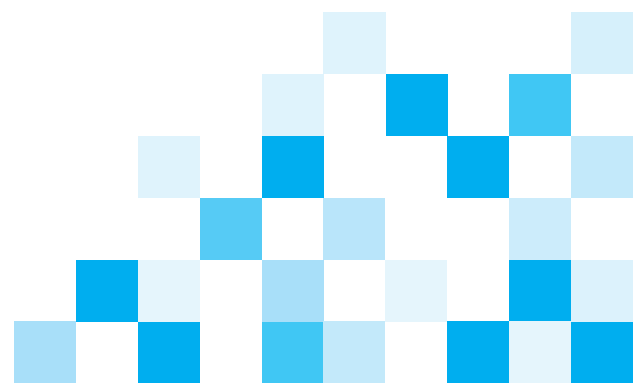
“For instance, if you are selling sports shoes and want your customers to perceive them as more durable, an angular logo would be more effective, as the notion of ‘hard’ that would be activated in your brain would unconsciously reinforce this sentiment,” says Prof. Galli.

The authors warn that if consumers were aware of the unconscious associations triggered by the logo shapes, they could correct for the associated bias in their product perceptions.

“However, most of the time our brains are too busy processing the countless stimuli we encounter every day, so the logo shape’s influence on our perception is likely to remain outside our awareness.”

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10 challenges posed by the gig-economy



By Anna Ginès

In the context of the sharing economy, many digital platforms, through crowd sourcing and on-demand hiring, have revolutionized how services are provided. Jobs traditionally done by workers have been replaced by very short-term work carried out by supposedly 'self-employed' workers. These 'self-employed' workers are not covered by many of the legal protections afforded by labor law to regular workers.

This article by ESADE Assistant Professor Anna Ginès looks at ten challenges that platform work poses for the Spanish legal-labor system and analyzes these in relation to the business models used by these platforms and their impact on labor relations.



1. Delimiting the phenomenon

The sharing economy offers scope for globalizing human relationships that previously could only be generated within small communities of people – families, friends, neighbors, acquaintances, etc., making it possible for users to exchange, lend or share goods or services.

Platforms such as Uber, Deliveroo, and Amazon Mechanical Turk, despite considering themselves part of the sharing economy, escape from its logic by developing true business models based on saving labor costs.

2. Delineating the current business model

Through the intensive use of new technologies, these digital platforms have been able to develop a business model that completely outsources the services they provide. This is possible by reducing the service to the level of micro-tasks and crowd-sourcing it to a sufficiently high number of external workers using an on-demand hiring system.

3. Determine if the digital platforms are technological companies or service providers

Digital platforms operating within the framework of the gig-economy claim to be mere technology companies but the European Union Court of Justice recently stated that one of its paradigmatic companies – Uber – must be considered a service company. The boundary between the two concepts is a fuzzy one, hence the need to study each case.

4. Update the legal classification of the relationship between service providers and digital platforms

New forms of work emerging within the framework of the gig-economy do not fit well with the traditional characterization of employee. Nevertheless, one needs to take indirect business control formulas into greater account in work assignment, work performance, and market control.

5. Take indirect business control into consideration

While working for digital platforms seems to fit better with self-employment, there is substantial evidence of dependence on and subordination to the company through indirect forms of business management with regard to working time, assignment of tasks and control of work performance.

6. Resizing market intervention

In digital platforms, workers assume the costs of the service, use their own infrastructure and means of production and receive an economic benefit directly related to the quantity of services provided. Yet these workers lack an autonomous business organization to determine the terms and conditions of the service they offer and to set the corresponding prices.

7. Setting fair working conditions in terms of working time and salary

Digital platforms use, de facto, the ‘zero hours’ contract, as service providers are not subject to a minimum period of working time. This contract, however, is not lawful in the Spanish legal-labor system and the excessive flexibility that comes with it brings an increase in job insecurity.

8. Guaranteeing workers’ collective action rights

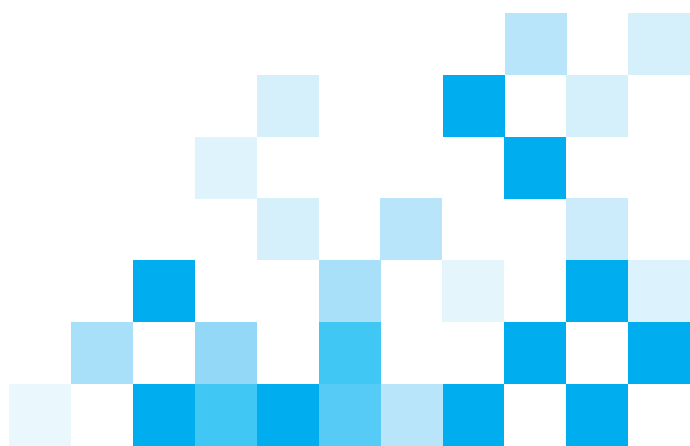
Treating workers in digital platforms as employees will not solve their problems as the geographical dispersion in performance of work, the discontinuity in the provision of services and the high turnover of workers makes it difficult for them to exercise collective rights. Virtual forms of participation are needed, along with electronic voting systems in union elections and forms of virtual action (for instance, the disconnection of the platform), to guarantee the collective rights of such workers.

9. Disassembling the need for a third category

Given the supposedly unclassifiable work in digital platforms under current law, one strand of Spanish labor doctrine suggests the creation of a new category for workers in platforms. However, drawing up an ad hoc regulation would only protect the business interests of a sector that is ruthlessly exploiting the competitive advantage conferred by the fraudulent use of self-employment to save labor costs.

10. Expanding the boundaries of labor law

Labor law must widen its bounds (both legal and financial) to include all forms of dependent work. The concept of employee must take into account the new digital environment, to replace legal dependence with financial dependence.



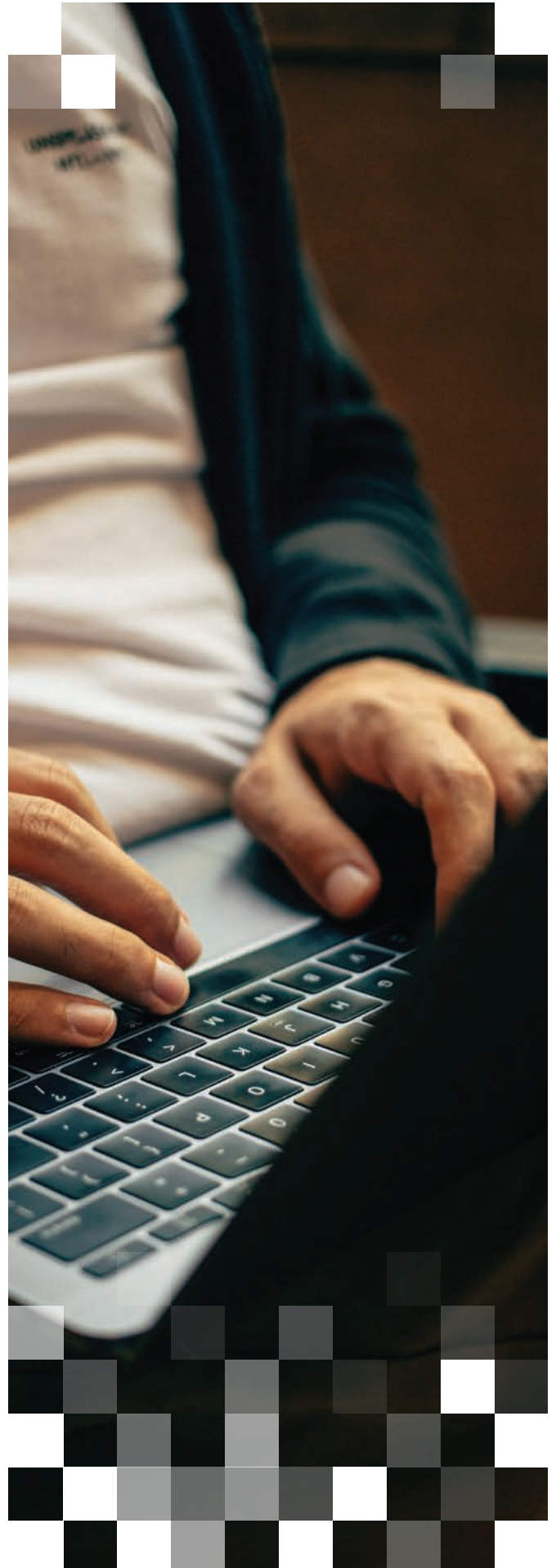
David versus Goliath: can individual consumers determine the success of a boycott?



By Tobias Hahn

What's the key to a successful boycott? Most boycotts fail: companies have overwhelming power compared with the consumers who ask them to behave more fairly by refraining from purchasing their products. The reasons for this failure are diverse and complex, but most boycotts suffer from two issues: free-riders and the small agent problem.

Free-riders are consumers who are not willing to participate in the boycott but will benefit from its success. The small agent problem is the challenge that consumers who are willing to start a boycott face before the number of boycotters grows large enough to cause trouble for the company.



Researchers have usually analyzed these problems from a cost-benefit perspective. If consumers feel that the benefits of a successful boycott are higher than the cost of participating in it, they might participate. If it's the other way around, they are less likely to join the boycott. This applies for nearly all consumers. However, according to ESADE Professor Tobias Hahn, rather than just joining a boycott on a cost-benefit basis, some consumers have much more influence.

In a paper published in the *Journal of Business Ethics*, Prof. Hahn and his co-author Noël Albert of Kedge Business School consider the influence of strongly reciprocal consumers on other consumers and boycott-targeted companies. Many consumers are self-regarding: they join the boycott if the benefits outweigh the costs. These consumers are more likely to become free-riders and impede the success of the boycott.



Evidence from economic experiments shows that 40-60% of people are willing to respond to friendliness with friendliness and to punish those who are unfriendly



Other consumers, however, will participate in the boycott even if the costs outweigh the benefits. These consumers are motivated by reciprocity. Evidence from economic experiments shows that 40-60% of people are willing to respond to friendliness with friendliness and to punish those who are unfriendly, even if this comes at an additional cost. In other words, they behave as strong reciprocators.

Strongly reciprocal consumers focus more on the expressive benefits of a boycott – the emotional experience, the opportunity to express their values or to display anger towards the contested practices of the target firm – rather than the instrumental benefits (ending the company's contested behavior). For them, punishing the misbehavior of the target firm is a value in itself. Even more importantly, these consumers are willing to encourage other consumers to participate in the boycott.

Research suggests that people of this sort can influence self-regarding consumers to behave according to social norms. In one set of experiments, people were asked to split a given sum with another player. When one player was able to punish unequal offers by reducing his or her own payoff, self-regarding players tended to be fairer in their offers. "The threat of negative sanctions by strong reciprocators makes it rational for self-regarding actors to issue fair offers to avoid the sanctions and the associated loss of their share," explains Prof. Hahn.

Moreover, reciprocal consumers are more sensitive to unfair practices by companies. Perception is key when it comes to starting or joining a boycott. Self-regarding consumers are very sensitive when they are harmed by unfair practices – such as unfair marketing practices or price increases – but not in cases that do not affect them directly. Reciprocal consumers, however, are willing to retaliate on behalf of third parties affected by a firm's unfair behavior, even if they are not affected.

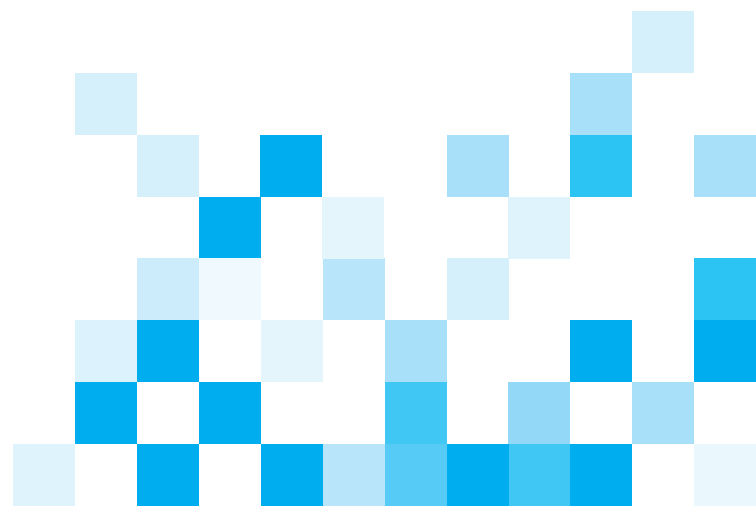
Internet and social media have offered visible platforms where boycotters can blame those who do not participate in a boycott and build a sense of community among boycotters.

Because of their willingness to participate, stay committed and even push self-regarding consumers to take part, reciprocal consumers are the key to any boycott. These customers increase the likelihood of success and the expected benefits, which, in turn, makes the boycott more appealing to other self-regarding consumers.

Although the boycott literature suggests that individual consumers have little incentive to engage in boycotts because they are unlikely to have an impact on the targeted firm, Prof. Hahn believes that "strongly reciprocal actors can produce a robust stock of boycotting" that can overcome the high starting costs of these collective actions. This perspective "reempowers individual consumers, in contrast to the futile position described by the cost-benefit approach," explains Prof. Hahn.

Prof. Hahn's research could help companies gain a better understanding of consumer behavior in response to contested business practices and help NGOs – which play an essential coordination role in boycotts – to induce these committed consumers to exercise their influence and help boycotts succeed.

As an example of a successful action led by an NGO, in 2011 Greenpeace launched a boycott against KitKat, a Nestlé brand, for using palm oil from sources that might be destroying orangutan habitats. Greenpeace gave consumers easy-to-use materials and called for action through Facebook. Thousands of users responded by posting critical comments on Nestlé's Facebook page, which eventually turned into a platform for sanctioning the company as well as regular consumers.



Why good leadership requires inner growth



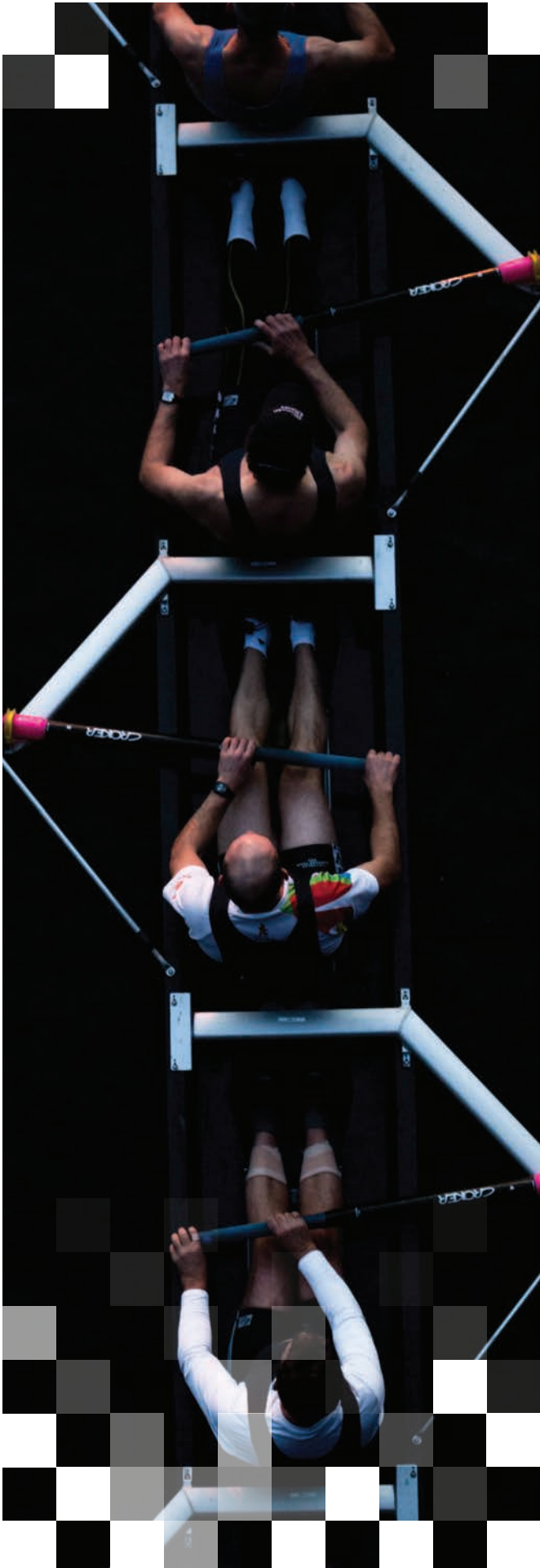
By Josep M. Lozano

Leaders need to go one step beyond competencies and technical skills
What sets great leaders apart from average ones?

A study by ESADE Professor Josep M. Lozano warns that leadership shouldn't be only about acquiring competencies and technical skills, but must also involve developing inner awareness and values.

"Leadership cannot be understood solely from a technical or instrumental perspective. It is not a mere relational skill that simply requires developing competencies. The exercise of leadership should include a connection with values," writes Prof. Lozano in the *Journal of Business Ethics*.

According to the author, good leadership is impossible without a personal process that develops the person's capacity for perception, learning and interiorization.



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Good leadership is impossible without a personal process that develops the person's capacity for perception, learning and interiorization

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The author argues that educating business leaders cannot consist solely of the 'knowing component' (theories, models and frameworks) and the 'doing component' (skills, competencies and techniques). Rather, leaders also need to develop the 'being component' (values, beliefs and self-awareness).

If business education only takes into account the first two components but not the 'being' aspect, the researcher warns, it runs the risk of producing highly intelligent, accomplished leaders who have no idea what they want to do with their lives: no sense of purpose and, what is worse, no understanding of how to go about finding one.

"Before students or managers can embark on developing their leadership abilities, they must take a look at themselves. They need to identify their inner core, or higher self, which can effectively guide them through turbulent times," says Prof. Lozano.

"An integration of body, mind, heart and soul is an important pathway to strengthening such an inner connection. While most students find it easy to connect to their inner place of stillness and meaning, only those who train in self-reflection can develop a solid connection to their core that can resist fear, pressure and uncertainty."

The 4 components of leadership

Leaders who want to be consistent with their values should take into account these 4 main components:

1. Not only the leader's competencies and skills, but also their human and moral quality.
2. Not only the followers' characteristics and involvement, but also their connections, their commitments and their values.
3. Not only the formulation of the project's aims, but also the ethical coherence and foundation of the project's inherent values.
4. Not just the success in achieving the project's purpose and objectives, but also the means used to achieve them.

"Thinking about leadership and working on its development requires acting on the four levels and developing the abilities to integrate them," says Prof. Lozano. However, a question immediately emerges about the most appropriate way to provide an education that focuses on leadership and makes this integration possible.

Whole leaders

Leadership education, the author states, shouldn't be limited to training a leader: "Rather than simply training people to become leaders, the ideal would be to educate students to ensure that they become whole persons. This is based on the assumption that the ideal complete person will in the future be a competent, aware person who is capable of compassion and well educated in solidarity."

The findings suggest that there is a need for a much more holistic management education that can enable students to make sense of the world and their place in it, preparing them to use knowledge and skills as a means to engage responsibility with the life of their times.

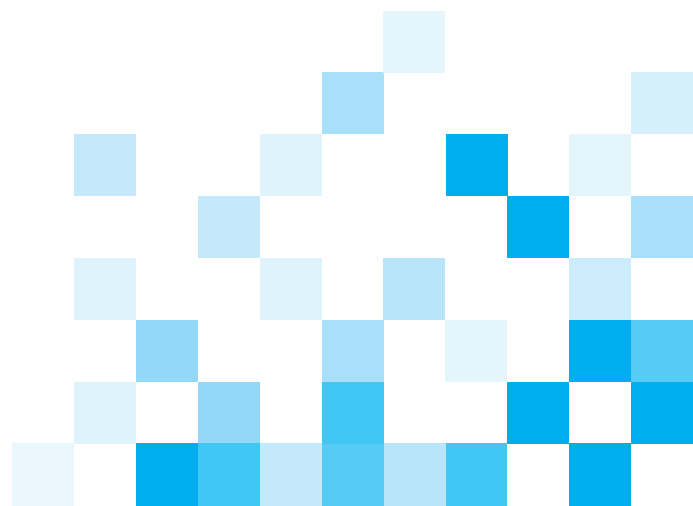
"We want graduates who are ready to be leaders, who show concern for society and the world, who want to put an end to global hunger and conflict, who understand the need for a fairer distribution of munificence, and who look for a way to end sexual and social discrimination," says Prof. Lozano. "In short, we want our graduates to be leaders-to-serve."

Life's purpose

The key to understanding leadership in a turbulent world is purpose. The purpose guiding one's own life (and that of the organization) is a key element of good leadership.

"Business schools run the risk of finding themselves in the opposite camp: taking for granted that all the students arrive with their own purposes and that these cannot be questioned," says Prof. Lozano.

The author suggests that business schools should accompany all students and explicitly help students to confront their own creation of purpose rather than merely receiving knowledge, competencies and skills.



What determines a firm's choice of new markets?

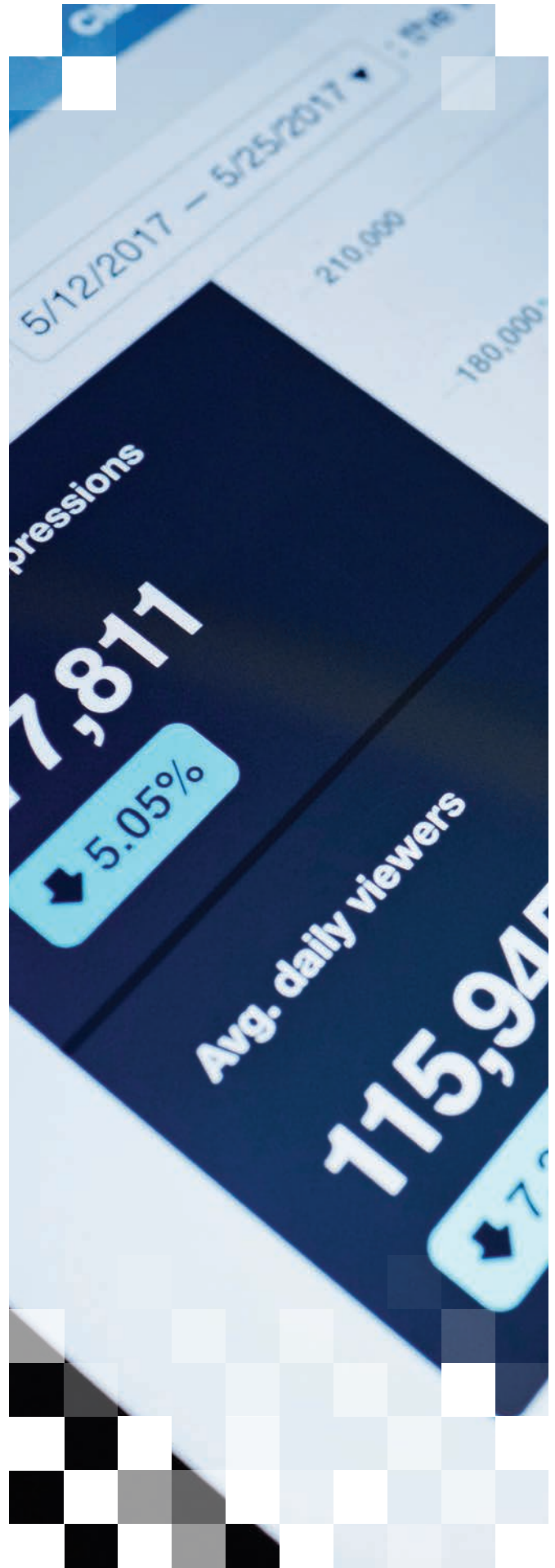


By Alex Makarevich

If your company is thinking about entering a new market, you should challenge your traditional business mindset. Entering new markets is inherently risky, but there are proven ways to reduce your risk of failure.

ESADE Assistant Professor Alex Makarevich and his research collaborator Young-Choon Kim at the Ulsan National Institute of Science and Technology in South Korea have discovered a new mechanism that helps companies reduce uncertainty when entering new markets.

When firms choose a new market to enter, they are concerned with reducing the uncertainty associated with new markets. As a result, they often choose markets that are closely related to the markets they are familiar with and have experience in. But this approach may not always be optimal and has drawbacks.



“Firms that only choose familiar markets fall into what’s called ‘competency traps.’ They don’t evolve but just keep doing what they know. Instead of developing core competences, firms develop ‘core rigidities.’ Over time, they become obsolete and other firms outcompete them,” warns Prof. Makarevich.

Another key way in which companies choose new markets is imitation – that is, entering the markets that competitors or market leaders are choosing. Imitation also happens when deciding what markets to exit, especially in industries where the levels of uncertainty are high and companies rely more strongly on what others are doing.

“If firms in your industry are exiting certain markets, you are more likely to exit the same ones based on the assumption that they know something you don’t know. You believe that their calculations are better than yours,” says Prof. Makarevich.

Yet this second option also has its downsides: “The problem with imitating your competitors is that what’s good for them may not necessarily be good for you.”

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Firms that only choose familiar markets fall into competency traps

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Another uncertainty-reduction mechanism

In their study, forthcoming in the *Journal of Management Studies*, Prof. Makarevich and his co-author reveal that there is another way for firms to reduce the uncertainty associated with new markets. The researchers analyzed thousands of venture capital firms in the United States during a 23-year period and discovered a new mechanism that firms use to enter new markets: partnerships with other firms.

“We analyzed whether the choice to enter a new market was affected by the degree to which a firm’s partners are present in a particular industry,” says Prof. Makarevich. “We found that, accounting for other relevant factors, firms are more likely to enter new market segments in which their partners are already operating.”

When a firm chooses which markets to enter based on its partners’ choices, it has an added advantage. The findings suggest that having partnership ties to a new market segment reduces a firm’s uncertainty in that market segment.

“We argue that firms’ uncertainty is reduced through learning about new markets via their partnership ties,” explain the authors. Why? “Partnerships allow you to receive a lot of valuable information from your partners because of your close relationship. They may convey market-specific information that can be very helpful for you in deciding whether or not you want to enter and whether or not you can succeed. You can also learn from your partners in a new market vicariously, gaining insight into what they do in a market, how they do it, what challenges they face, how they tackle them...”

Firms are more likely to enter new market segments in which their partners are already operating.

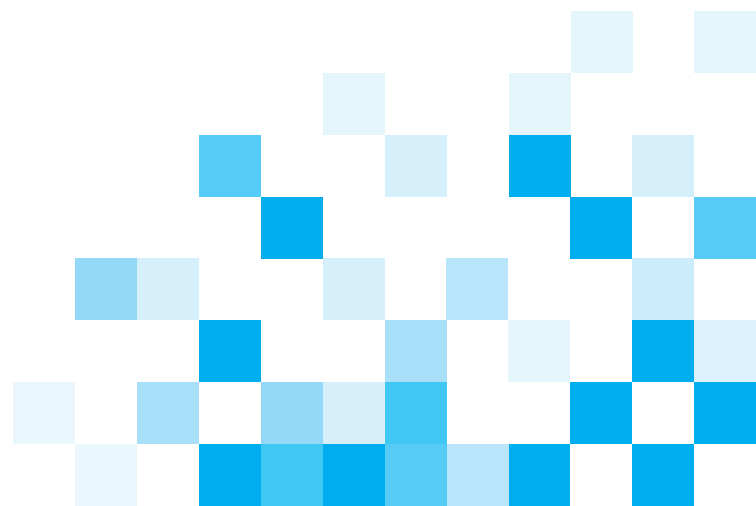
The structure of connections to a new market matters

The researchers found that partners have less influence on firms’ choice of new markets when the firms are connected to potential new markets by multiple indirect linkages. “In such cases, you benefit not only from your direct connection to your partners in a new market but also from information flows that reach you through indirect ties in your network. As a result, you become less dependent on the direct connection to your partners and their effect on your market choice diminishes,” explains Prof. Makarevich.

Firm experience

In their findings, the researchers observed that when deciding what new markets to enter a firm’s prior experience can decrease the external influence of partners. “Firms that have extensive experience and have solved many problems in the past have demonstrated that they are capable of doing things correctly and making the right decisions,” says Prof. Makarevich.

For these firms, the presence of partners in a new market becomes less important. “If you already have a lot of experience that is relevant to the market segment that you’re thinking of entering, then you might rely less on your partnership ties because you already have competences that can help you determine whether or not to enter a particular market.”



Does sending managers abroad lead to immoral behaviors?

The dark side of foreign experiences also affects students



By Jordi Quoidbach

The 21st century is undoubtedly the most multicultural period of human history. Numerous managers not only take the initiative to immerse themselves in other cultures but also urge their employees to do the same. Graduates are encouraged to participate in programs abroad, and the number of international students worldwide is expected to skyrocket to between 7 and 8 million by 2025.

Foreign experiences are no doubt trendy. But research by ESADE Associate Professor Jordi Quoidbach in the *Journal of Personality and Social Psychology* proves that these experiences can come at a moral price.



“Prior research has focused on the bright side of foreign experiences and how they can increase creativity, decrease bias and improve trust. We wanted to explore whether these experiences abroad also possessed a dark side,” says Prof. Quoidbach.

In their findings, the researchers argue that one unexplored, yet important possibility is that living abroad leads individuals to think and act in a morally flexible and relativist manner: “Although foreign experiences empower people to break mental rules, they may also dispose people to bend moral standards, thereby increasing their tendency to behave unethically after living abroad.”

The authors ran eight behavioral studies with managers and students to understand when and why foreign experiences can lead to immoral behavior after living abroad. In the experiments, participants were asked to perform multiple tasks and try to solve specific problems, with the incentive of a bonus or a gift if they solved the tests correctly.

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People increase their tendency to behave unethically after living abroad

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In one of the studies, high-school students were offered a chance to win an iPad by completing a series of anagrams, one of which was impossible to solve – students who reported solving it were cheating. Participants were surveyed before, during and after a 6 – or 12 – month study abroad program. Before going abroad, 30% of the students cheated on the task. After 12 months abroad, cheating increased to 48%.

The trigger: moral relativism

As the antithesis of moral absolutism, moral relativism dictates that ‘right’ or ‘wrong’ are relative because moral beliefs are subjective and vary from culture to culture. “We hypothesized that because the well-traveled are accustomed to being immersed in different cultural environments, they tend to develop a more flexible sense of right and wrong. In other words, they are more susceptible to moral relativism, which has been found to result in immoral behavior.”

People who adopt moral relativism have more relaxed moral standards in general, and thus also have greater tolerance toward both one’s own and others’ transgressions.

“As people abroad come into contact with foreign cultures, they may learn to appreciate that different cultures uphold different standards on the same moral issues, and consequently, they interpret moral rules and principles as culturally based rather than absolute. In our experiments, we demonstrate how this relativistic approach makes people increase their immoral behavior after living abroad,” the authors argue.

More countries make it worse

Not all foreign experiences induce moral relativism to the same degree. The level of immorality varies depending on the number of countries people have visited. The results show that participants who had visited more countries were more likely to cheat on the tasks, even if there was no monetary incentive for the immoral behavior.

In one study involving MBA students, the number of countries participants had lived in – as opposed to the amount of time they had lived abroad – positively predicted their willingness to use immoral negotiation tactics.

“Our results predict that people who have been abroad in many foreign countries are more likely to embrace immoral behavior compared to those who stay in a single country,” says Prof. Quoidbach. Why? “Compared to a longer stay in a single country, multiple foreign experiences increase immoral behavior by inducing more relativism.”

Business implications

Although foreign experiences can indeed foster creativity and innovation, education and business practitioners should be aware of the moral slippage that can come with extensive overseas travel. Companies should think carefully before assigning several overseas postings to the same manager in close succession.

“We propose that one way to counteract potential unethical behavior is for companies to reinforce moral absolutes by committing to values and codes of conduct. For example, organizations could resort to severe punishments if their members cross a firmly espoused moral line. This way, individuals would be conscious of the terrain wherein they should not travel,” the authors conclude.

Could public procurement boost innovation?



By Mónica Reig

Traditionally, when the public administration buys a product, it specifies which product it wants from among those available on the market, trusting that it will satisfy its needs. But what if, instead of asking for a particular product, the administration asked for a solution that has not yet been developed? Is it possible to buy innovation?

According to data from the Organization for Economic Co-operation and Development (OECD), public procurement accounts for between 13% and 20% of gross domestic product worldwide. This volume of business empowers public administrations to become local innovation boosters; converting traditional purchasing processes into the procurement of innovative solutions just might be the lever that sets this economic engine in motion.

As part of the PARTNERS Program at the Center for Public Governance (ESADEgov) and led by Program Director Mónica Reig in collaboration with researcher Krista Timeus, a case study was developed to analyze the experience of the cardiology service at Hospital de la Santa Creu i Sant Pau in Barcelona.



The institution adopted a model of public procurement of innovation for its implantable cardioverter-defibrillator (ICD) service. This innovative experience came in second place at the Silver Economy Awards, an initiative funded by the European Commission that aims to promote projects that have a significant impact on quality of life for the aging population.

Until 2014, the hospital called for bids whenever it needed to buy ICDs. The relationship with the company that supplied the devices therefore ended at the time of delivery and did not take advantage, for example, of the huge amount of data that these devices send in real time to the manufacturer’s servers. The cardiologists would download these data from the ICD during each patient’s periodic appointments. As a result, all patients had to visit the hospital regularly, regardless of whether they had problems or not.

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**Under the new model,
the company not only sells
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Under the new model, the company not only sells the ICDs but also supplies, monitors and maintains the devices remotely for periods of four years. This is a clear example of public-private cooperation. The company collaborates closely with the hospital by sharing all ICD data in real time, thereby allowing hospital professionals to review these data periodically without having to schedule an appointment for the patient if no problem is detected. This system benefits the patient and – by saving resources – also the hospital.

In turn, the supplier works closely with hospital professionals to meet patients’ needs and can add new ICDs that were not initially included in the contract, thereby accelerating the pace at which the available innovations are introduced. Unlike the previous model, this contract gives the company security, allowing it to introduce innovations and become more competitive.

The experience of Hospital de Sant Pau, Medtronic (the company that won the contract) and the Agency for Health Quality and Assessment of Catalonia (the public agency, known as AQuAS, responsible for improving the quality and sustainability of the Catalan public health service) was presented at the International Congress of Public Management (CLAD).

Four key factors that contributed to the success of this case were identified:

1. Financing

Hospital de Sant Pau’s public procurement of innovation project benefited from the STOPandGO Project, part of the European Commission’s Horizon2020 program. This support took the form of technical advice on legal, ethical, regulatory and administrative aspects.

2. Public beneficiary leadership

The hospital’s cardiology team, aware of the need to improve their service, took the initiative to launch the innovation process. This ‘bottom-up’ initiative made it possible to define and lead the project in accordance with the needs of the final beneficiary, thereby increasing the chances of success.

3. Cooperation between public administrations

The cooperation between Hospital de Sant Pau and AQuAS in the preparation of the STOPandGO project and the implementation of the program were essential to its success. This cooperation made it possible to combine the technical knowledge of the hospital’s medical team with the legal and administrative experience of AQuAS.

4. Risk management

Under the traditional procurement scheme, the hospital had to assume all the risk by buying the ICDs – some of which might have problems – all at once. Under the new scheme, the contractor is responsible for monitoring the devices, which reduces the frequency of failure. Each time there is a problem, a committee meets to analyze it, thereby guaranteeing transparency in all cases.

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Are companies ready for the economy of the future?

How economic predictions could affect organizations and the labor market in the coming years



By Josep M. Sayeras
& Ignacio Serrano

Economic experts predict that the world's economy will grow by around 3.5% in the coming years. If these predictions prove correct, how will this economic growth affect organizations? Are companies prepared to face this increase in real gross domestic product (GDP)?

ESADE faculty members Josep M. Sayeras and Ignacio Serrano have analyzed what would happen to organizations if the global economy experiences this positive prosperity. In their findings, published in *Harvard Deusto Business Review*, the experts outline the potential consequences and the impact that a GDP increase could have on organizations.



GDP growth and technology

“The two main factors that trigger GDP growth are either an increase in employment rates or an increase in efficiency and productivity,” the authors write. “In terms of employment rates, the predictions for Europe are less favorable: Spain and Europe have an aging population, thanks to a decrease in mortality rates and an increase in life expectancy.”

Based on the poor employment rate predictions, the authors forecast that the second main factor that could trigger 3.5% GDP growth – an increase in efficiency and productivity – could be a stronger source of economic growth in the coming years.

The study, however, offers a word of caution: “A recent report by the OECD warns that global productivity has slowed down. If we take into account the current workforce stagnation and poor productivity growth, the expectations for the coming years are not that positive,” warns Prof. Sayeras.

Besides the classic GDP growth triggers, the technological advances derived from the Fourth Industrial Revolution are another undeniable factor that will play a crucial role in future economic growth. “Technological advances along with demographic changes are contributing to an increase in prosperity thanks to productivity improvements and the creation of new jobs,” says Prof. Sayeras.

Labor force challenges

Globalization is reshaping the dynamics of the global economy and the labor market, which is experiencing workforce mobility challenges and demanding higher flexibility.

Between 2015 and 2020, transformations linked to technological advances will create around 2 million jobs, yet they will also destroy around 7 million jobs, according to the World Economic Forum’s report *The Future of Jobs*. In 2020, over half of the job vacancies worldwide will be filled by millennials.

This first digitally-native workforce will bring about profound changes in the job market. “Companies’ main concern will no longer be achieving breakthrough innovation models – such as Facebook or Google – but being able to recruit the best professionals and having policies in place to retain talent,” warns Prof. Serrano.

Social challenges

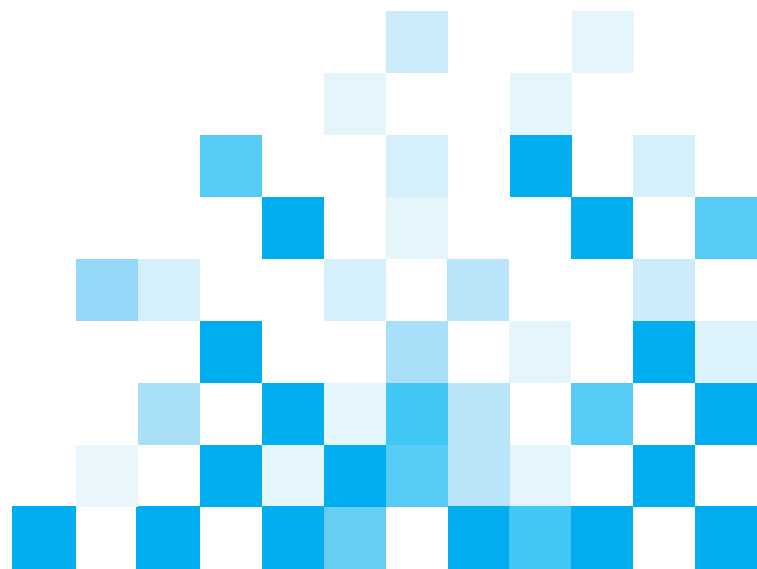
There is no doubt that technological advances will offer numerous opportunities and improve many people’s level and quality of life. But these technological disruptions will also bring about social challenges. “The effects in the workplace will involve a shift in the contribution of employees, who will adopt roles of substitution and complementarity,” the authors predict. “Technological innovations will facilitate an increase in productivity, which in many fields will imply a direct redundancy in the levels of human contribution we are used to.”

Loyalty and workforce pressure

Organizations expect employees to be loyal and bring their best contributions to meet corporate goals. Without a doubt, the pressure employees feel when they fear their job could be temporary is one way to achieve this contribution. “This is an undesired dynamic that can have negative consequences for companies. Firms need not only an available workforce but also professionals who are highly committed,” state the authors.

A growing number of companies are using temp agencies as a way to recruit talent while reducing costs. With this type of practices, how can we expect employees to be loyal and highly committed? “There is no doubt that pressure works. However, if we want truly committed professionals, when an employee meets a company’s expectations, the firm should acknowledge this contribution by providing sufficient stability,” the researchers conclude.

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A growing number of companies are using temp agencies as a way to recruit talent while reducing costs
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Ethical brands boost customer loyalty (and satisfaction)

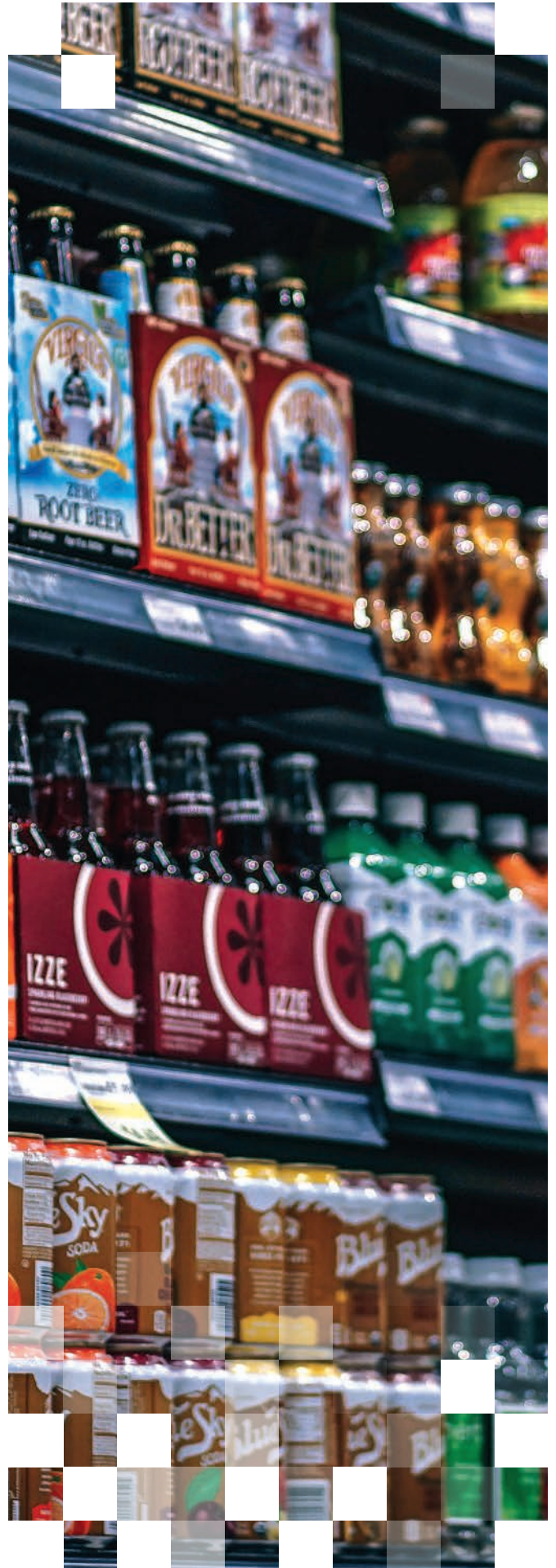
Brands that behave ethically also increase positive word-of-mouth, customers' commitment and perceived quality



By Oriol Iglesias
& Vicenta Sierra

Customers are increasingly expecting brands to have ethical values. Brands that behave unethically risk making their customers angry and seeing their reputations dented. Companies that do not make business ethics a priority are also missing out on the positive effects that exemplary corporate behavior has on customers.

Brands with a conscience are a great opportunity for business – they boost customer loyalty and foster long-term relationships with firms, according to research led by Associate Professor Oriol Iglesias and his coauthors Professor Vicenta Sierra and PhD student Stefan Markovic in the *Journal of Business Ethics*.



“An ethical brand acts with integrity, responsibility, honesty, respect and accountability. Companies that place ethics at the core of their business strategy have a positive impact on their customers’ affective commitment towards the brand. Ethical brands also increase customer satisfaction, service quality, financial performance and customer retention,” write the authors.

5 major benefits of ethical brands

The researchers analyzed the perceptions of 2,179 customers from 18 to 65 years old regarding their involvement in purchasing services from financial institutions, clothing retail chains, insurance companies, internet and telephone service providers, hypermarket and supermarket chains, gas stations, utility companies and hotel chains.

The data provide empirical evidence that service brands engaging in ethical behavior reap the following 5 major benefits:

1. Commitment toward the brand

Customers have a greater affective commitment and emotional attachment to those brands they see as being more ‘ethical’ than others.

Furthermore, committed customers are less sensitive to price differences in relation to competitors and are willing to pay more. They are also more likely to blame service failures on external factors or even themselves, thereby becoming more forgiving of poor brand performance.

2. Customer perceived quality

A company embracing ethical behavior transmits trust to customers. This positive behavior boosts a customer’s perception of quality service rendered by the company.

When customers recognize a company as ethical, they perceive the brand’s service excellence as superior compared to its competitors.

3. Empathy and satisfaction

Customers value being treated in a helpful manner by a company’s employees. Brands with staffers who show empathy elicit greater positive emotions from customers, raising relationship satisfaction and commitment to the brand.

Empathic employees are also better at understanding customer needs and so are more able to personalize their services for each client.

4. Customer loyalty

Compared to their counterparts, ethical brands benefit from higher levels of loyalty and customers’ strong commitment to repurchase a company’s products or services.

The emotional commitment that people develop toward a service provider boosts customer retention and loyalty and prevents the search for alternatives among competing brands.

5. Positive word-of-mouth

Brands that behave ethically make customers’ more loyal. The findings confirm that greater loyalty also boosts positive conversations about the brand.

When customers are loyal to a brand, they are more likely to share their positive feelings with others, thus ‘spreading the good word’ about the company and its products and services.

Managerial implications

The results of this research have major implications for managers. Companies operating in service industries need to build their ethical commitment from within and behave accordingly. This means that a company’s brand strategy needs to be aligned with human resource policies and practices.

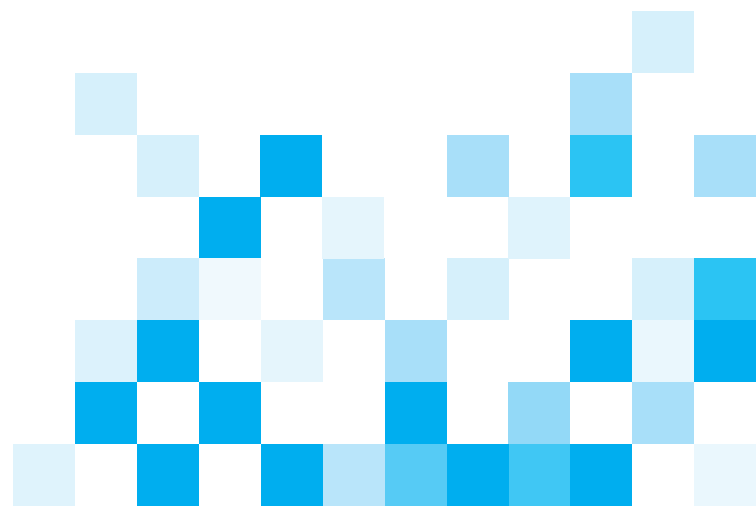
“Human Resources Departments have to implement recruitment, training and promotion policies and practices that allow for ethicality to flourish and turn into employee behavior,” write the authors. “Corporate service brands require employees who behave in an empathic and ethical way during every single interaction and touch-point with customers.”

The researchers warn that managers need to reverse the current trend of hiring poorly-skilled, minimum-wage service employees and start to hire and train qualified staff that are highly empathic and ethical.

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Brands with a conscience boost customer loyalty

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Why do people hate corporate experiments? (They don't)

How online users react when companies run hidden experiments on them



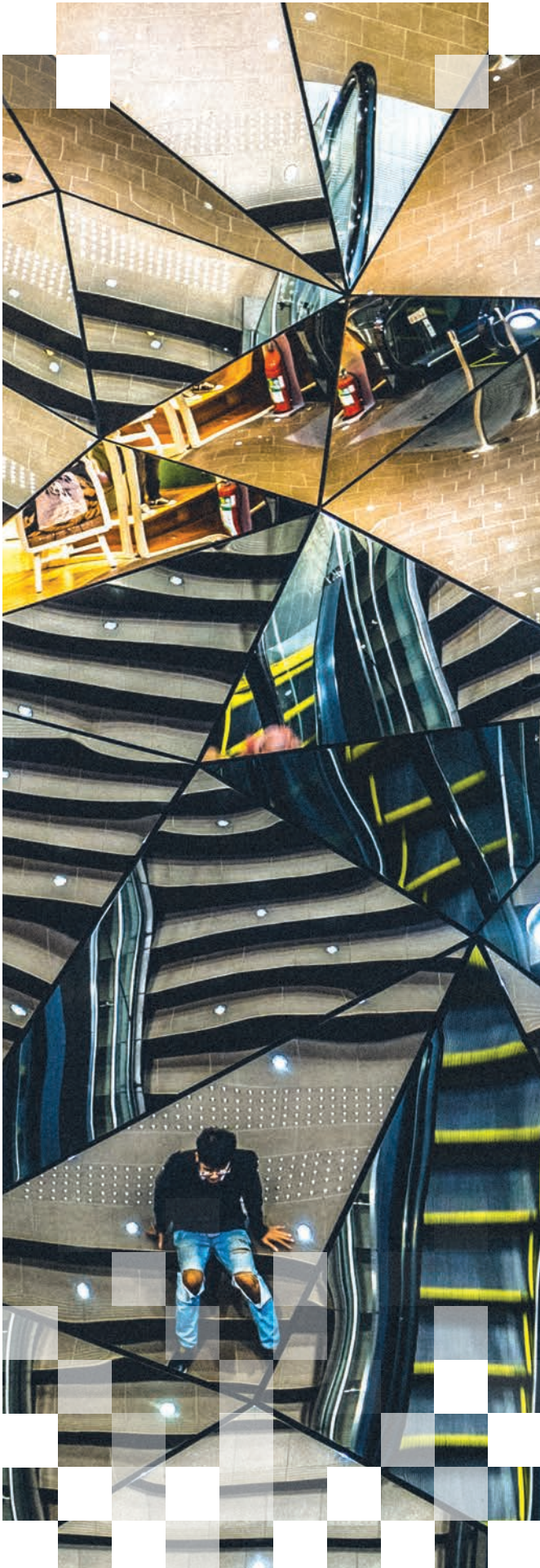
By Uri Simonsohn

Companies are constantly running experiments on you without you knowing it. When you're reading your Facebook feed or surfing any website, what you see in front of you could be part of an experiment.

In his paper *Critical Condition*, ESADE Professor Uri Simonsohn and his coauthors Robert Mislavsky (Johns Hopkins University) and Berkeley Dietvorst (University of Chicago) reveal how people react when digital companies run hidden experiments on them. Apparently, sometimes they don't mind at all. Other times, they get really furious. Best of all, consumer responses are highly predictable. Knowing when they will be unhappy is quite easy.

Your interest in this topic was triggered by a Facebook experiment that prompted a big negative response. What happened?

Uri Simonsohn: A few years ago, Facebook wanted to test whether emotions were contagious on social media. They selected a number of users at random and started prioritizing on their feed negative rather than positive posts from friends to see how they would react.



What happened?

Users who had been exposed to sad emotions from their friends posted slightly more negative content themselves. The same thing happened for happy emotions: users seeing positive posts on their Facebook feeds started to post nicer content.

How did users react when they found out about this experiment?

Facebook was shaken by a huge backlash. It led to a popular outcry that questioned the moral limits of experiments. Many editorials and news programs talked about how companies shouldn't use consumers as 'guinea pigs,' how this was unethical behavior... Several companies that had been collaborating with academics who were running experiments even decided to stop doing so.

But as a psychologist, I thought this seemed very odd.

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People don't usually morally object to harmless behavior

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Where does people's natural aversion to experiments come from?

People don't usually morally object to harmless behavior unless there is a strong cultural or religious reason (e.g., eating a forbidden food). If nobody gets hurt, and there is no cultural tradition of objecting to experiments, why would people object to them?

My conjecture was that people didn't actually object to experiments – that the experiment part was a red herring. People disliked what the experiment did to people.

For example, people don't hate baskets in general. But if you put bad things in a basket, then people won't like the basket.

People don't hate experiments in general. But if you put bad policies in an experiment, then people won't like the experiment.

How did you go about testing this idea?

We ran about 20 studies where we asked people either a) to evaluate how acceptable it is for a company to run an A/B test comparing policy A to policy B, or b) to evaluate how acceptable it is for a company to implement policy A or policy B. Straight up. No experiment.

So we ran an A/B test on A/B testing...

What we found very consistently across the many studies is that if policy A and policy B are acceptable as standalone policies, then an

experiment about A versus B is deemed acceptable. But if either A or B is unacceptable, then the experiment is also deemed unacceptable.

Can you give an example of that?

Imagine a company that wanted its employees to go to the gym and was considering an incentive. If the incentive is a payment, that is acceptable – people don't mind getting money for doing things, so you can run an A/B test on the optimal incentive. For example, give some employees €5 if they go to the gym, and give others no incentive. That's okay. People will find that to be acceptable corporate behavior.

But what if the incentive is a penalty? People don't think it is acceptable for their employer to charge them a fee if they don't go to the gym, so if you run an A/B test assessing the effectiveness of penalties, people will hate the experiment. But not really. They really just hate the penalty.

In both cases, there is an experiment incentivizing employees to exercise more. One does not include unacceptable policies, so the experiment is okay. The other does include unacceptable policies, so the experiment is not okay.

Can you tie that back to Facebook?

Running an experiment was not what Facebook did wrong. What they did wrong was doing something to its users that they disliked: prioritizing sad stories in their feed.

If, one morning, Facebook did that to every user without conducting an experiment, consumers would still have objected. Indeed, our research shows they would object to that even more than an A/B test where some randomly selected consumers get the sad stories.

Why would the experiment be less bad?

If I showed up in class one day and gave my students (a safe level of) electric shocks for no reason, this would obviously be perceived as wrong and unacceptable. But if it was as part of a controlled experiment, people may be a bit more understanding. Maybe something could be learned from it. Maybe it isn't just sadism. Users increase their levels of acceptance of unacceptable behavior if it is part of an experiment where you can learn something.

What's the takeaway?

If you are a company running A/B testing, don't be afraid to let your users know. They won't mind being 'guinea pigs' in your experiments. Just don't harm them. Before you run the test, make sure all the policies you are testing would be accepted outside of an experiment. If you don't trust your intuition, you can survey your users to find out whether the policies would be acceptable. As long as the company follows this simple rule – “Don't include objectionable policies in your A/B tests” – people will be completely okay with them.

'Experiment aversion' is a myth. Users have nothing against experiments that don't cause harm.

How to adopt effective sustainability standards

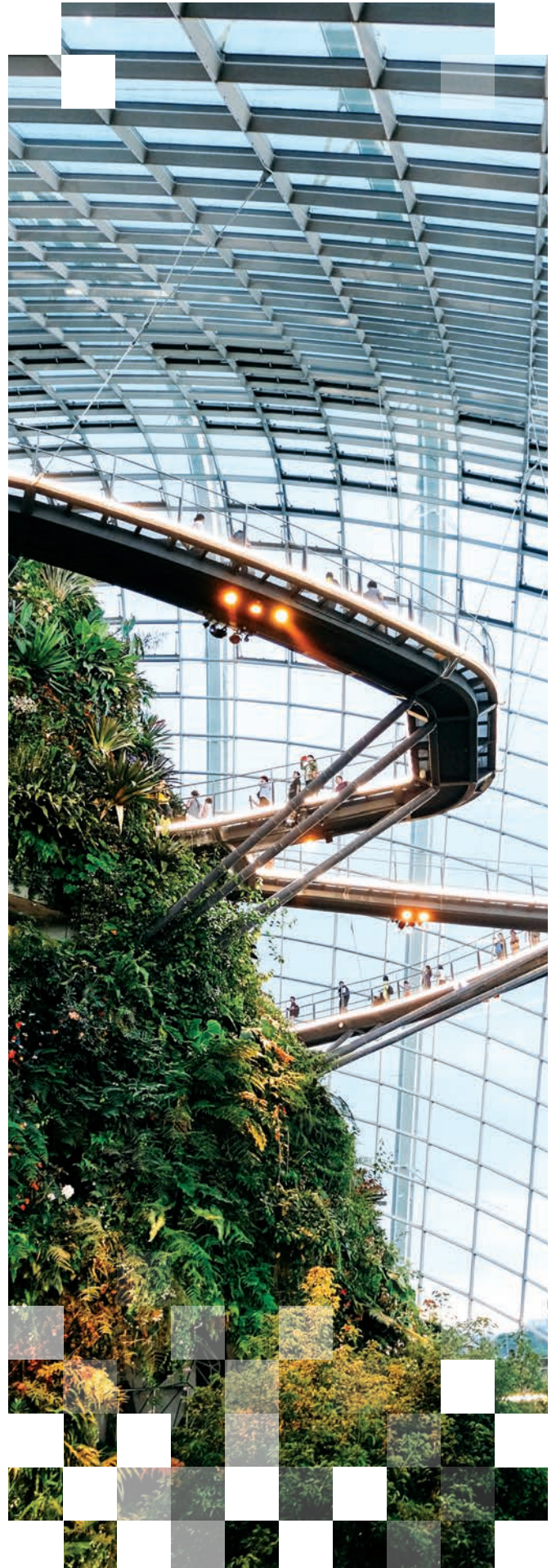


By Maja Tampe

Sustainability standards are a great opportunity for the private sector to demonstrate its commitment to more sustainable and environmentally friendly practices.

Although these standards, such as Fairtrade and Rainforest Alliance, are voluntary, a growing number of companies and producers are adopting them.

What are the consequences of adopting these sustainability standards for businesses? A study by ESADE Assistant Professor Maja Tampe in the *British Journal of Industrial Relations* reveals the keys to adopting sustainability standards effectively and explains why they can sometimes be beneficial while other times they might backfire.



“When you as a consumer go to the supermarket and buy coffee or a bar of chocolate and see that it has a sustainability label, you hope that the producer will be better off when you buy this certified product,” says ESADE Assistant Professor Maja Tampe. “The problem is that through impact evaluations, we have observed that sometimes producers are better off, but sometimes they are not.”

Prof. Tampe’s research analyzed two farmer groups in Ecuador that adopted sustainability standards starting around the same time and with the same donors, yet had very different outcomes. While one of the farmer groups was able to adopt standards, get benefits for their farmer members, and develop a thriving business, the other one went bankrupt after a few years. What worked for the first group and what went wrong for the second one?

Keys to adopting successful sustainability standards

According to the findings, the successful case was able to build a strong cohesive buyer relationship that helped them to become more competitive, particularly through better quality.

“They had to adopt a lot of processes for which they had to learn from outside sources, but also from internal experimentation, and that helped them to rapidly improve the quality of their products,” states the author. In addition, this group learned to export directly and to improve its processes.

The unsuccessful farmer group also started out very promisingly. However, it relied only on indirect contacts with buyers. They learned the basics of how to produce good cocoa, but they never started exporting directly and their learning leveled off. They were able to attain decent but not excellent quality.

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The successful case was able to build a strong cohesive buyer relationship that helped them become more competitive
 ——— ”

In both cases, their respective buyers walked away during the economic recession in 2008. However, only the successful farmer group was able to find a buyer willing to pay a premium for sustainably produced cocoa, whereas the unsuccessful group was unable to find a replacement for its certified cocoa. They had to go back to the conventional market and sell their products at a lower price. “In the end, the farmers got so disillusioned that they stopped selling to this group and they went bankrupt,” warns researcher Tampe.

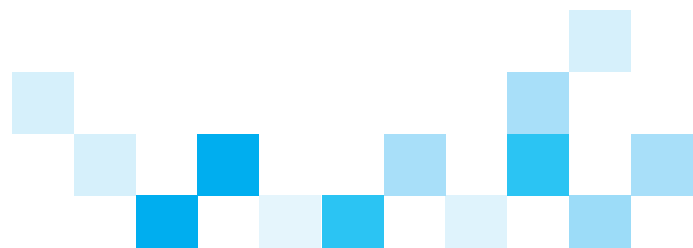
The findings prove that the success and failure of sustainability standards hinges on whether the producers are able to improve their quality and to develop close and diversified relations with various buyers.

Sustainability standards by themselves do not help producers to be better off. Instead, producers need to become more competitive. But since that is a challenge, given the challenges they face, not all farmers improve their livelihoods when they adopt sustainability standards.

“One possible solution from my research would be to support the farmers to essentially do what the successful case has done: become more competitive, improve product quality, build strong and diversified relationships with buyers, and really get into a better negotiation position,” says Prof. Tampe.

Yet the research also shows that sustainability standards are not a ‘one-size-fit-all’ solution for all farmers and businesses.

“ ———
The findings prove that the success and failure of sustainability standards hinges on whether the producers are able to improve their quality and to develop close and diversified relations with various buyers
 ——— ”





Can believing in Karma drive positive talk in social media?

How people who believe in karmic rewards use word-of-mouth in social media (and what brands can learn from it)



By Ana Valenzuela

Twitter handles an average of 500 million tweets per day and Facebook Messenger and WhatsApp average 60 billion messages a day between them. Word-of-mouth in social media hugely influences consumer behavior – it affects all kinds of decisions, including what people say, what shows they watch, what places they visit and for whom they vote.

How do people who believe in karma behave in the social media? Are they driven by the belief that they will be rewarded if they behave in a karmic way? Consumer behavior expert and ESADEd3 researcher Ana Valenzuela has done several experiments to understand how users who believe in karma use word-of-mouth in social media.

What goes around, comes around?

Ana Valenzuela: The world of social media makes us worry about our social status. Social channels are constantly reminding us of our friends’ success and, as a consequence, our own achievements often feel like less. Now, research has already shown that when someone feels socially threatened in the social media domain, it is common for people to self-enhance by talking negatively about others and positively about themselves. This is a coping mechanism to deal with what we see as threats to our well-being. We wanted to find out whether this tendency to talk negatively about others when feeling threatened was also true for people who believe in karma.

What did you discover?

In one of our studies, we recruited participants from India and participants from the United States. We observed that Americans, who held weaker beliefs in karma, tended to transmit more negative word-of-mouth in social media when they felt socially threatened as a way to boost their self-esteem. This pattern did not hold for Indian respondents, who held stronger beliefs in karma. In fact, in their case, the pattern of talking negatively about others was reversed.

How so?

Even though individuals may feel equally threatened, people who believe in karma do not react to the threat by being negative but rather tend to pass on more positive messages. People who strongly believe in karma act as if talking negatively about others would inject negative energy into the universe and make it more difficult to get the karmic rewards that would make them feel better about themselves. Instead of trying to fix their experience of social threat through negativity, they transmit positive information about others believing that by showing goodness they will reap goodness.

“ ———
People who believe in karma do not react to threats by being negative but rather tend to pass on more positive messages
 ——— ”

What about talking positively about themselves?

When people who believe in karma feel socially threatened, instead of talking more positively about themselves – which is what most people do – they tend to be more self-effacing, since boasting is also non-karmic. As a consequence, they would generate less positive information about their own experiences to share in social media.

“ ———
Social channels are constantly reminding us of our friends’ success and our own achievements often feel like less
 ——— ”

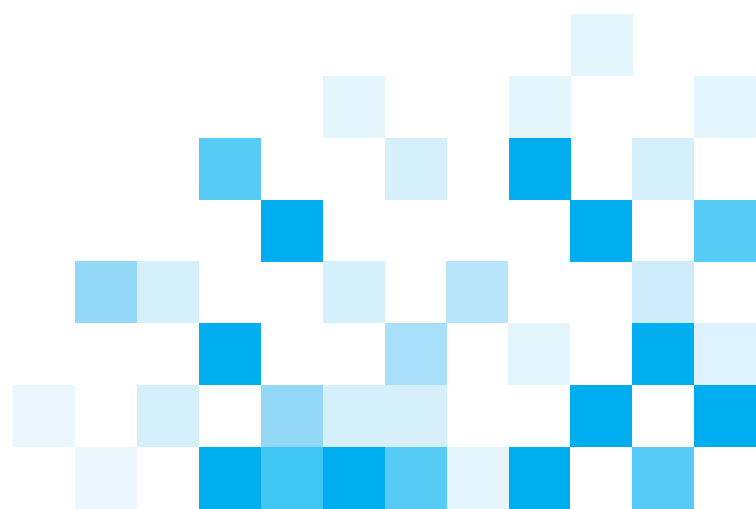
Why?

They avoid being boastful as this could disrupt the harmony required to acquire good karma. According to the karmic doctrine, boasting disrupts balance in a negative way and thus is not conducive to regain one’s positive self by calling for positive future outcomes.

Do users who believe in karma always talk positively about brands?

When consumers who strongly believe in karma feel socially threatened, they react, as discussed, by transmitting positive information about the good experiences of others with brands hoping to get karmic rewards. Yet this rule does not apply to all brands.

In one of our studies, we found that consumers who believe in karma act differently when brands are considered bad ‘citizens’. Consumers do not see those brands as ‘karma-worthy’. As a result, consumers do not transmit positive information on ‘bad’ brands because it would mean that they were creating good karma out of bad karma. These consumers believe that talking positively about brands that are bad ‘citizens’ does nothing to generate ‘good energy’ and thus confers no benefit on oneself or others.



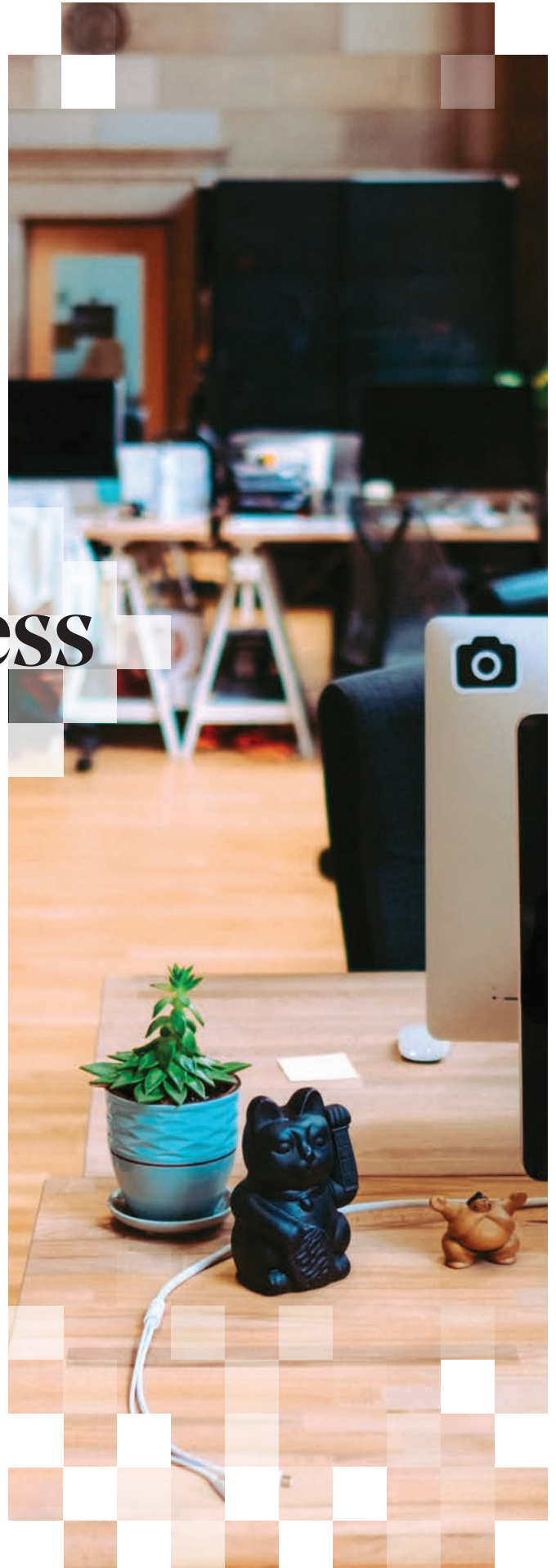
The big challenges facing SMEs and the keys to improving competitiveness



By Luis Vives

Due to their limited size and resources, small and medium-sized enterprises (SMEs) have traditionally been associated with a limited capacity to compete and to innovate. But SMEs also have a number of advantages over large companies: less bureaucracy, more communication, higher levels of employee commitment and more flexible structures.

In today's world, agility and the ability to do things unconventionally can be a source of competitive advantage. Innovation and digitalization have opened up new opportunities for SMEs to become more competitive, increase in size and generate business growth.



The 4 big challenges facing SMEs

SMEs must overcome 4 limitations to improve their competitiveness and positioning:

1. Access to talent

Many SMEs have trouble when it comes to professionalizing their management and creating high-level executive teams. Their limited financial resources and capacity for talent growth make it difficult to attract the highly qualified professionals they need to compete in the market.

2. Access to financing

SMEs tend to be very dependent on banks because it is difficult for them to access sources of financing in other markets. Although some SMEs have recently developed business models that allow access to new funding sources, generally speaking these companies remain at a disadvantage.

3. Investment capacity for branding

In today's increasingly global world, a recognized brand can make a company more competitive. SMEs often have trouble investing the necessary resources to create a recognized brand, which would allow them to differentiate themselves by reaching new customers and markets.

4. Investment capacity in innovation

Innovation is the key to generating new products and value propositions that meet customer needs and, in turn, make the company more competitive. Many SMEs find it difficult to invest time and resources in these activities, so they end up competing in price – an unsustainable strategy in the medium and long term.

How to make SMEs more competitive

SMEs should work with schemes that help them become more competitive in order to achieve better results and growth. They should also look for formulas that generate opportunities and create value. Innovation and digitalization play a key role in this endeavor.

When it comes to innovation, most attention has traditionally focused on the launch of new products or services. SMEs face a twofold challenge in this regard, since they must invest resources not only to innovate – an uphill battle for this type of companies – but also to support differentiation.

In the context of SMEs, innovation in processes and innovation in business models are two modes of innovation that are essential to ensuring success in the medium and long term.

Innovation in processes involves changing how added value is created. It is normally associated with achieving greater operational efficiency by developing new production processes (to achieve greater efficiency or excellence) or new management processes.

To achieve innovation in processes and reach the necessary scale to be competitive, SMEs must be creative and think differently.

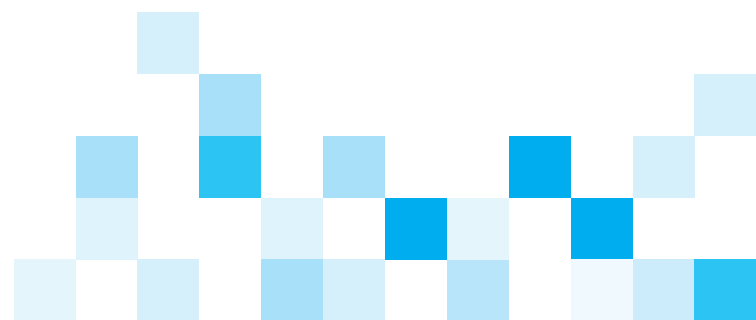
SMEs also have the opportunity to explore innovation in business models: changing the rules of a particular industry or sector. Innovation in business models changes how customer value is generated and creates new ways of capturing value.

One area often neglected by SMEs is searching for new ways of capturing value and alternative income sources. Finding new ways for customers to pay for services (for example, shifting from paying for a product to paying for a service or creating leasing options) can also be a source of competitive advantage that generates loyalty and improves competitiveness.

Improving the customer experience is another relevant source of innovation that can make companies more competitive. Once again, SMEs can leverage their smaller scale to deliver quick, personalized customer service – a perennial challenge for larger companies.

By understanding and responding to customers' needs, many successful SMEs have managed to evolve from a product model to a combination of product and services.

“ ———
**In today's world,
 agility and the ability
 to do things
 unconventionally
 can be a source of
 competitive advantage**
 ——— ”



Will artificial intelligence take your job?



By Jonathan Wareham

A great deal has been written about the new possibilities of artificial intelligence (AI) and what it will mean for the nature of work and business.

Speculations have ranged from the very utopian, with increased public safety, physical health, advances in medicinal science, and longer lifespans; to the very dystopian, where computers make humanity irrelevant, achieving a form of higher artificial general intelligence that basically relegates humanity to the equivalent of farmed livestock or zoo animals.

Both of these extreme and controversial positions have merit and should be taken seriously.

The use of AI and automation is nothing new. In fact, there is an industry that has over 5 decades of experience with automation that we are all very familiar with: airlines. The use of automated flying technologies is a widely adopted practice in almost every corner of the commercial airline industry and can be considered a huge success in the field of automation.



The norm for long-haul commercial flights is that the computers fly the aircraft 99% of the time. The pilots are essentially there to ensure the computers are functioning well and take over in the most crucial points of the flight: takeoff and landing. The biggest occupational hazard for most commercial pilots is boredom.

The safety statistics for the airline industry do not lie; as a passenger, you are safer today than ever in an airplane. However, the rare event of a plane crash does catch the public attention, unlike automobile accidents. And in the post-crash investigations, one frequent pattern often emerges. In instances of an anomaly (e.g., engine failure, ice on wings, etc.), the automatic pilot disengages, and the pilot abruptly grabs the controls of the aircraft in a surprised response. Many times, they over-react and sharply increase the altitude. Without sufficient horizontal velocity, the plane loses the air pressure it needs to maintain elevation and plummets back to earth.

The ‘de-skilling paradox’

After a number of these incidences, the aviation regulators have come to a consensus: there is a risk that pilots are not flying enough and are simply forgetting how to fly airplanes without autopilot. As a result, the recommendation is that pilots should be spending more time flying without autopilot to avoid losing their flying skills.

Theorists have called this the ‘de-skilling paradox,’ an effect where the over-reliance on computer automation allows for humans to lose the hard-won skills that define our professional identities.

In acknowledging the de-skilling effects that automatic pilots have had on pilots, the chief engineer of Airbus proclaimed of their very successful new cockpit design, “I sometimes wonder if we made this airplane too easy to fly.”



AI and robotics cannot substitute human companionship, mentorship, leadership or ethical judgment



3 types of artificial intelligence in business

If we look at the fields of automatic flying, self-driving cars, augmented reality, medicine and architecture, we can find several different philosophies of AI that are playing out today: 1) serial autonomy, 2) parallel autonomy, and 3) shared autonomy.

1. Serial autonomy

Serial autonomy is the concept of using technologies and AI to augment the information and sensations of the human agent. In cars, this entails keeping the driver as the main protagonist of the process, but using the technologies to augment the information and heighten sensory information. This can mean bringing vibrations and other haptic information to the seat or steering wheel or projecting augmented information about navigation or weather conditions to the screen.

2. Parallel autonomy

Parallel autonomy, by contrast, is the concept of completely replacing the human agent, freeing them to do other things. Where some automotive manufacturers are pursuing a strategy of serial autonomy (e.g., Mercedes Benz, Toyota), speaking to the idea that many enjoy driving and buy cars for a variety of emotional sensations, others are dedicated to the idea that human drivers will always be a public safety hazard and should be eliminated entirely (e.g., Google).

3. Shared autonomy

Shared autonomy is a concept where computers and humans are somewhat equal partners in some creative or clinical process. It explicitly acknowledges the differences between human cognition and artificial intelligence and lets both contribute where they excel. For example, generative computing is now being developed in the fields of design, engineering, and architecture. We see similar trends in medicine. For instance, robotic procedures are now growing common in many domains of surgery.

Human virtues beyond artificial intelligence

For all of our flaws, humans do have some redeeming qualities that should continue to be of value in a world increasingly influenced by computation and artificial intelligence.

Humans are emotional, physical and social. We desire to be creative, useful and valued by others. As of today, AI and robotics cannot substitute human companionship, mentorship, leadership or ethical judgment.

And while these capacities are uniquely human, we need to be honest about where computers can augment and extend these capabilities. Secondly, human cognition and skills are physical processes that need to be exercised and maintained; unused skills will quickly atrophy.

Thirdly, despite many advancements in AI and machine learning, there are many aspects of intellectual, cultural and social pursuits where humans are vastly superior to computers. We have creative, interpretive and communal attributes that computers lack. There is little doubt that the global economy will demand that companies embrace automation and AI for all aspects of efficacy and safety.

Managers should have explicit conversations about what makes us fundamentally human, and when and how we should be replaced, augmented or complemented by artificial intelligence.

The image features a solid blue background with a decorative border at the top and bottom. The border consists of a grid of squares in various shades of blue and white, creating a pixelated or mosaic effect. The text 'ESADE' is positioned in the upper left quadrant, and 'Research Impact' is centered below it. Both are in white.

ESADE

Research Impact



Research with social impact

Research by ESADE Business and Law School faculty helps to advance management theory. It seeks to build bridges with the business world in order to tackle real challenges and increase the research's impact.



The digital revolution takes on global challenges: 100 digital social innovations transforming Latin America (in Spanish)

Published by the ESADE Institute for Social Innovation, this study explores the convergence between the social sector, innovation, and information and communication technologies and its enormous potential to solve economic disparities and critical social and environmental challenges in Latin America.



Digital transformation at NGOs: Concepts, solutions and practical cases (in Spanish)

The world is undergoing an unprecedented period of transformation characterized by technological innovation, resource scarcity and climate change. The digital transformation process acts as a catalyst to accelerate change, creating highly demanding and challenging environments. This research study, conducted in collaboration with PwC, aims to serve as a guide to help non-governmental and social organizations adapt and evolve to successfully face these challenging environments.

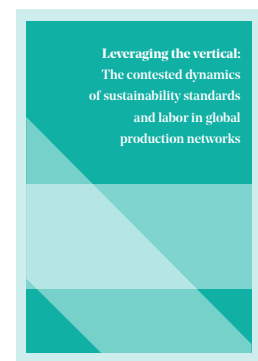


Gender lens investing: An opportunity for the European social enterprise ecosystem

A joint report by the ESADE Institute for Social Innovation and the EY Foundation, this study explores the barriers women entrepreneurs face and reports on inspiring practical initiatives to encourage greater social awareness in the Spanish social enterprise sector.

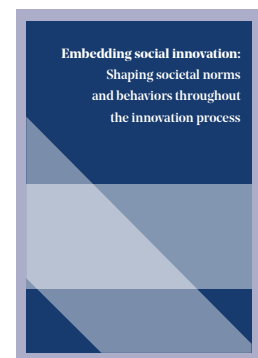
Leveraging the vertical: The contested dynamics of sustainability standards and labor in global production networks

This study by ESADE Assistant Professor Maja Tampe in the *British Journal of Industrial Relations* looks at the keys to adopting sustainability standards effectively. Prof. Tampe's research analyzes two farming groups in Ecuador that adopted sustainability standards. The findings show that the success or failure of sustainability standards hinges on whether suppliers are able to improve their quality and develop close and diversified relations with multiple buyers.



Embedding social innovation: Shaping societal norms and behaviors throughout the innovation process

New products and services that tackle societal challenges often require changes in societal norms, values, and expectations. This study by ESADE Professor Daniel Arenas explores how different types of interactions between innovating players and users throughout the innovation process shape the understanding of social innovation. It stresses the central role played by physical experiences and positive emotions among users.



Impact investing: Financing social entrepreneurs

Impact investing is an emerging field of practice that is evolving as we speak. Consequently, we are all still learning about it. Practitioner networks that undertake research, such as the European Venture Philanthropy Association, as well as academic institutions and researchers play an important role in facilitating this learning. In this publication, Lisa Hehenberger, director of the ESADE Entrepreneurship Institute, builds on existing research and outlines recommendations for financing social enterprises.



Research projects for society



ATTRACT: DEVELOPING BREAKTHROUGH TECHNOLOGIES FOR SCIENCE AND SOCIETY

The ATTRACT project is a pioneering initiative that brings together Europe's main research and industrial communities to lead the next generation of breakthrough technologies for society. The initiative is intended to help revamp Europe's economy and improve people's lives by creating products, services, companies and jobs.



INVITE: MATHEMATICAL STRUCTURES FOR LINGUISTIC ASSESSMENTS IN DECISION PROCESSES FOR ADVANCED SOLUTIONS FOR TOURISM MANAGEMENT IN SMART CITIES

A project that focuses on the development and implementation of decision-making and innovation processes for the management of leisure and culture in the smart city ecosystem.



MYSMARTLIFE: SUSTAINABLE CITIES FOR A BETTER FUTURE

Supported by the European Institute of Innovation and Technology, this project aims to become an entrepreneurship ecosystem in the areas of energy and sustainability.



KIC INNOENERGY

A research project to develop a strategy to transform European urban cities into sustainable environments for a better future.



SCALINGS: SCALING UP CO-CREATION. AVENUES AND LIMITS FOR INTEGRATING SOCIETY IN SCIENCE AND INNOVATION

A European Union's research project aimed at understanding co-creation processes and ensuring that outcomes are socially robust and effective when transferred to other social-cultural contexts.



SUSTBUS PROJECT: SUSTAINABLE BUSINESS MODELS

A research initiative to help integrate sustainability and sustainable business models in higher education.

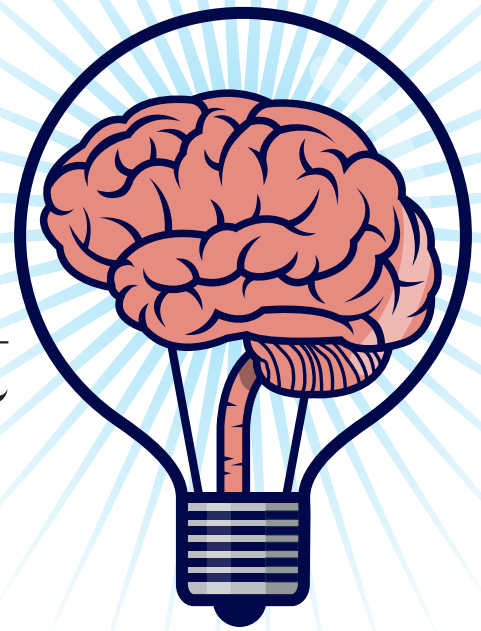
Impact on the executive world

As part of its research dissemination efforts, ESADE launched the publication *Knowledge Pills*, a research-backed magazine by ESADE faculty featuring tips and advice to help executives sharpen their decision-making skills and find effective solutions for the companies they work for.

The magazine reaches a global community of more than 32,500 executives worldwide.



The Decision Lab: ESADE's first experiment



By Katica Boric
ESADE DECISION LAB MANAGER

November 27, 2017 is a date that we will remember. It marked the start of the first experiment in ESADE's history, and we welcomed the handful of 'subjects' who had signed up to participate. Our participant database was still quite small, and the Lab had just been finished and smelled brand new! Most of our students were not aware of the Lab's existence, because the Rambla of Innovation, which the Lab is part of, had not yet been officially launched. It took a bit longer than usual, but the experiment was successfully completed: we recruited 182 participants and expect it to be published soon.

Our first homemade experiment is an important milestone for ESADE. The Decision Lab was a dream that took years of effort from the Dean's Office for Faculty and Research to make it come true. Since the fall of 2017, we have had ESADE's first academic research laboratory and the first experimental laboratory at a Spanish business school.

The idea of the Lab was first conceived a couple of years ago due to the growing need for our faculty to have a place to conduct their research. The results are outstanding: we designed a multifunctional and innovative facility so incredible that all the researchers who come by are always impressed! And it is not just the facility, but the impact the Lab has had on ESADE by promoting a research culture throughout our entire community.

Given the Lab's novelty in the context of our business school, one of the biggest challenges we faced at the start was to recruit volunteers to join our Participation System Database. To this end, we developed the Lab's website, brochures, and posters and carried out a series of activities to raise awareness of it, from visiting classes to performing experiments in class and even hosting a pizza party! All were designed for the purpose of familiarizing our students with the Decision Lab, research, and the importance of their participation.

We have come a long way since attaining our first 20 or so registered participants. In just a few months, over 1,000 people have signed up in our database, including BBA, MSc, MBA students, as well as administrative personnel.

Since that first study, we have conducted 11 more by 10 different researchers, including some of our PhD and MRes students. We have also developed extensive policies and procedures to ensure all researchers and studies comply with both the ESADE Ethics Committee's and Lab's own policies. Additionally, we provide assistance to our researchers throughout the steps involved in programming and conducting studies at the Lab.

It's been a fun and challenging first year. We have planted the 'research is fundamental' seed in our students and really hope that it will help ESADE push the frontiers in social sciences research.

“ —
Our first homemade experiment is an important milestone for ESADE

— ”

Decision Lab's first months



FIRST STUDY

November 27, 2017 was the date of our first study conducted at the Lab *Innovation in Firms* by María Galli and Oriol Iglesias



PARTICIPANT RECRUITMENT

Over 1,000 is the number of volunteer participants registered in our Participation System (BBA, MSc, MBA and admin personnel)



RESEARCHERS

10 different researchers have used the Lab, including graduate students



STUDIES

11 experimental research studies have been conducted at the Lab



SONA MANAGEMENT SYSTEM

is the web-based participation platform we use to manage our subject pool and experiments. It complies with all major research regulations and guidelines worldwide, including EU-US Privacy Shield Framework and GDPR



ETHICAL RESEARCH

The Decision Lab is committed to ensuring that all researchers and studies abide to both, the Ethics Committee and lab policies



The Decision Lab is also part of the Rambla of Innovation. It is located on ESADE's Sant Cugat campus. Our mission is to help establish ESADE as a leading management science research institution. One of our goals is to promote innovation and provide the facilities and resources for conducting cutting-edge, ethical research.

Our modern facilities allow our investigators to conduct research in a wide variety of fields, such as marketing, analytics, behavioral economics, finance, consumer and organizational behavior, public policy and social action, among others.

ETHICAL RESEARCH

ESADE seeks to protect the dignity, rights and welfare of all those involved in research (whether they are participants, third parties or staff). Therefore, all studies conducted at the Decision Lab must be approved by ESADE's Committee on the Use of Human Subjects in Research (CUHSR), which is the body responsible for upholding research governance and ethics policies and procedures.

CONTACT US

To schedule a visit or request more information about our facilities, please contact the lab manager:

decisionlab@esade.edu

Tel. +34 932 806 162 (ext. 2330)

PhD Programs in Management Sciences and Law

Every year, professionals from around the world enroll in ESADE's three research programs: the MRes in Management Sciences, the PhD in Management Sciences, and the PhD in Law.

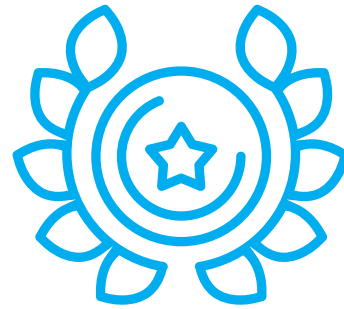
These research-oriented programs give participants in-depth knowledge of management methodologies for basic and applied research, paving the way for successful careers. ESADE PhDs go on to work at top universities and research institutions around the world.

FACTS & FIGURES



29

NATIONALITIES



URL EXTRAORDINARY
PhD AWARD

GEORGES SAMARA

EXTRAORDINARY PHD
MENTION EDAMBA

STEFAN MARKOVIC

PhD Placement 2017-2018



Luis Araya Castillo

Director, Escuela de Administración y Negocios, Universidad Miguel de Cervantes
Chile, South America



Albert Armisen

Assistant Professor, University of Vic
Vic, Spain



Javier Capapé

Director & Adjunct Professor, Sovereign Wealth Funds, IE Business School
Madrid, Spain



Ryan Federo

Lecturer, Geneva Business School
Geneva, Switzerland



Mohammad Ghaderi

Marketing Professor, Pompeu Fabra University
Barcelona, Spain



Solange Hai

Program Manager, CARE Nederland
The Hague, Netherlands



Melissa Lee

Assistant Professor, Louisiana State University
Louisiana, USA



Benard Ngoye

Faculty member, Institute of Healthcare Management, Strathmore Business School
Kenya, Africa



Susanna Salvador

Coordinator, Teaching Development Program, Center for Educational Innovation, ESADE
Sant Cugat, Spain





SADI BOGAÇ KANADLI

Exploring effects of board diversity on strategic decision-making: Benefiting from board processes, coping with social barriers

Director: Carlos Losada
ESADE Business School - Ramon Llull University (URL)



TUGBA KALAFATOGLU

The role of networks in the emergence of new business opportunities and new ventures in different geographic contexts

Director: Xavier Mendoza
ESADE Business School - Ramon Llull University (URL)



ROY MOUAWAD

Student involvement in government: Antecedents and outcomes

Director: Joan Manuel Batista Foguet
ESADE Business School - Ramon Llull University (URL)



BENARD NGOYE

An institutional logics perspective on the implementation of performance measurement systems in the public sector

Directors: Tamyko Ysa and Vicenta Sierra
ESADE Business School - Ramon Llull University (URL)



GEORGES SAMARA

Managing family business heterogeneity: Global strategies for family business economic and social performance

Directors: Maria José Parada and Jonathan Wareham
ESADE Business School - Ramon Llull University (URL)



JOONHO SHIN

Micro multinational enterprises and the internationalization of small and medium sized enterprises: Contextual and organizational factors

Director: Xavier Mendoza
ESADE Business School - Ramon Llull University (URL)



ZAHRA SOLOUKI

Organization narratives for strategic change

Director: Eduard Bonet
ESADE Business School - Ramon Llull University (URL)





Research Day

Experimental research and decision-making

People are constantly called upon to make decisions in their everyday personal and professional lives. How can managers, executives, judges, lawyers, and consumers improve their decision-making processes?

ESADE Research Day, held at ESADEFORUM on April 5, 2018, was devoted to experimental research and decision-making. The event brought together leading international speakers and ESADE researchers to discuss recent developments and future challenges in the areas of decision-making, behavioral economics, consumer behavior, and the psychology of decisions.





ESADE Research Day

Plenary speakers

> Intuition, deliberation, and judicial decision-making

Jeffrey J. Rachlinski
Henry Allen Mark Professor of Law
Cornell Law School



> The psychology of ritual

Michael Norton
Harold M. Brierley Professor of Business Administration,
Director of Research, Harvard Business School & co-author
of *Happy Money: The Science of Smarter Spending*



ESADE speakers

> Behavioral experiments in & with firms: Examples from my own research

Pedro Rey Biel
Associate Professor, Department of Economics,
Finance and Accounting
ESADE



> Behavioral research for consumer protection: Examples in the domains of consumer investing and online retailing

Bart de Langhe
Associate Professor, Department of Marketing
ESADE



> From theory to laboratory experiments in economics and finance

Anna Bayona
Assistant Professor, Department of Economics,
Finance and Accounting
ESADE



ESADE PhD Graduation Ceremony

The graduation ceremony for the PhD in Management Sciences and PhD in the Fundamentals of Law, Economic Law & Business Law programs took place as part of ESADE Research Day.



PhD graduates in Management Sciences 2017-2018

Javier Capapé
 Ryan Federo
 Solange Hai
 Susanna Salvador

PhD graduates in the Fundamentals of Law, Economic Law & Business Law

Jordi Adell
 Patricia Font
 Elisabeth García Cueto

Awards & Other Recognitions

Research Awards

ARIADNA DUMITRESCU

Merton Miller Doctorate Seminar Certificate of Appreciation as Distinguished Instructor

European Financial Management Association
Norfolk, UK
September 2017

SOLEDAD MOYA

2018 Harvard Global Case Competition

Harvard Business School
Cambridge, USA
April 2018

DANIELA NOETHEN

Best Reviewer Award, International Management Division

The Academy of Management
New York, USA
September 2017

JORDI QUOIDBACH

2018 Best 40 Under 40 Professors

Poets & Quants
Oakland, USA
April 2018

DANIELA NOETHEN, ANNE BURMEISTER & JAIME BONACHE

Finalist IM Division Best Paper in Organizational Behavior/
Human Resource Management/Organization Theory

The Academy of Management
New York, USA
September 2017

TAMYKO YSA

Awards for Excellence - 2017 Outstanding Papers

Emerald Publishing
Bingley, UK
April 2018

DANIEL ARENAS & GEORGES SAMARA

2017 Best Article Award

Business Horizons
Bloomington, USA
March 2018

TOBIAS HAHN

First prize of the *Prix Académique de la Recherche en Management*

Paris, France
May 2018

ESADE Faculty in Editorial/Review Boards of Impact Factor Journals

NÚRIA AGELL

Information Fusion

RUTH AGUILERA

Academy of Management Perspectives
Corporate Governance: An International Review Journal
of International Business Studies
Global Strategy Journal
Organization Science
Organization Studies
Strategic Management Journal

DANIEL ARENAS

Business Ethics: A European Review

JOAN M. BATISTA FOGUET

Frontiers in Psychology

JOSEP BISBE

Accounting and Business Research
Journal of Management Control

ELENA BOU

Management Learning

JAN BRINCKMANN

Entrepreneurship Theory and Practice
Journal of Business Venturing

HENRY CHESBROUGH

California Management Review
MIT Sloan Management Review
Research Policy

BART DE LANGHE

International Journal of Research in Marketing
Journal of Consumer Research

TERESA DUPLÁ

International Roman Law Journal

SKANDER ESSEGHAIER

Customer Needs and Solutions
Recherche et Applications en Marketing

MARC ESTEVE

International Public Management Journal
Journal of Behavioral Public Administration
Local Government Studies

CRISTINA GIMÉNEZ

International Journal of Operations and Production Management

ALBERTO GIMENO

Journal of Family Business Strategy

TOBIAS HAHN

Journal of Business Ethics

JOSEP M. LOZANO

European Management Review
Ethical Perspectives

IGNASI MARTÍ

Organization Studies

MARCEL PLANELLAS

Revista Latinoamericana de Administración

PETYA PLATIKANOVA

Financial Analysts Journal

JOAN RODÓN

Business and Information Systems Engineering

URI SIMONSOHN

Advances in Methods and Practices in Psychological Science
Management Science
Perspectives on Psychological Science
Science

JORDI TRULLÉN

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