

ESADE

RAMON LLULL UNIVERSITY

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2016
2017

Research Yearbook

ESADE Foundation



ESADE

RAMON LLULL UNIVERSITY

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Research Figures

Publications

Evolution of appearances in journals	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Articles in peer reviewed journals	82	100	96	91	110	109
IF Journals	45	67	63	68	86	64
FT Journals	6	20	18	13	9	14
Impact Factor publications by quality quartiles	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Q1 Journals	13	30	35	29	48	43
Q2 Journals	15	25	7	20	17	6
Q3 Journals	10	10	15	10	17	6
Q4 Journals	7	2	6	9	4	9

Other academic publications



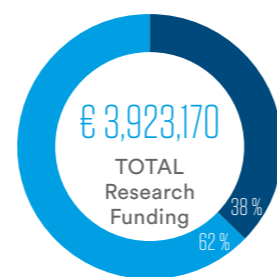
8 National publishers
4 International publishers



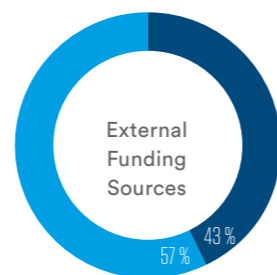
9 International
5 National



Research budget 2016-2017



External funding » € 2,414,252
Internal funding » € 1,508,918



Private » € 1,384,485
Public » € 1,029,767

Faculty dedicated to research



Faculty members

have published academic research in the past 3 years



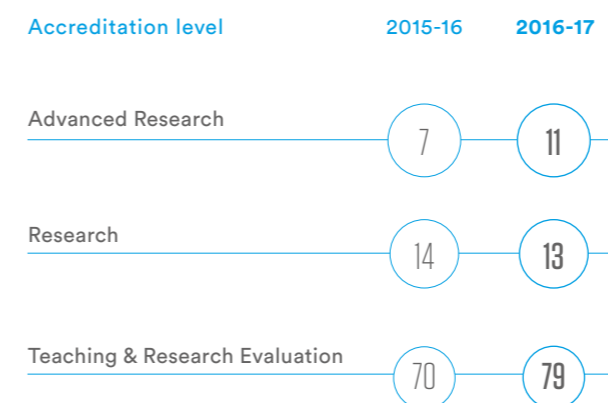
ESADE Faculty members are actively contributing to advancing research in their respective disciplines by publishing their results in top academic journals.

Accreditations and merits in research evaluation

FACULTY ACCREDITATIONS

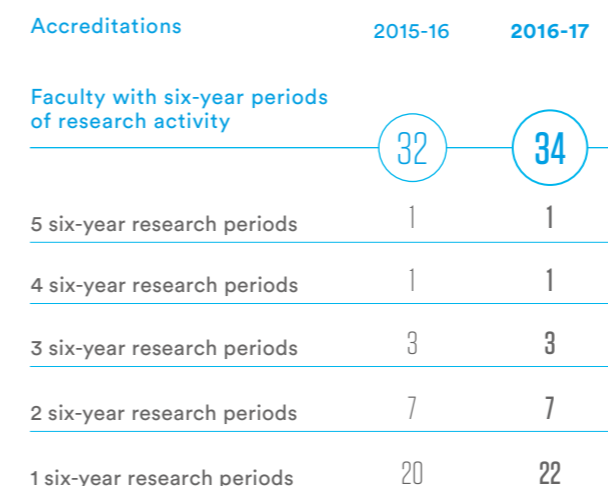
The National Agency for Quality Assessment and Accreditation of Spain (ANECA) and the Catalan University Quality Assurance Agency (AQU) provide external quality assessment to ensure the quality of Faculty research and teaching careers. These types of accreditations are required for promotion within the academic university system.

Number of Faculty holding research and teaching accreditations from ANECA and AQU:



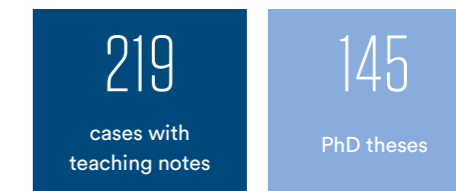
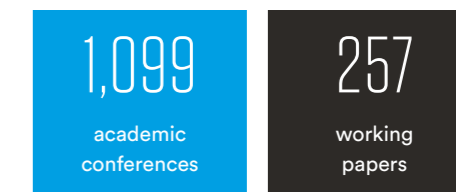
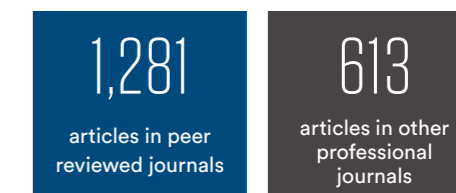
RESEARCH MERITS

Faculty professors in private universities in Catalonia can be evaluated by AQU for their research merits. These achievements are evaluated in stretches of six years of research activity, which may or may not be consecutive.



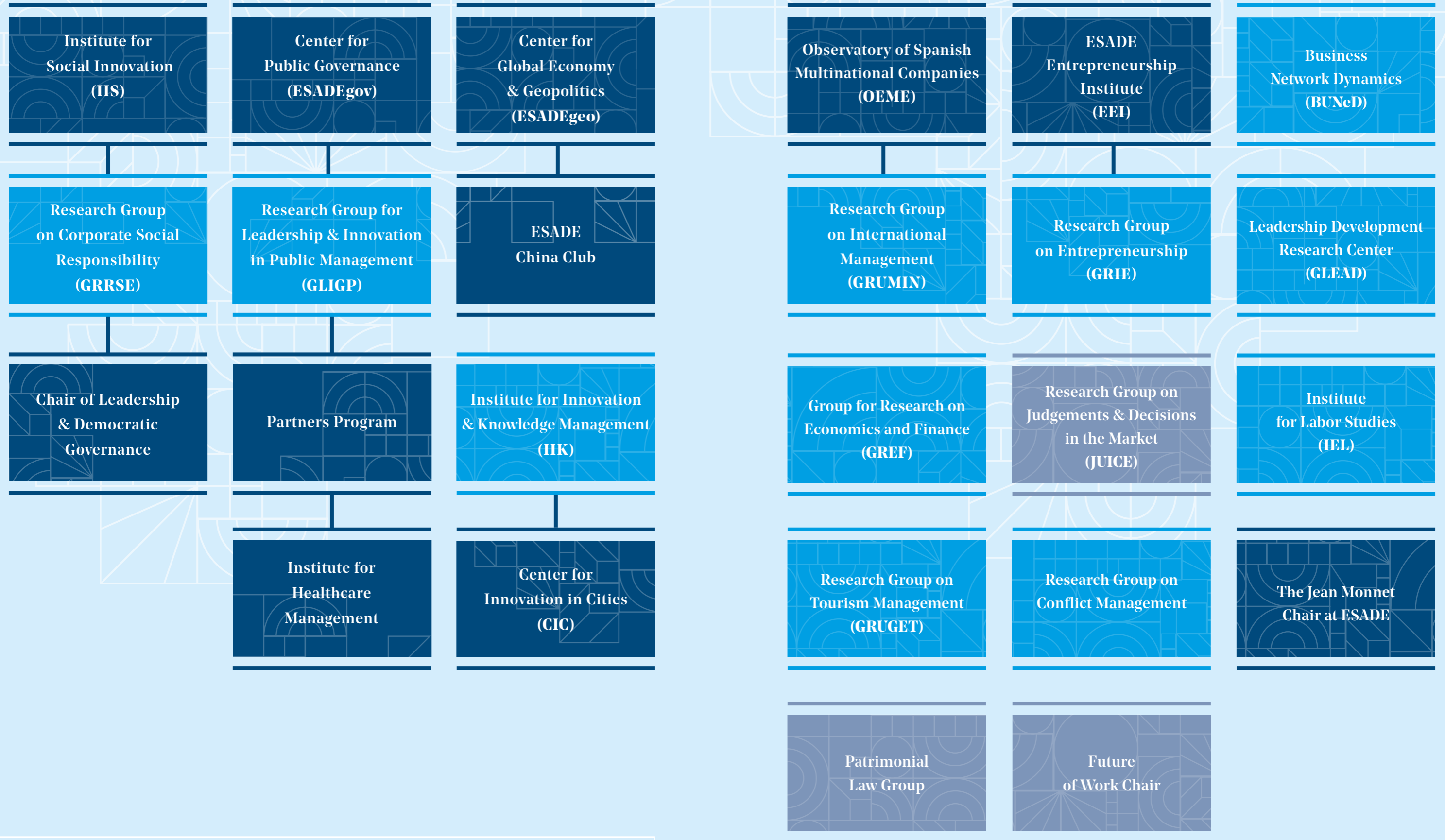
ESADE Knowledge

Over **5,000** academic publications since 1974



ESADE Knowledge provides access to over 5,000 academic publications since 1974. More than 60% of this academic output was produced from 2010 to 2017.

Knowledge Generation Units



THINK TANKS

RESEARCH GROUPS

RESEARCH GROUPS
Accredited by AGAUR

Research Highlights

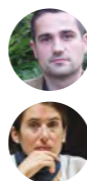
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An innovative project with inmates and law students

Future lawyers and inmates work together to break strong prejudices towards each other

By Sira Abenoza & César Arjona



In 2014, Lledoners Prison, near Barcelona, became the site of the first edition of an innovative experiential educational project involving law students and inmates.

The first edition of the course involved nine law students and nine inmates who were selected according to their educational background, communication skills and good behavior.

ESADE lecturer Sira Abenoza, who teaches the course, and Associate Professor César Arjona, published the results of the first edition of the project (“Socrates behind bars: a report on an experimental course on justice and philosophy”) and the philosophical framework that supports it (“Emotions and the frontiers of legal education”) in the last two issues of the journal *The Law Teacher*.

“The course described in this paper aims to bridge the gap between inmates and future lawyers by bringing them together in the same classroom to think and reflect collectively,” says Prof. Abenoza. The method used in this course, which has been offered twice a year since 2014, is Socratic dialogue, with Prof. Abenoza acting as a “spiritual midwife”, encouraging dialogue and debate around fundamental issues such as truth, fear, happiness, respect, responsibility and justice.

At each session, students and inmates explore these concepts in depth and have the opportunity to gain a better understanding of the other’s point of view. The ultimate aim is that, on completion of this course, each group will have a better understanding of the other’s realities.

Course goals

“The goal of this course is for law students to acquire first-hand knowledge of the realities of life in prison, to open their minds to radically different life experiences, to feel empathy towards the inmates, and most importantly, to compare what they have learned about the law in school with the real-life consequences of its application,” says Prof. Arjona.

For the inmates, the goals of the course are to express their views and opinions, to feel listened to by people from the outside – in particular university students – and to have a space in which to interact as citizens rather than just inmates, thereby increasing their self-esteem. The course also allows the inmates to acquire first-hand knowledge of life stories unrelated to criminality, thus nurturing their sense of hope.

“What surprised me the most,” one of the students said, “was the inmates’ capacity to open up to us.” One of her classmates wrote: “I was surprised by their generosity in sharing with us the toughest part of their lives, the part that sent them to prison.”

Breaking prejudices

One of the explicit goals of the course is to call into question the reciprocal prejudices of each group. This goal seems to be achieved from the very beginning of each course by the students, who acknowledge that before the experience they shared an intensely negative preconceived image of inmates.

Some students reflected in their diaries that they were surprised after the very first meeting at how welcoming, articulate and even courteous the prisoners were. “They are like us,” as one of the students expressed it. The inmates also perceived this and acknowledged, with appreciation, that the students were “free of prejudice” and spoke “without judging us”.

Talking and listening

From the beginning of the course, the inmates showed a great desire to speak. “They were anxious to explain everything,” one of the students wrote after the first meeting.

This became most obvious during a class session in which the inmates, rather than listening to the explanations of the professors, seemed much more interested in talking about themselves, telling their own stories and offering their vision of the legal system. It became obvious that they were eager to let the professors know how things really were from their perspective, as opposed to how they are perceived from the relative comfort of the classroom.

“It is tempting to say that the inmates’ main motivation in enrolling in this course was to talk, but the reality is subtler: what they really wanted was to be heard, to be listened to,” says Prof. Abenoza.

“ ———
The course aims to bridge the gap between inmates and future lawyers by bringing them together in the same classroom to think and reflect collectively
 ——— ”

How public debt can reduce income inequality

Sharing the spoils of globalization:
Mission impossible?

By Calin Arcalean



The gains from globalization are large but very unequally distributed. For example, mobile capital can easily escape taxation, whereas immobile workers bear the excess burden. How can governments redistribute the gains more equitably?

A study by ESADE Associate Professor Calin Arcalean shows how public debt can help workers when countries engage in tax competition over mobile capital.

Many of the drawbacks of globalization are by now obvious. Former US president Barack Obama recently observed: "When we see people, global elites, wealthy corporations seemingly living by a different set of rules, avoiding taxes, manipulating loopholes ... this feeds a profound sense of injustice. [...] The current path of globalization demands a course correction [...] to make sure that the benefits of an integrated global economy are more broadly shared by more people, and that the negative impacts are squarely addressed."

In a recent study published in *Economic Inquiry*, ESADE Associate Professor Calin Arcalean shows how such a course correction -- aimed at achieving a better redistribution of the gains of globalization -- might already be in place, in the form of public debt.

Moving capital across borders has become a normal activity in today's globalized world. Sometimes the reason for moving capital to other countries has solid legitimate business purposes; other times it is a strategy for tax evasion.

"Globalization has allowed capital owners to 'shop around' for lower tax rates and freely move to other countries that may offer better tax conditions," says Arcalean. This fact has given rise to competition among governments to set lower tax rates to attract capital.

Public debt and redistribution

While tax competition has been around for some time, the connection to public debt is not well understood. Arcalean's analysis reveals that tax competition and capital mobility across national borders may contribute to increasing public debt.

Why would this happen? "Tax competition for capital among governments may also increase income inequality between capital owners and workers. In this case, issuing public debt becomes a way to redistribute income in a context where redistribution through taxation is made very difficult."

“ ———
The model shows that raising public debt can reduce the tax burden on workers
————— ”

The model shows that raising public debt can reduce the tax burden on workers because it allows a higher share of public spending to be financed with future revenues from capital income taxes.

Lower taxes don't necessarily mean less tax revenues

To understand these findings, it helps to recall that in most rich economies, corporate tax revenues as a share of total tax revenues are constant despite declining tax rates. How is this possible? "In addition to other factors, such as broadening the tax base, a direct effect of persistently low capital tax rates is that capital owners will get richer, which contributes to an increase in the global stock of capital," says Arcalean.

While restricting the ability of national governments to tax capital, globalization also incentivizes policymakers to play a game between present and future.

Despite the inability to increase capital tax rates, knowing that tomorrow there will be more capital to tax allows governments to issue more public debt today, in an effort to push more of the public spending burden onto future periods when capital taxes will generate relatively more revenues.

"My research shows that public budget deficits can ease redistribution and thus help reduce income inequality in a globalized world. I believe this additional dimension is important in the current debate on fiscal sustainability and more generally on the role of fiscal policy in developed economies," concludes Arcalean.

“ ———
Public budget deficits can ease redistribution and thus help reduce income inequality in a globalized world
————— ”

The European Union: towards a sustainable single currency

Reforms to overcome the euro crisis

By José M. de Areilza



A growing number of critical voices are questioning the role of the European Union. The euro crisis, and more recent events like Brexit, have fuelled a debate about whether the EU can tackle its weaknesses. ESADE Professor and Jean Monnet-ESADE Chair José M. de Areilza warns of the challenges the EU must address to overcome resistance, and calls for a relaunch of the union in the *Revista de Derecho Constitucional Europeo*.

“Although major steps have been taken to address the eurozone crisis, it remains a huge challenge,” warns ESADE Professor Areilza. In his research, he argues that European and monetary union cannot survive without a ‘new political and fiscal union’ that is stronger than originally planned.

“The current scenario is increasing tensions among member states and these political, economic, and social issues make it harder to transfer new powers to Brussels,” says Professor Areilza. The study states that the union needs legal and political reforms to support and sustain current economic reforms. “The European Union needs more representation, transparency, and accountability,” he adds.

Eurozone divisions

During the euro crisis, integration was often understood as a legal and economic discipline imposed between member states, but not at a European level. “This has created a growing division among member states between those in debt and those lending – with growing tensions that have weakened European institutions.”

“The only way to justify an increase in EU powers is by signing a new ‘social contract’ with European citizens that solves the political and economic tensions that question the union’s existence,” says Professor Areilza.

During the first years of the crisis, it was wrongly thought that the indebtedness of weaker European economies was the problem, an error in judgement that seriously delayed a joint answer by the EU. The study warns that the euro crisis has not been the debt crisis of a few countries, but has been the result of a poorly designed European union. “EU institutions lack the mechanisms to ensure stability, correct imbalances, or survive when in crisis,” says Professor Areilza.

“The eurozone crisis requires the launch of new institutional, political, and economic reforms, but a sense of direction is first needed. The euro crisis has accelerated the inevitable political debate calling for a relaunch of the union.”

Institutional reforms

When the long financial and economic crisis started in 2008 the EU was facing a political crisis – which was the growing indifference among citizens towards Brussels. Berlin and other European cities warned that the most difficult crisis to overcome was regaining the trust of citizens in a context of high unemployment, economic stagnation, and a migration crisis that unevenly affects member states.

The study suggests several institutional reforms for the European Union to overcome its weaknesses and truly represent its citizens in member states.

Accountability and transparency

“There is no example of a democracy with such a huge and diverse population that has well-established mechanisms for ensuring accountability and transparency,” states the author. European institutions in Brussels must find mechanisms and ways of doing politics that are more transparent and accountable.

European Parliament

The study states that the 2015 Juncker Report recommended institutional reforms to strengthen the European and national parliaments.

This change would give the European Parliament more influence on economic and monetary decisions.

Eurozone treasury

Another institutional reform would be the creation of a eurozone treasury, under the condition that collective decisions guarantee democratic responsibility.

The EU has prioritized the protection of individual economic rights and it lacks a clear political mandate to promote the common good.

European cabinet

In the mid-term, a future reform should contemplate the transformation of the commission into a European cabinet. This cabinet could be chaired by a government representative who combines both presidencies. This new European cabinet would keep all the powers and functions of the commission and also have the authority to dissolve the chamber and call for elections. The cabinet could be dissolved by parliament.

In this way, the commission would evolve towards a real European government and leave behind the pernicious practice of nominating state commissioners.

How can leaders embrace change effectively?

Change as a playable game
to succeed in dynamic organizations

By Jaap Boonstra



Today's disruptive changes are forcing companies and leaders to rethink their methods and adapt to a new reality:

The status quo is no longer an option.

Businesses need to embrace change as a dynamic, ongoing process to face the future. But how can leaders embrace strategic change effectively?

ESADE Professor Jaap Boonstra has developed a metaphor for change as a game to embrace uncertainty. This perspective helps to deal with change as an ongoing process and is proven to be effective in adapting to rapidly changing environments.

His findings in *Deusto Harvard Business Review* show how applying change as a playable game can help leaders adopt proactive strategies and transform the fear of change into valuable opportunities. "Leaders shouldn't see change as a one-time planned effort, but as a dynamic and ongoing process," says Prof. Boonstra. "Approaching change as a playable game can help to tackle business challenges more effectively."

8 key game strategies to embrace change

In order to embrace change effectively, Prof. Boonstra outlines 8 things leaders should follow if they are to succeed leading teams in changing environments.

01. Playing field: Worldly mindset

Like in a game, leaders need to explore the playing field, which includes understanding the dynamics of their company, their competitors, and the uncertain environment surrounding their business. The complex reality of businesses in today's changing world demands that leaders have a global vision that takes into account multiple perspectives and viewpoints. To lead change effectively, leaders also need to embrace a down-to-earth mentality, think beyond themselves and be sensitive to what is happening on the playing field to detect new opportunities.

02. Player groups: Political mindset

The business world is also like a sports team, it has many players with different active roles in the playing field: competitors who can threaten the existing business models, politicians who can influence a company's decisions, government committees that can grant or deny licenses, labor unions influencing a company's reputation, and so on. Leaders embracing change effectively have a global vision of the interests and positions of power of all the players on the playing field. With a political mindset they are capable of building coalitions with people who have initiative and are willing to take risks.

03. Ambitions to play for: Strategic mindset

Strategic planning alone is no longer enough to prepare companies for the future. Businesses that have a clear vision are more likely to succeed when faced with strategic change. Leaders at the helm of change have a clear idea of what the company expects and needs. They are also transparent about what they value and what they reject at all costs. A strategic mindset helps one realize that the organization is a collective entity that achieves common purpose and builds a 'future-ready' enterprise.

04. Play patterns: Cultural mindset

When companies face strategic and cultural changes, tension and potential conflicts become an obvious part of the game. The pioneers of change are sensitive to the values of the organization and people's social and emotional needs. Leaders with a cultural mentality know how to listen to others, they inspire, they are proactive in solving conflicts and are effective at making cultural change happen.

05. Concept of play: Dynamic mindset

There is no 'one size fits all' way to change a company. Each challenge requires a combination of different game strategies. The first step is analyzing the dynamics of the playing field and defining the game goals. The second step is estimating the space and time required and the commitment of those who will be involved in the process of change. Leaders with a dynamic mindset know how to combine different strategies for change. For transformation to be successful, leaders have to deliberately pay attention to specific events to solve these challenges in a way that will ensure meeting the company's goals.

06. Roles to play: Collaborative mindset

Business change cannot succeed without coalitions. Understanding the positions of power and interests of the players involved is crucial to lead change effectively. Embracing change requires all participants to have a clear vision of what is expected from them. A collaborative mindset helps realize change by bringing people together and fostering teamwork to make renewal possible. Choosing the right people at the right moment reduces uncertainty and creates supporters for change.

07. Game tactics: Action mindset

Leaders who embrace change effectively take the initiative and invest their energy in things that need to be improved. How people work together and their interactions with customers are what drive change. People with an active attitude are sensitive to the playing field and are aware of the team's potential to embrace change. With an action mindset, change leaders maintain direction and guide people.

08. Experience of playing: Reflective mindset

Seeing change as an ongoing game played out on an ever-shifting field is vital for meeting challenges. Leaders who excel at fostering change in companies know their strengths, their weaknesses and what moves them. They are accessible to others, accept honest comments, are not afraid of acknowledging emotions and take an active attitude towards learning. Change leaders are conscious players and have a reflective mindset which makes them aware of themselves and those around them. Using the play-model in carrying out a process of ongoing changes helps to create meaning, make an impact on organizational change and add value to corporate purpose for customers, employees and society.

8 reasons why children grow up more (or less) materialistic

By Mònica Casabayó



Why do some children grow up more materialistic than others?

Who or what is to blame for this? New research by ESADE professors Mònica Casabayó and Juan Francisco Dávila reveals 8 key factors affecting materialism in children.

Published in the *Journal of Consumer Affairs*, researchers analyzed a large sample of children aged between 8 and 12 in Spain, using structural equation modelling methods. Their research results are part of a larger research project that started 2 years ago and will continue to deepen knowledge and will delve into several other areas of materialism in children.

“One of the main conclusions is that external factors, such as school type, media exposure, peer influence and celebrities, are by far the most clearly linked to children’s materialism,” says Prof. Casabayó.

The findings show that family-related factors, such as family communication patterns and family disruption are not significant in children’s materialism in Spain. “These findings contradict research done in countries such as the United States, where these factors were significant in explaining children’s materialism,” state the authors.

“Our research reveals that in Spain, parents have lost much of their power to influence their children’s attitudes toward consumption, and that peers, advertising, media icons and schools play a major role in preventing or promoting materialism in youngsters,” say Casabayó and Dávila.

The 8 key factors that may (or may not) influence materialism in children

1. Gender

Are boys more materialistic than girls or the other way around? According to the report, materialism levels of boys and girls are virtually identical - gender does not influence why some children are more materialistic than others.

2. Family income

The report shows that family income plays an important role in children’s materialism. “Children in lower-income families were significantly more materialistic than children growing up in higher-income families,” says Prof. Casabayó.

3. Family disruption

Children growing up in disrupted and single-parent households experienced only slightly higher levels of materialism compared to children in nuclear family households. “Children of disrupted families in Spain are a bit more materialistic but the difference is not significant,” says Prof. Casabayó.

4. Family communication patterns

Parents’ communication with their children does not affect a child’s materialism. For instance, when children want to buy products and parents say no, or when they tell their children what products they should or should not have, research revealed that none of these factors contribute to increase or decrease materialism.

5. School type

Education can have a significant effect on materialism. “Our data show that children in religious schools were less materialistic than children in secular schools,” says Prof. Casabayó. “Religious schools may influence children by putting over a world view where spiritual ends are more important than possessions.”

6. Attitude to ads

Are some children more predisposed to believe TV commercials than others? Researchers measured children’s attitude towards TV ads based on 3 questions: ‘Ads make me want to have more toys,’ ‘Ads always tell the truth’ and ‘Ads tell me about what things I should have.’ “Children who strongly agreed with these questions were more likely to believe TV advertisements and be influenced by these,” says Prof. Casabayó.

7. Media celebrities

Admiring celebrities has a direct impact on children’s materialism. Boys and girls who wanted to “be as smart as movie idols”, “as stylish as people appearing in ads”, “as trendy as models in magazines” or “have the lifestyle of celebrities” were significantly more materialistic than those who did not want to imitate celebrities.

8. Peer influence

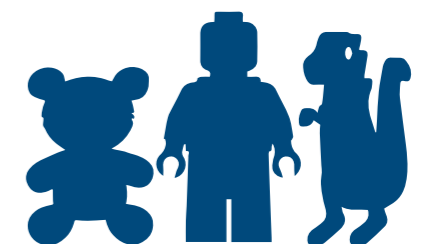
“Our results seem to validate the hypothesis that materialism stems from feelings of insecurity and exposure to materialistic models and values,” says Prof. Casabayó. “Susceptibility to peer influence was highly correlated to materialism, suggesting that insecure children who strive for peer acceptance are more likely to become materialistic.”

How can this research benefit society and teaching?

These scientifically-proven research results could help government agencies, schools, practitioners, families and children boost awareness of the consequences and risks of materialism in their life. “Our research suggests that efforts aiming at preventing materialistic attitudes in children could achieve better results by working on specific factors, such as their capacity to question TV ads and their tendency to admire celebrities. Parents and educators can work on their children’s trust of TV ads and make them aware of advertising’s selling purpose from a very early age, in an effort to diminish the effect of TV viewing on materialism,” concludes Prof. Casabayó.

INDIVIDUAL	SEMI-CONTEXTUAL		CONTEXTUAL
Age	Family materialism	Family communication	Medium exposure
Gender	Family income	Family religiosity	Peer influence
Self-esteem	Family disruption		Media celebrities

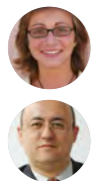
LEVEL OF MATERIALISM IN CHILDREN



How to get promoted from Chief Marketing Officer to CEO

7 key strategies to become your company's highest-ranking executive

Gerard Costa & Mar Vila



Seventy-three percent of CEOs believe that Chief Marketing Officers lack credibility in their organizations and over 53% of Fortune 1000 companies do not have a marketing executive on their board of directors.

In this challenging scenario, how can marketing executives increase their credibility and get promoted to CEO?

ESADE Associate Professors Gerard Costa and Mar Vila reveal key strategies that can help Chief Marketing Officers (CMOs) pave the way to becoming their company's CEO. Their research in *Harvard Deusto Business Review* challenges the traditional view of senior management that CEOs with other backgrounds may be better suited to the task.

When the researchers asked CEOs about the reasons behind the lack of marketing executives in CEO positions, the answers were quite homogeneous. "Business priorities are often linked to management areas associated with departments such as operations or finance," says Prof. Costa.

Most of the CEOs interviewed perceived the marketing department as a tactical unit focused on day-to-day promotions, advertisement campaigns, technical product presentations and the never-ending management of the company's website.

The authors challenged this traditional view in their findings. "A company that lacks a marketing plan strongly connected to its core business strategy will be more vulnerable to competitors and less prepared to satisfy market needs," says Prof. Vila.

7 key strategies to become CEO

Chief marketing officers aspiring to climb the corporate ladder may have better chances of success if they adopt these 7 key strategies.

1. What would the CEO do?

By asking yourself this question, you will familiarise yourself with the complexities of being a CEO. The answer will not always favour your department's goals, but it will allow you to start reinforcing your viewpoint using vocabulary that is more comprehensible for the CEO. You will evolve from a marketing vocabulary – based on terms such as brand-building, demand creation and customer loyalty – to a language that mainly refers to return on investment.

2. Rethink your marketing

Your marketing strategy should evolve from what new products and services you can offer to what else you can do for your customers. This shift in perspective involves assigning a more strategic role to functions such as brand management, marketing channels and data collection. It will also allow you to rethink your department's marketing structure and evolve from the role of product managers from the 1960s to customer managers.

3. Become a financial guardian

The CMO must adopt a clear position as guardian of financial resources and profitability, moving from managing cost centers to overseeing short- and long-term operating accounts. You need to defend your projects from a global perspective of ROI combined with the use of MROI (marketing return of investment).

4. Focus on sales

Sixty-three percent of CMOs agree that acquiring new customers is a top priority. As a CMO, you must align your strategy for new customers and products with the company's overall growth goals. Introducing key performance indicators that link your marketing efforts to market demand and sales results will allow you to reinforce your strategic role within the company.

5. Change your vocabulary

As a marketing executive, you need to develop empathy skills for approaching the executive board, which is mostly composed of non-marketing experts who lack your technical background.

6. Overcome stereotypes

Some headhunters call marketing experts "dangerous resumes" because of the high turnover in this type of position. This assumption may lead CEOs to believe that CMOs don't want their results to be audited in the long run. One way for CMOs to overcome these stereotypes is by furthering their education in business and strategic management.

7. Promote joint projects

Taking on new joint projects with other departments such as sales, operations and IT is another strategic action that will allow you to increase your internal knowledge of the business. This will put you in a unique position, as your department will be the only one with a holistic vision of the customer experience.

“ ———
Most of the CEOs interviewed perceived the marketing department as a tactical unit focused on day-to-day promotions
 ——— ”



Why linear intuitions hinder your decisions as a manager

Is intuition good or bad for business? This question has supporters and detractors. Latest research by ESADE Associate Professor Bart De Langhe published in *Harvard Business Review* shows that intuition-based decisions are not always the best for business.

Should managers trust their intuition?

The power of intuition is incredible. Our intuitions are very fast and they largely drive decision-making so it is important for managers to understand what their intuitions are and how their intuitive system works. In psychology, there is this idea that people can use two ways of information processing to make decisions.

The first is quick and based on intuition. The second requires analytical effort and is much slower. Quite often we make decisions based on our intuition because they provide 'instant' answers to problems yet we often fail to check the accuracy of our intuitions. One characteristic of our intuitive system is that it assumes that problems are linear. That leads us into trouble because a lot of relationships in business are non-linear.

Is linear thinking bad for business?

Linear thinking has limitations for business. I am teaching Executive MBA students and we often talk about this topic in class. I ask them this question: Suppose you have 2 customer segments, one with a retention rate of 20% and another with 60%. Almost everyone automatically assumes that increasing retention rates from 20 to 40% is better than from 60 to 70% because the first option implies an increase of 20% and the second one only 10%.

“ —
 Quite often we make decisions based on our intuition because they provide “instant” answers to problems yet we often fail to check the accuracy of our intuitions
 — ”

So, this assumption is wrong?

It is more often wrong than it is right. The relationship between the retention rate of a customer and the value of that customer for the firm is highly non-linear. Moving the needle on a customer that is likely to stay has a greater impact on firm profitability than moving the needle on a customer that is likely to defect. Yet most companies are trying to do exactly the opposite. They try to identify customers with low retention rates and try to make them less likely to churn, for instance by offering a discount. However, if you can identify customers with high retention rates and make those even more likely to stay, the returns will be much higher.

Can you give us another example?

A similar thing happens with customer satisfaction and profitability. Imagine a manager who runs a monthly customer survey and results show that 50% of customers that previously gave 3 points on a scale from 1 to 5 now give 4 points. That seems like a major accomplishment and management may want to crack open the champagne.

What is wrong with it?

The relationship between customer satisfaction and the outcome that companies ultimately care about, such as customer loyalty or profitability, is not a straight line between two points. In many industries, it makes a big difference whether a customer is completely satisfied (5) or just satisfied (4), but it makes very little difference whether a customer gives you a 3 or a 2.

Many managers may think that linear thinking is the right choice.

What often happens is that managers in companies choose a number of metrics to measure and optimize but they do not think clearly about the outcome they want to achieve -- which for most companies is profitability. Managers should focus on this ultimate outcome without assuming linear relationships between the thing that they are measuring and the result they hope to obtain.

Is linear thinking more common than we think in business?

It is hard to say but based on my experience, this bias is extremely pervasive and maybe close on 100% of managers use it one way or another. It takes thought and systematic analysis to overrule intuition and many managers are not doing this on a daily basis. Managers need to realize that many relationships are non-linear and so metrics based on linear thinking are often inaccurate.

Why do you think people have this tendency to think linearly?

I guess the short answer is that intuition is a reasonable approximation that allows quick action but it is just not going to be the optimal solution nor lead to the best decisions.

“ —
 Managers need to realize that many relationships are non-linear and so metrics based on linear thinking are often inaccurate
 — ”

How can managers retrain their brains to be aware of this linear bias?

There are several things companies can do. The most critical step is the moment of reflection that most people do not have when they think about a problem. Managers need to be aware of the way their mind works and its tendency to assume linearity while many problems in real life are non-linear. Awareness is the first step to realizing that you should not be trusting your judgement to the extent that you currently do. Business schools have an important role to play here. You cannot expect business students to achieve their true potential if you do not teach them about the mechanisms of their own minds and those of others. Business schools should place greater importance on fine-tuning people's intuitions. This is absolutely critical across all business disciplines.

What is the second step?

Once you realize the world is non-linear and your mind works linearly, then you need to think about what exactly your goal is and figure out what the optimal solution is to a problem. For instance, imagine you're a manager at Starbucks. If your ultimate goal is to maximize profits by increasing the number of customers that repeatedly use your services, you need to understand that the relationship between customer satisfaction and customer retention is likely to be highly non-linear. So instead of wasting time and energy on dissatisfied customers, you should focus your efforts on trying to delight satisfied customers.

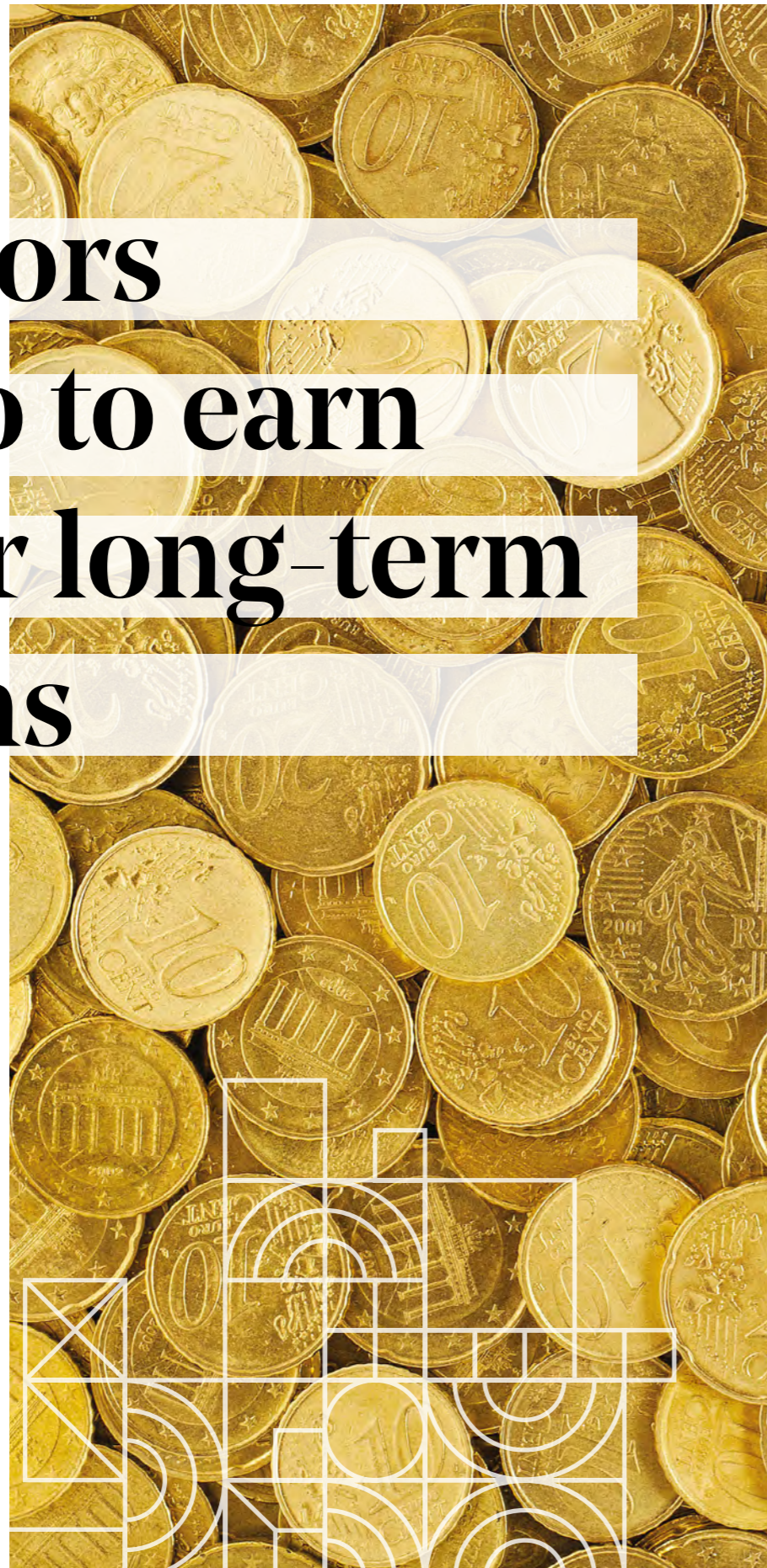
Are there any tools managers can use to speed up their optimal decision-making?

Sometimes it is hard to figure out what the analytical solution to a problem is but it gets much easier when you can see a visual representation of the challenge. There is a lot of opportunity with developments in artificial intelligence and big data to visualize non-linearities on the fly. If companies were to invest in these visual tools, managers could speed up their decision-making process and find optimal solutions much faster. Business schools have an important responsibility here as well. This is why ESADE recently launched an MSc in Business Analytics. Business Analytics is not only about the data, it is also about the mind. The first and most important step in analytics is to ask the right questions, hence the need to understand the limitations of one's intuition.

What investors can do to earn higher long-term returns

The one strategy that all investors should know prior to buying or selling shares

By Luca del Viva



Being an investor is a challenging job – knowing the right time to buy or sell shares is always a balancing act that involves a trade-off between risk and return.

Typically, investors are reluctant to take risks, especially when the risk is concentrated in the possibility of losing much or all of their investment. In this respect, some features of an investment are desirable, like having a high upside potential (positive returns) while being protected from downside losses (negative returns).

Detecting such assets with a positive-asymmetric pay-off is far from easy. ESADE Assistant Professor Luca Del Viva has found evidence that can help investors ease this process and improve their decisions.

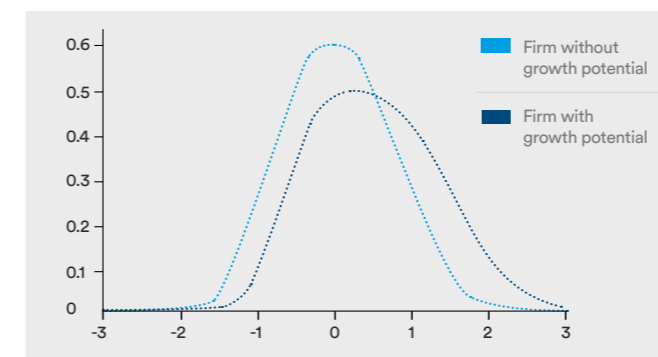
Published in the *Journal of Financial and Quantitative Analysis*, his research provides clues for investors to help them identify equities with this desirable pay-off structure.

What have you revealed in your research?

There are several factors that influence an investor's behavior and thus the price of shares. Our starting point was the hypothesis that part of an investor's decision to buy shares from a specific company clearly depends on the firm's growth potential. If a firm shows future growth potential -- for instance, a successful product launch -- investors will notice that and reward this behavior. What we found in our research is that there is a positive relationship between a firm's potential for growth and the asymmetric pay-off structure of the returns of its shares.

What type of positive relationship?

We observed that the value of a firm's shares is affected by the implied growth potential. The higher a company's potential for growth, the higher the asymmetry of its shares' return will be. So investors seeking this desirable asymmetric feature need to keep in mind that the shares' return distribution is not symmetric and this asymmetry is positively determined by the growth potential. A firm with a higher concentration of growth options will exhibit more positively skewed returns, increasing the probability of high positive returns while reducing the likelihood of big losses.



“ Our advice derived from our research would be for investors to identify firms that have higher potential for growth ”

How can investors make the most of this asymmetric behavior?

Investors like high positive returns while keeping low the chances of losing all the money. If a firm's growth potential can produce such a pay-off structure, investors could be interested in determining what easily observable characteristics of a firm imply higher future growth potential. If you are offered two lottery tickets at the same cost and same likelihood of winning, you will prefer the ticket with the larger associated jackpot. Well, a firm's growth potential works in a similar way, with the difference that it is harder to detect a priori which firm will grow more. In our research, we also provide some guidance on this.

But this asymmetry means higher risks?

It all depends on how we define risk. Traditionally, risk is defined as the volatility of equity returns. The traditional view is that investors prefer to reduce these risks by diversifying more. Under the traditional view, investors are mainly interested in two aspects: the expected return and the potential risk (volatility) of their investment. If we take into account these two factors only, investors who are only interested in reducing risk will clearly obtain the maximum benefits from diversifying.

But if we add a new dimension, the one that comes from this asymmetry, investors who are willing to have a slightly higher risk (volatility) could benefit from the asymmetry of this type of shares and so increase their return potential. It is intuitive to understand that as an investor I am more concerned about high volatility when returns are negative rather than when they are positive.

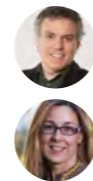
What's your advice for investors?

Our advice derived from our research would be for investors to identify firms that have higher potential for growth, because this will allow them to have this asymmetric pay-off distribution, which will yield higher returns in the long run. The reason why an investor may prefer skewness could be based on behavioral motivation. There are investors who may be willing to lose a very small amount of money because although the probability of winning is very small, the fact that it may happen can yield a fortune. Alternatively, we could argue that an investor might prefer positive asymmetric returns because although initially the probability of loss can be a bit higher, these losses are very small compared to the probability of future gains. In both cases, investors would benefit from better performances over the long run.

Effective partnerships between firms and NGOs to enhance social sustainability

Evolving from conflict-based relationships to cooperative ones

By Cristina Giménez Thomsen & Daniel Arenas



Firms and non-governmental organizations have had a history of antagonistic relationships. Yet in recent years, big brands like Starbucks, Shell and Nike have managed to evolve from conflict-based relationships with NGOs to cooperative ones. How can firms and NGOs establish effective partnerships while respecting each other's goals?

Recent work by ESADE Professor Cristina Giménez Thomsen and Associate Professor Daniel Arenas, together with Jorge Andrés Rodríguez from ESPAE (Ecuador), reveals how firms and NGOs can develop effective partnerships that enhance social sustainability in the supply chain.

"NGOs are oriented toward the creation of social value, whereas firms pursue the creation of economic value. A major challenge when undertaking these partnerships is trying to align the strategies, organizational structures and values of both firms and NGOs," write the authors in the *Journal of Cleaner Production*.

To understand how firms and non-governmental organizations can establish effective partnerships, the researchers analyzed a global NGO in Ecuador that helped poor people improve their entrepreneurial skills to sell their products in the market. From working only with people in rural villages, the NGO shifted its approach and started to collaborate with firms in order to connect poor suppliers with buyers and to integrate these poor people with established markets.

The NGO's project involved cooperation with firms, which had to contribute 60% of the total cost of the supplier development program, while the remaining 40% was funded by the Latin American multilateral bank. Although the supplier development programs involved working with various suppliers, all of them had in common an average per capita income of less than 5 dollars a day.

The 4 main drivers to achieve effective partnerships

During this partnership between the NGO and the firms, the authors identified 4 main drivers that were crucial to establish effective partnerships between firms and NGOs.

1. Adjustment of the NGO's value logic proposition

In its mission to alleviate poverty, the NGO faced two challenges: first, farmers and low-income communities usually had difficulties generating revenue after the NGO intervention. Second, the NGO's main source of funding was an endowment from a European country. Since the endowment was expected to decrease, the managers of the NGO had to look for new sources of funding.

The NGO responded to this situation by adjusting their approach to achieving their mission: they moved from implementing development projects that offered assistance to poor communities to promoting business initiatives that integrated low-income communities into markets and supply chains. This adjustment was facilitated by the partnership between the NGO and a business council.

"Initially, the idea of collaborating with the private sector caused internal tensions in the NGO. There was high uncertainty about whether this approach would generate a positive impact for poor suppliers because firms' objectives were profit-related," says Prof. Giménez Thomsen. "However, the cooperation with the business council and the positive results of the pilot projects led the NGO to see poverty alleviation and business profits as compatible objectives."

2. Aligning the NGO's mission with the profit-oriented behavior of firms

Once the NGO received the funding from the multilateral bank, it had to figure out how to convince firms to join the project. Although the NGO had adjusted its value logic, it still had to send a convincing signal about the project. In short, the project had to be perceived as a real business initiative, not just another philanthropic NGO venture.

"The project was framed as a business initiative with positive social impacts on poor suppliers. As a result, it was perceived as a win-win situation for the firms and for the poor suppliers," says Prof. Arenas.

3. Alignment of the NGO's project objectives with the firms' strategies

The 6 firms joined the NGO project in response to a sourcing need – 4 out of the 6 firms used the project to expand their base of local suppliers. The firms' sourcing strategy consisted in increasing the volume purchased from local suppliers.

In a fifth case (a large retailer), the project was used to implement the sourcing strategy they needed to improve the product quality of local suppliers. Finally, for the sixth case (an SME manufacturer), the project was used to increase the productivity of the small workshops operated by the firm's suppliers. Hence, the project offered win-win opportunities for all: firms could satisfy their sourcing needs and poor suppliers could increase their productivity and access to reliable buyers.

"The alignment between the objectives of the NGO's project and the firm's strategy happened when the NGO had aligned its mission to the profit-oriented behavior of the firms and when the project also satisfied a sourcing need of the firm," write the authors.

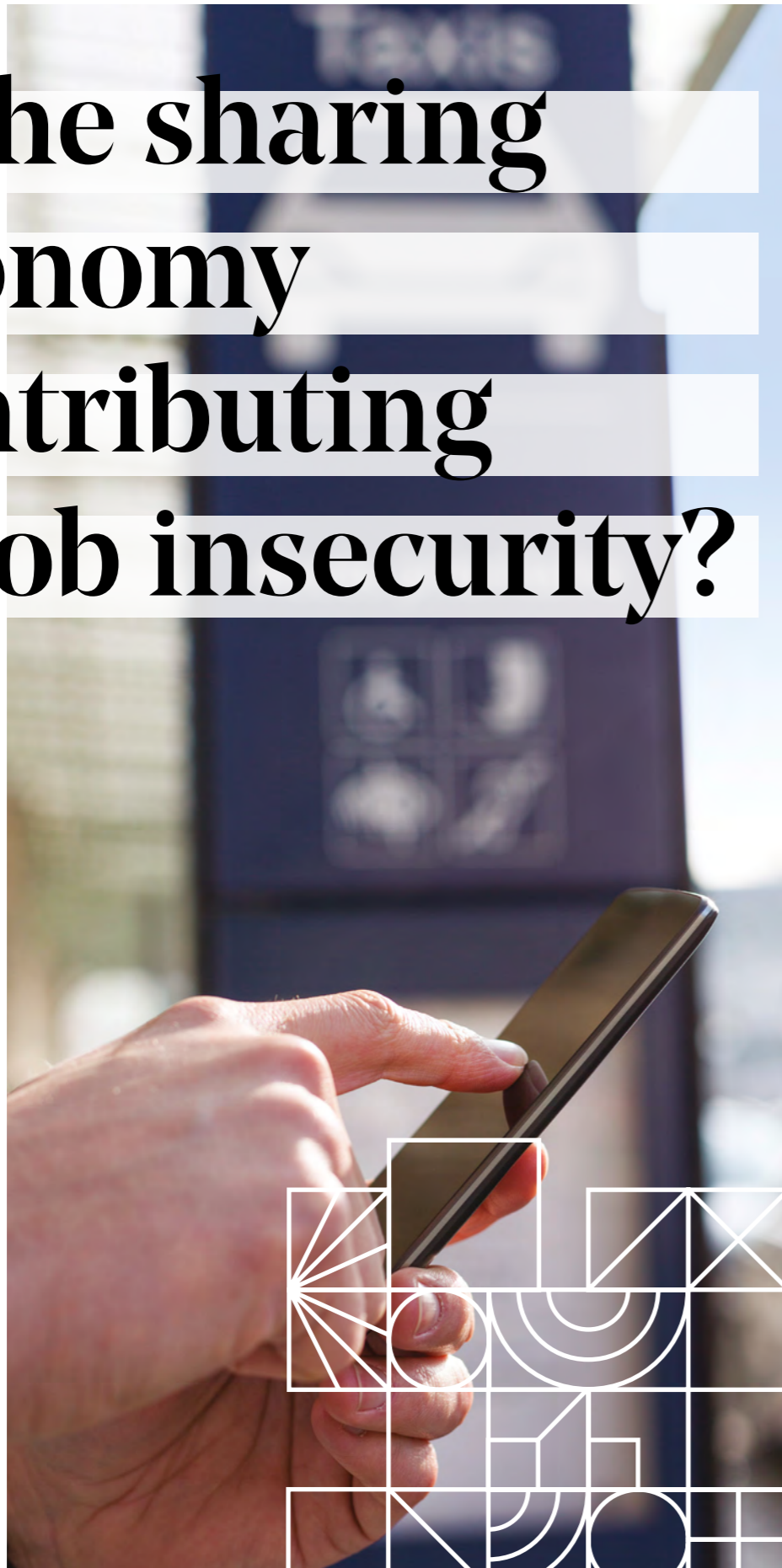
4. Achieving inter-organizational fit

After a firm's top managers had decided to join the project, the middle managers had to plan and implement it by working out how to insert the project within the structure and routines of their departments. At this stage, the inter-organizational fit occurred at the operational level.

The authors suggest that job specialization – the subdivision of tasks within a department – was one of the main factors that contributed to achieving inter-organizational fit between the firms and the NGO. An additional aspect that also contributed to improving this fit was having processes in place that support close, collaborative relationships with suppliers.

Is the sharing economy contributing to job insecurity?

Companies like Uber avoid labor laws by contracting on-demand the professionals delivering their services



By Anna Ginès



Some of the most innovative companies in Silicon Valley base their business models on the collaborative economy.

Uber, Airbnb, Deliveroo, or Glovo are considered paradigms of the latest economic and social change generated by new technologies.

But what are the labor-related consequences of the collaborative economy that Uber or Airbnb preach?

The business – and legal – model of these companies is to consider themselves as technological platforms that put people who need a service (transport in the case of Uber) in contact with people offering such a service, that is, drivers. But are these drivers really self-employed workers outside of Uber? Or are they company workers hired in a way that reduces their job and social security by avoiding labor protection legislation?

A paper by Anna Ginès, an ESADE Assistant Professor and Director of the Institute for Labor Studies, analyzes from a labor perspective the jobs these workers do and their relationship with the company – using the case of Uber to make conclusions about the legality of this practice.

The outsourcing model developed by these companies is the first point analyzed. By dividing business activities into micro-tasks and opening these tasks to many workers (crowdsourcing), these companies have developed an on-demand contracting system in which each driver is hired only for the service requested by a specific customer at a certain moment.

This contracting system means drivers are considered as self-employed and has enabled Uber (and other virtual platforms) to drastically reduce the costs associated with paying workers during periods of inactivity – although with negative consequences for workers from a labor and social point of view.

Professor Ginès analyzes which parts of the job of driving for Uber fit within the profile of a self-employed worker and which belong to an employee. Drivers have the freedom to decide their schedules, use their own means to provide the service, and assume the costs involved – but other determining factors meet the characteristics of an employed worker.

“Uber is involved in every aspect of the operation and is not limited to being a virtual platform that just connects drivers with passengers,” says Prof. Ginès. The San Francisco-based company gives operational recommendations for drivers (who must open the door for passengers

and may only play jazz or classical music on their radios), bans subcontracting, prohibits the acceptance of tips, manages a selection process for drivers, and may remove poorly evaluated workers from the platform.

This business control is compounded by the fact that the major means of production is not so much the vehicle used by the drivers – but the virtual platform and the existence of a payment system that implies the appropriation by Uber of the profits derived from the productive activity.

Despite sharing some characteristics with self-employed workers, Uber drivers work in conditions resembling those of an employee. Many Uber drivers have asked the courts to decide if they have employee rights. More than 2,000 Uber drivers have presented a class action in California to demand that the company pays for the expenses derived from the activity, considering that Uber is not just a virtual platform, as the company claims.

So far, the judicial bodies that have become involved, such as the California Labor Commission in the case ‘Barbara Ann Berwick v. Uber Technologies, Inc.’, have agreed with the drivers and ruled that Uber’s relationship with drivers is an employment relationship rather than outsourcing.

Prof. Ginès points out that although crowdsourcing is a legal form of organization, it is not legally feasible since it implies fraud in the contracting of self-employed workers. Thus, technological companies such as Uber ‘have distorted the essence of the collaborative economy’ by resorting to the figure of a false self-employed worker to avoid offering a minimum wage, maximum working hours, social security contributions, recognition of union rights, and so on.

“ — Although crowdsourcing is a legal form of organization, it is not legally feasible since it implies fraud in the contracting of self-employed workers — ”

6 triggers to make people desire your brand

Be authentic and unexpected – being predictable can kill your brand desire

By Oriol Iglesias



Desire is the philosopher's stone of brands. If companies can create true desirability for their brands, customers will not only be loyal, they will also act as brand champions.

In his latest book, *Brand Desire*, ESADE Associate Professor Oriol Iglesias and his colleague Nicholas Ind from the Oslo School of Management reveal the 6 drivers that make people desire brands.

"*Brand desire* explains how companies can engage customers emotionally and create value for them," says Prof. Iglesias. "Brand desire is a powerful motivating force that outstrips needs and wants and sometimes encourages people to go to surprising lengths to buy an object or experience."

Based on academic research, in-depth interviews with top managers from leading global brands, and a tracking of nearly 1,000 product and service brands, the book demonstrates that desirable brands are about desirable experiences and shows what companies can do to maximize those experiences for their customers.

"Desire doesn't just happen. Brands need to nurture it by offering both security and surprise," says Prof. Iglesias.

The 6 drivers of brand desire

1. Principles

Principles are enduring ideas that guide the organization and how things are done. Brands that consistently act on their principles are acknowledged as authentic by their customers. The most desirable brands are internally driven and externally aware, which enables them to reinterpret their principles over time.

"Principles can set an organization apart from others and make it distinctive, but they also need courageous leaders to sustain them," states the author.



2. Participation

"Most of the brands we feature aim to be accessible to people. Some go even further and encourage the active participation of consumers. This makes people feel closer to the brand and helps ensure that the brand remains relevant and appealing," says Prof. Iglesias.

In research conducted on customer participation, respondents were asked whether or not they saw a brand positively prior to their involvement in an online co-creation community: 62 per cent said they viewed the brand either positively or very positively. After community involvement, this figure increased to 84 per cent and the percentage of those with a very positive opinion moved from 19 to 30 per cent.

3. Leadership and culture

What really sets desirable brands apart is the capacity to breathe life into their principles. The principles must be understood, shared and lived by employees and made visible in the company's interactions with customers.

"Only when employees understand and live the brand's principles will a supportive organizational culture flourish," says Prof. Iglesias. "The key challenge for managers is to trust and empower their employees to use their own judgement and behave in alignment with the brand's principles." The author warns, however, that this is not easy to do because many companies still have more traditional, authoritative styles that lower employee morale.

4. Storytelling

Stories are a powerful way to connect with the brand's customers - they create high levels of brand interest and a feeling of authenticity.

"When customers engage with a story, they place themselves in it and it becomes meaningful. They see the world in new ways. Storytelling gives us both a rational and emotional reason to desire a brand," says Prof. Iglesias. He also emphasizes that the most desirable brands invest heavily in "storybuilding" - a metanarrative that aligns all the storytelling activities around the brand's identity and vision.

5. Experiences

The key to creating successful brand experiences is paying attention to detail, being consistent with the brand's principles and engaging emotionally with customers, but without being predictable.

"The most memorable experiences are those that appeal to our senses and exude authenticity," says Prof. Iglesias.

6. Innovation

If brands are to sustain desire, they need both continuity and surprise. "Brands need to be remarkable, and the only way to do that is by innovating and creating something completely new and unexpected," the author argues.

"Consistency generates customer trust and confidence, and when combined with surprise, it generates desire."

The power of the masses: how to resist political domination

When protesters became a social movement that improved the lives of the unemployed



By Ignasi Martí Lanuza



Despite their initial success in mobilizing people, social movements often fail to sustain momentum and end up going from indignation to resignation.

How can people move from the exuberance of the protest to the dull and ordinary everyday work necessary to produce sustainable change? ESADE Visiting Professor Ignasi Martí Lanuza and his colleagues at IAE Business School in Argentina answer this question in an article published in the journal *Organization Studies*.

“Our research looks at a story of resistance,” says Prof. Martí. “We travelled to a poor district in Greater Buenos Aires to analyze Cooperativa La Juanita, a successful cooperative that was created out of a picket movement by people who had been unemployed for a long time.”

The cooperative was officially founded in 2001, but its origins date back to 1995, when a group of neighbors gathered in La Matanza’s main square to complain about their gas expenses and electricity bills. They couldn’t afford the bills because they were unemployed due to a set of “hard-core” neoliberal policies that had been implemented by the Argentinian government.

A picket movement that transformed the neighborhood

Their story of resistance began locally, with neighbors working together to find solutions to a very specific problem: how to afford their gas and electricity bills. Unlike most social movements, this story proves that local communities and activists can not only sustain momentum but also transform a neighborhood and improve the lives of the unemployed.

“Neighbors joined forces with other people suffering the consequences of unemployment and their actions, protests and reach became first national and then global,” says Prof. Martí. “Finally, the movement devolved to the neighborhood to engage in what we term mundane and everyday politics.”

Mundane and everyday politics are concrete, local practices and interventions that are embedded in a territory. In the case of La Juanita, this territory was the neighborhood.

A story of political resistance

The people gathered in La Matanza’s square organized the Unemployed Workers Movement (MTD) and adopted the roadblock as their primary mode of protest. Facing mounting protests, the national government attempted to mitigate the conflict with picketers by distributing subsidies through local governments.

The movement rejected the plans and benefits offered by the government – they viewed these packages as a way to perpetuate their condition of unemployment and dependence on the state’s assistentialism and clientelism. “Why should the government have to give me anything when I have two hands, a head and a body to work? They should give jobs, not 150 pesos,” said Marta, a member of MTD.

“The refusal of such benefits represented a conscious break from other picketers’ organizations. It was accompanied by a move back to the neighborhood, where social activists started to engage in resistance efforts against existing pressures to silence and dominate them,” says Prof. Martí.

In September 2001, the group turned an abandoned building into its own school and created a cooperative intended to contribute to the school’s self-sustainability through three productive ventures: a bakery, a textile workshop and a serigraph workshop.

Local practices and interventions

Despite strong political pressures, people in La Juanita sustained their efforts over time. “In their resistance, we observed how they constructed a neighborhood-centred alternative in which closeness and proximity became the keys to transformative politics in the long run,” says Prof. Martí.

The study helps to explain how – under conditions of fragility and adversity – different and more sustainable forms of togetherness are built. “Drawing on our field work in Buenos Aires, we suggest that there are other mechanisms and local practices to advance change.”

Among the local practices and interventions at the core of La Juanita’s mobilization and sustained social change, the study highlights four important sets of activities:

1. The effort to re-create social ties that were broken during the crisis, when people felt and experienced a sense of being left alone to cope with their own lot.
2. The development of new forms of labor coordination and solidarity among the workers and members of the cooperative, as well as with their neighbors in need. Such forms are of a more horizontal and democratic nature than those used previously and are aimed at breaking with the dominant individualism.
3. The effort to build a new collective identity rooted in their resistance to accepting relations of dependence (and clientelism) with the government and unions and claiming their dignity as workers.
4. The normalization of the territory, aimed at transforming a rather abandoned, marginalized and stigmatized neighborhood into one where normal “stuff” happens, including formal education and access to basic banking services.

“Our findings in La Juanita show that the materiality of embraced places, face-to-face networks, and even physical symbols help to explain the kind of sustained collaboration we found in the cooperative. These findings re-illuminate the importance of the role of material resources as a condition for bringing together the members of the movement and eliciting lasting communication and cooperation,” concludes Prof. Martí.

Why sustainable operations are good for business

Firms that promote sustainable practices increase human-resource and customer benefits

By Annachiara Longoni



Making businesses sustainable is not always at the top of the list of companies whose goals are purely financial. ESADE researcher Annachiara Longoni has found new evidence that could change this perception and make companies more interested in making their operations more sustainable.

The findings, published in the *International Journal of Operations & Production Management*, demonstrate that sustainable operations not only help businesses gain a competitive advantage but also increase human-resource and customer benefits.

“Our findings reveal that sustainable operations practices have a direct impact on customer benefits – they improve a firm’s positive relationship with its customers,” says ESADE Assistant Professor Longoni. “Companies with sustainable operations in place also bring about human-resources benefits – that is, intangible benefits that contribute to improving employees’ motivation to pursue the firm’s goals and strategy.”

Prof. Longoni and her colleague Raffaella Cagliano at the Politecnico di Milano analyzed more than 100 Italian firms in the food industry to see whether these companies’ sustainable operations practices were helping to increase their competitive advantage.

Green and social operations

In particular, the researchers studied how these companies were implementing two different types of sustainability practices: green operations practices (that is, practices aimed at reducing consumption of natural resources and eliminating pollutant emissions), and social operations practices (that is, practices aimed at improving employees’ working conditions, health and safety).

The findings differed depending on which type of sustainable practices were implemented: “Companies that have green operations practices in place will see a direct impact on their customer benefits, but no human-resource benefits. However, firms that focus their efforts on social operations will have a direct impact on human-resource benefits and also an indirect impact on customer benefits.”

Social operations and human-resource benefits

Employees are the most valuable resource leading to a firm’s competitive advantage. For employees to be a valuable resource, however, they must be motivated to continuously build their ability to contribute to the firm’s goals and competitive advantage.

“We observed that companies that implement sustainable social operations such as clean and safe working environments, health benefits and worker well-being practices are better at maintaining employee motivation and retention, thus bringing direct benefits to the firm through competitive advantage. Talented employees are more likely to be retained when they work in a safer and healthier work environment,” explains Prof. Longoni.

Green operations and customer expectations

Research shows that customers are increasingly attracted by companies that pay attention to environmental issues. “Today, individuals are more and more aware of the impact of firms’ operations on natural resource consumption and pollution emissions. In this scenario, companies that promote green operations practices improve their public perception as a ‘green’ firm and this perception enhances customer relationships, loyalty and sales.”

The researchers identified many positive benefits when firms adopt green operations practices, including enhanced brand visibility, counterpoints to negative publicity, greater brand awareness, and brand image reinforcement. According to the authors, these outcomes also result in incremental gains in new sales and repeat purchases of old and new customers.

Practical implications for firms

The first practical implication for operations managers is that investment in both green and social sustainable operations practices is positively related to customer benefits and contributes to the firm’s competitive advantage: “Managers in charge of operations may benefit from sustainable practices that incorporate both green and social operations, as both are crucial to obtaining customer benefits.”

The authors also suggest that firms should acknowledge the relevant role employees play in achieving external benefits such as customer benefits.

“Firms should be increasingly encouraged to consider sustainable operations management as a win-win system that improves environmental and social outcomes as well as internal (i.e. human-resource) and external (i.e. customer) benefits. The view of sustainable operations practices as a cost due to compliance with regulations should be discarded in place of a positive view of these practices as competitive levers,” conclude the researchers.

“ ——— Companies that have green operations practices in place will see a direct impact on their customer benefits ——— ”

Measures to improve public-sector efficiency

Should public-sector employees earn more?

By Carlos Losada & Francisco Longo



Government-run organizations in Spain could be more efficient. ESADE Professors Carlos Losada, Francisco Longo and Manuel Férrez have revealed research-backed measures that can improve public-sector efficiency in their latest book *Public Employment in Spain: Challenges Towards a More Efficient Democratic State*.

The publication, a joint collaboration with Professor Adrià Alvareda from Leiden University and the Spanish Institute for Economic Studies, warns that one of the major challenges in public-sector organizations is the need to recruit more talent and tackle what the authors call the qualification deficit.

“Our study reveals that one of the main problems of public employment is what we call the qualification deficit,” says Prof. Longo. In Spain, around 70% of public-employment positions do not require a university degree (however, and paradoxically, according to the Spanish Statistical Office, around 67% of these employees do have a university degree, which means that a high number of public employees are currently overqualified).

Qualification gap

“This qualification gap is hindered by two additional aspects. One is the aging factor - our public-employment workforce is composed mostly of older workers only a few years away from retirement. This means that the public system will experience a drop in talent in the near future and government-run organizations will need to take measures to recruit new talent to compensate for the talent loss derived from retirement.”

The second aspect that has aggravated the current qualification gap is the country’s high rate of public-sector employees with temporary contracts. “The percentage of public-sector employees with temporary contracts in Spain is one of the highest in Europe, surpassed only by Poland,” warns Prof. Longo.

Salary compensation

The findings also emphasize the need to review the compensation system for public-sector employees. In Spain, the average annual salary for public-service employees is 26% higher than in the private sector. However, senior executives and specialized positions in the public sector are compensated below the private sector’s salary threshold.

“In order to stay competitive and attract talent, public salaries need to be reviewed to bring them closer to the compensation that private-sector employees earn for similar positions,” says ESADE Professor Carlos Losada, co-author of the report. “We suggest changes in remuneration that include introducing more variable components linked to employee performance and results, establishing salary progression (especially for high-level executives), reviewing the salary range for each position and creating group incentives.”

People management

The study recommends a battery of measures that HR departments can introduce in order to improve public-sector efficiency. “Among the suggested measures, we propose reviewing the current HR recruitment methods and policies, as well as the internal processes established for people management and mobility,” says Prof. Losada.

The researchers also call for new HR policies that strengthen social values among employees and explain why it must be a priority to set measures to attract new talent and highly qualified employees.

Public-sector executives

The authors of the study also stress the need to revise the current selection system for recruiting public-sector executives. Spain is one of the OECD countries with the lowest percentage of HR practices targeting high-level executives.

To improve public-sector efficiency, governments would benefit from less rigid and more decentralized structures that allow high-level executives to have more decision-making autonomy.

According to the report, public-sector organizations would also be more efficient if they built planning and control systems based on results. These mechanisms would ensure accountability and effective control of executive performance.

The team of researchers at ESADEgov analyzed official data from key government organizations, including the Spanish Ministry of Finance and Civil Service, the Spanish Statistical Office, Eurostat and the Organization for Economic Co-operation and Development. The results were cross-checked with in-depth interviews and working sessions with public-sector leaders and managers.

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In Spain, the average annual salary for public-service employees is 26% higher than in the private sector
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Does investing abroad improve firm performance?

The rise of micro-multinational enterprises

By Xavier Mendoza



The days of large multinationals as the only companies able to invest abroad are over. Recent years have seen the rise of micro-multinationals, a new type of small and medium-size enterprises (SMEs) that are well equipped to exploit opportunities abroad.

What sets these companies apart? Compared to pure exporting SMEs, micro-multinationals are more entrepreneurial, more internationalized and more actively use their organizational networks to obtain in-depth foreign market knowledge. These firms provide superior customer service and collect exceptional feedback on local market conditions that allow them to adapt and innovate.

The journal *International Business Review* recently published a study conducted by ESADE PhD student Joon-ho Shin, under the supervision of Prof. Xavier Mendoza, analyzing more than 1,000 highly internationalized Spanish SMEs in the service sector operating over an 8-year period. Its goal was to find out whether establishing a direct presence in foreign markets improves firm performance.

“Due to the 2007 financial crisis, internationalization became an attractive option for growing revenues for firms of all sizes in Spain,” says Prof. Mendoza. “We chose to focus our study on SMEs because over 60% of Spanish parent companies with subsidiaries abroad are SMEs and service internationalization is less understood and more challenging compared to manufacturing internationalization.”

Firm performance

The study investigates the relationship between multinationality (measured by an index based on the number of foreign subsidiaries and countries where these are located) and firm performance (measured by ROA) and whether this relationship varies between capital-intensive and knowledge-intensive service firms.

The degree of capital intensity varies significantly across service firms. Thus, the higher the capital intensity the higher the financial burden for engaging in international expansion. Likewise, the degree of knowledge intensity also varies significantly across service firms. Knowledge-intensive services embed a higher degree of intangible or tacit knowledge and require a higher level of client interaction and local adaptation, which implies higher heterogeneity in the services provided and higher costs in transferring critical organizational knowledge and capabilities to foreign markets.

The study confirms that these differences have important implications for firm performance. “Our research reveals that firms providing knowledge-intensive services are more likely to increase their performance in their initial stages of international expansion compared to companies providing capital-intensive services, although the picture is the opposite in more advanced stages.”

Knowledge-intensive services

Why do knowledge-intensive service firms perform better in the early stages of international expansion? The authors of the study point to lower financial burden, because the value of these firms' services relies on intangible assets that are largely embedded in their human resources, and the fact that most of them pursue a client-following strategy. “Knowledge-intensive service firms face less severe costs of internationalization at the outset, which allows them to reap the benefits of internationalization faster,” according to Prof. Mendoza.

This improvement in performance, however, is temporary. Knowledge-intensive services are more affected by cultural and institutional differences and are more difficult to scale. The study shows that as the level of multinationality increases, managing and controlling increasingly diverse international activities becomes more complex and may create severe pressures on a firm's key resources (people) and managerial capacity.

“Our findings suggest that knowledge-intensive service firms encounter a threshold of internationalization at relatively low levels of multinationality -- in the study, this point is reached when a company is present in more than three countries or has more than four foreign subsidiaries -- and that expanding beyond that point can be highly detrimental to the firm's performance.”

“ — Although capital-intensive service firms experience negative performance effects at the beginning of their international expansion, their performance increases as they further internationalize — ”

“ — Firms providing knowledge-intensive services are more likely to increase their performance in their initial stages of international expansion — ”

Moreover, client-following firms may be prone to over-internationalize because their managers tend to underestimate the long-term costs of establishing foreign operations. While these firms enjoy an obvious advantage in the early phase of market entry, they might face more difficulties than expected at a later stage, seeking new local clients once the initial projects that brought them to a country have been completed.

Capital-intensive firms

Although capital-intensive service firms experience negative performance effects at the beginning of their international expansion, their performance increases as they further internationalize.

“The high initial costs associated with the liabilities of internationalization and insufficient access to economies of scale appear to be the most important hurdles these firms face when first entering foreign markets,” says Prof. Mendoza.

Most of the capital-intensive firms in the study appear to follow a strategy of market concentration as a means of overcoming these hurdles. Expanding in few foreign markets allows these firms to reach the minimum local operations scale needed to be competitive. In this way, they can deploy their limited resources more efficiently and foster the accumulation of knowledge and learning about these markets, reducing the costs associated with the liabilities of internationalization. Further, a strategy of market concentration reduces the organizational complexity of coordinating and controlling international operations. All these aspects help explain why these firms perform better at medium and high levels of multinationality without facing a threshold of internationalization.

“The high initial costs of internationalization faced by capital-intensive service firms should not discourage managers, as the net performance impact will be positive in the long run,” concludes Prof. Mendoza.

The dark side of the sharing economy

Why collaborative consumption platforms fuel a new form of neoliberalism on steroids

By David Murillo



Collaborative consumption platforms, which allow users to share their possessions with others, have been described as fostering inherently pro-social acts and feelings of solidarity. But is the sharing economy as beneficial as we think?

ESADE Associate Professor David Murillo and his research colleagues Heloise Buckland and Esther Val have exposed an intriguing fact: the sharing economy is best perceived as a new form of neoliberalism on steroids.

Yes, collaborative consumption platforms have a dark side. The researchers challenge the main claims in favor of the sharing economy with research-backed data that show a growing number of controversies emerging in the literature.

Sharing economy pioneers argue that the movement is democratic, flat in structure and hierarchy, that it revolves around empowering ordinary people, that it enables trust, and that it is considerably more participatory and sustainable than other sectors of the economy.

“Many sharing economy supporters are blind to the dark side of these innovations,” warns Prof. Murillo. “We have unravelled core controversies that call into question the beneficial social impact of these collaborative consumption platforms and the technosolutionist thinking that has become so widespread in the digital economy.”

The 5 core controversies of the sharing economy

1. Market controversies

Who makes the money? The reduction in transaction costs in the sharing economy is facilitated by organizations that often go on to become extremely large and highly valued international businesses. The researchers found that over half of the activity in each sharing category is controlled by just one company. “These businesses have the same strong incentives to eliminate competitors and establish monopolistic markets as in any other segment of the digital world,” says Prof. Murillo.

Moreover, users of these services don’t have fair access to the wealth that is created. “For instance, 75% of Airbnb’s overall revenue comes from full-home rentals, which is not sharing – that’s common renting,” explains Prof. Murillo.

2. Government controversies

Fair competition and respect for the law are difficult to achieve without public intervention. In the sharing economy realm, however, many believe that self-regulation is beneficial.

“Many of the big players in the sharing economy have the means to take advantage of loopholes in national regulations, and the business model seems to revolve around escaping law abidance. A lack of public surveillance over how businesses operate creates a clear opportunity for tax avoidance,” warns Prof. Murillo.

3. Worker controversies

One result of the sharing economy is a shift away from contract employment with traditional companies and towards more short-term and freelance work.

“The flip side is that the rights, benefits and fair-pay levels of this emerging sector of freelancers seem to be under threat. For instance, Uber drivers can be held accountable for accidents on the job, TaskRabbit workers do not receive a pension, and workers looking for health insurance or job stability are unlikely to find it in the sharing economy,” says Prof. Murillo.

4. Consumer controversies

Many of the top sharing companies have hugely popular reputations, thanks to a sophisticated system of mechanisms and algorithms. Empirical research on Airbnb reveals that the more trustworthy a host is perceived to be in her photo, the higher the price of the listing and the greater the likelihood of being chosen. “We might simply be relying on the pretence of trust, on a false perception of trustworthiness,” warns Prof. Murillo.

5. Environmental controversies

Contrary to the claims of sharing economy supporters, a comprehensive review of 56 scientific research papers reveals that the ecological footprint of business-consumer ecommerce is significantly greater than that of conventional shopping. The authors conclude that the environmental impact of the sharing economy remains yet another grey area in need of further exploration.

Competition, analysts and markets

Need advice on where and when to invest?

By Petya Platikanova



Advisory services are provided by financial (or securities) analysts, among others.

Financial analysts collect and analyze different sources of financial information and help investors decide where and when to invest by analyzing past management decisions and generating expectations about future developments.

Financial analysts without a magic ball

To provide investment advice and issue stock recommendations, financial analysts compile and interpret information from various sources, primarily related to a firm's market position and financial performance. In her latest work, Petya Platikanova and her co-author Marco Mattei (*Review of Accounting Studies*, forthcoming) examine how product market competition affects analysts' forecasts. Investment recommendations are high-quality when financial analysts accurately forecast future developments in product markets and their impact on firm performance (usually proxied by earnings per share).

Petya and her co-author find that analysts' forecasts are less accurate when firms face greater competitive pressure. "Competitive pressure makes future performance less certain; furthermore, it adversely affects the quality of the financial information," says Prof. Platikanova. "As a result, financial analysts are unable to accurately forecast how firms facing greater product market competition will perform, thus producing less accurate expectations, i.e., earnings-per-share forecasts."

How does product market competition affect financial analysts?

Intense competition leads to more dynamic product markets and increases the uncertainty of market outcomes for each player. As a result, competitive threats present a challenge for financial analysts in forecasting earnings.

Petya and her co-author suggest that more competitive markets also adversely affect the quality of information used by investors. "We argue that typically used measures of competition (such as industry concentration) are imperfect and use a text-based measure of competitive pressure (product fluidity)."

Their analysis shows that firms facing competitive pressure are likely to:

- ◊ Contain management assumptions, which are more difficult to foresee (i.e., accruals quality is lower);
- ◊ Request that sensitive (proprietary) information to be withheld by the securities authorities (i.e., Securities and Exchange Commission);
- ◊ Stop revealing management expectations about future developments and financial results to other parties in the form of management guidance;
- ◊ Hide the identity of their major clients.

As a consequence, financial analysts may not only have diverging opinions about future market developments in the presence of intense product competition; furthermore, they may also have less and noisier information to base their forecasts on.

How can this research help managers and investors?

Managers

Managers facing greater competition often prefer to withhold information because of concerns that "competitors can copy our strategic moves, thus erasing our competitive advantage". Keeping competitors in the dark however has important implications. When less and noisier information is provided, financial analysts are likely to issue less precise forecasts. As a consequence, financing projects may become more difficult and/or more expensive.

Investors

Firms operating in more competitive markets will have, on average, less precise and more diverging forecasts issued by financial analysts. Before following a piece of investment advice or an analyst's recommendation, it would be beneficial to consider product market dynamics. If a firm's product market is more competitive, further analysis is required in order to determine whose forecasts are more precise (for instance, close investigation of analysts' ranking position and their accuracy in the past).

“ Intense competition leads to more dynamic product markets and increases the uncertainty of market outcomes for each player ”

How businesses can grow by catering to the poor

ESADE and Aalto University reveal key mechanisms that can help firms grow while alleviating poverty

Over a billion people around the world live on under US \$2 a day. Why is it so hard to develop and scale up business solutions for the worst-off? What key factors raise the likelihood of success?

Professors Dimo Ringov and Myrto Chliova at ESADE and Aalto University School of Business have revealed key mechanisms that can help firms successfully develop financially sustainable and scalable business solutions for the world's poor. The research was published in the latest issue of *Academy of Management Perspectives*.

"Businesses can both do well and do good, they can be profitable while also helping lift communities out of poverty," says Prof. Ringov. "The key is to develop scalable business solutions that can also improve the lot of the have-nots."

For instance, Aravind Eye Hospitals in India have famously adopted a 'McDonald's approach', reaching a scale that allows them to carry out the equivalent of roughly 60% of the number of eye surgeries performed by the UK's National Health Service but at just a fraction of the cost.

Yet how do businesses such as Aravind Eye Hospitals succeed in these challenging settings? "They have succeeded in developing business templates that can be easily replicated on a large scale for those at the bottom of the economic pyramid," says Prof. Ringov.

By Dimo Ringov



6 mechanisms for business template development

Businesses catering to those at the bottom face special challenges and conditions, including extreme resource scarcity and widespread lack of well-functioning institutions, among others. Six major mechanisms can raise the likelihood of success when developing business templates in these challenging settings:

1. Institutional substitutes

The lack of well-functioning institutions -- such as lack of protection of property rights, poor enforcement of contracts or missing labor, capital or product market intermediaries -- makes it more challenging for businesses to operate in such contexts. To overcome these institutional voids and increase the viability of their business templates, firms may internalize the services of missing institutions or outsource them to other bodies, such as local or international NGOs.

2. Cutting costs and risks

Extreme resource scarcity -- such as poor education, low managerial skills and minimal disposable income -- is another feature of markets catering to the very poor. Organizations that aim to grow at scale in such markets are more likely to succeed if they can deliver very large reductions in costs and risks for their potential customers.

3. Business model innovation

Business templates that are mainly based on technological innovation have often failed to serve the poor. To develop successful templates, businesses should focus less on delivering new-to-the-world technological innovation (it often implies high costs that cannot be borne by the poor) and focus instead on business innovation that overcomes resource scarcity and institutional failures.

4. 'Glocal' ['global' + 'local'] entrepreneurs

Multinational corporations are typically alien to local communities and thus may be unable to develop relevant products and services. Businesses are more likely to succeed in developing scalable business templates if they have a 'glocal' perspective, that is, they know and are committed to local communities, yet can also take a broader perspective beyond the original community they developed their solutions for.

5. Simplicity

The rate at which businesses can develop and replicate is also affected by the level of behavioral change they require on the part of customers. Businesses want to minimize the extent to which their model requires behavioral change. If the model requires substantial change in people's habits and norms, businesses will be more likely to overcome resistance if they position their products or services as status symbols. Companies can also make their products more desirable by leveraging the power of early adopters or opinion leaders, such as well-respected community members.

6. Co-creation

Due to the dearth of disposable income in bottom of the pyramid markets, offering opportunities for local people to not only spend but also earn is often critical. If firms incorporate local people into their business templates as co-creators -- for instance, as producers, not just consumers, the solution is more likely to be relevant and generate income, thus raising demand for the company's products or services.

3 mechanisms for replication success

Once businesses have succeeded in developing viable business templates for base of the pyramid markets, the next step is to attempt to replicate such templates at scale. 3 key mechanisms contribute to successful replication:

1. Infrastructure building

The success of replication sometimes depends on factors that are beyond a firm's sphere of influence. Working with other interested parties, such as NGOs, foundations or local government, helps build the missing infrastructures, facilitating the scaling of its business templates. This ensures that infrastructure costs are not borne by the focal firm alone.

2. Visibility of activities

Local audiences might perceive high visibility as evidence of high profitability. Thus, demands for contributions from outsiders can hinder the growth of a new firm. For businesses to succeed in template replication, it is best to keep a low profile at the outset while the business still lacks the size to withstand external pressures and demands for illicit payments. Once businesses are well-established, promoting and enhancing the visibility of their activities may turn beneficial and win new allies and partners.

3. Leverage by influential organizations

Entrepreneurs often get too attached to their idea and cannot easily cede control and develop the structures needed for the business to grow at scale. Yet when a business has already developed a viable template, it may scale faster if it works in collaboration with other influential organizations, such as government bodies, local or international NGOs, foundations or social impact investors. For instance, BRAC worked with international and national NGOs and foundations to successfully replicate solutions for poor consumers outside its home country (Bangladesh) in Asia, Africa and the Middle East.

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The success of replication sometimes depends on factors that are beyond a firm's sphere of influence
— ”

7 key recommendations on implementing an Industry 4.0 strategy

Business challenges of the 4th Industrial Revolution

By Carles Roig



Over the last few decades, industrial growth has declined throughout the Western world, in part due to a severe decapitalization process and the relocation of production to low-cost countries.

In this challenging scenario, there is growing awareness of the need to reindustrialize the West.

“The complexity of the environment and the opportunities offered by globalization demand the development of new attributes on which to build the industrial future,” says ESADA Associate Professor Carles Roig.

What attributes should this new industry have? According to findings published in *Harvard Deusto Business Review*, businesses that want to thrive in this environment should develop a series of new attributes that target:

- 1) Speed and flexibility of response
- 2) New formulas for collaboration and relations
- 3) Greater and better use of databases and sources of information
- 4) Implementation and good use of new manufacturing technologies

Industry 4.0 goals

The term Industry 4.0, coined in 2011, is frequently associated with the development and adoption of new technologies that are advancing at dizzying speed. Big data, the Internet of Things and Additive Technologies are the three key elements underpinning the concept of Industry 4.0.

“The main goals of this new digital industry lie in three core aspects: improving operational efficiency, optimizing design and governance of the value chain, and developing new business models,” explains Prof. Roig.

New forms of intelligence and competencies

Industry 4.0 involves developing new forms of intelligence that stimulate the generation of competencies aimed at tackling new supply and demand challenges.

“From a demand viewpoint, this means improving the capacity to interact with customers, that is, including them and giving them a participatory role in production processes in order to personalize the range of products and services offered, and also to develop business models based on customers’ needs,” says Prof. Roig.

From a supply point of view, the increased complexity of the supply chain must be compensated by developing business ecosystems equipped with the best instruments for connectivity and information transmission, but in particular by new criteria for recruitment, management and collaboration between their

Key elements of Industry 4.0

Big Data

The exponential increase in data generation and the development of sophisticated and powerful software are extending new forms of knowledge at the service of business decision-making.

Internet of Things

New ways of connecting information and improving traceability and real-time data transmission are stimulating interaction between humans and technological devices.

Additive Technologies

The development of new technologies based on robotics and 3D production are opening the door to the large-scale personalization of products and lower labor costs at any location.

members. “A swift and personalized response is prioritized over low unit costs, while the capacity to generate dynamic relationships is prioritized over the establishment of static relationships based on long-term contracts.”

Key recommendations on implementing an Industry 4.0 strategy

The research findings outline 7 key recommendations that businesses can follow to implement an Industry 4.0 strategy and improve their chances of thriving in this new digital scenario.

1. Plan the scope of your business and align your goals with the company’s general strategy. Clearly define what your goals are and prioritize your actions based on:

- > improving your operations effectiveness
- > optimizing your value chain
- > evaluating the possibility of creating new business models

2. Facilitate a work environment that promotes an open mentality oriented towards learning, change and experimentation.

3. Define the competencies that need to be developed, both internally and with external providers.

4. Recruit and manage talent, prioritizing multidisciplinary teams and the capacity to turn data analysis into a strong asset.

5. Select a team of providers with tested technologies to start growing the optimal network of partners.

6. Adopt an ecosystem perspective and develop network management abilities.

7. Start with pilot projects, validate results and systematize the learning mechanisms.

The key to reducing prejudice

How to prevent discrimination and social exclusion of minority groups

Katharina Schmid



Overcoming prejudice, discrimination and social exclusion of minority groups, such as immigrants or ethnic minorities, is one of the major challenges facing contemporary societies and workplaces. The consequences of this lack of tolerance can be dramatic, especially at a young age.

Is there a way to reduce prejudice and discrimination at a young age or it is an irreversible process? ESADE Associate Professor Katharina Schmid and her colleagues at the University of Oxford have revealed that it is not only possible to reduce prejudices, but in fact there is one specific way to prevent this change during adolescence and early adulthood. The key, the authors argue in the journal *Child Development*, lies in fostering intergroup friendship connections – that is, promoting diverse social networks that include people of different backgrounds.

“Adolescence is a particularly important period of life for developing social-cognitive skills. The social networks that people build during this stage of life can have a key impact on their future professional and social lives,” says Prof. Schmid. The findings demonstrate that having intergroup contact, such as friendship connections with different minority groups, represents a powerful way to overcome prejudice and discrimination and stimulates attitude change over time.

The authors analyzed more than 5,000 peer relationships among students attending ethnically mixed schools in England, Germany, the Netherlands and Sweden. Immigrant minority classmates included students from Turkey, Morocco, Iraq, Serbia, Bosnia and Herzegovina, Poland, Suriname and a variety of other countries.

Using a novel social network approach to estimate intergroup contact, the researchers asked students to fill out a questionnaire and write down the names of their three best friends in class as well as up to 10 general friends. Nominations were restricted to in-school friendships, so that nominated friends were also participants in the project; thus, the researchers were able to measure the diversity of each student’s social network. The researchers then also measured students’ levels of prejudice and used multilevel modelling to analyze the impact of having a diverse social network on levels of prejudice.

In a second study, the authors compared the effectiveness of intergroup friendship connections in reducing prejudice between adolescents and young adults.

Intergroup experiences to reduce prejudice

The findings show that adolescence seems to be a period in which intergroup experiences are particularly effective for developing favorable attitudes that help reduce prejudice, discrimination and social exclusion, even more so than during early adulthood. One reason for this is that individuals tend to adjust their attitudes, beliefs and behavior depending on group-specific conventions and expectations.

According to the findings, promoting diverse contact experiences at a young age is particularly effective for acquiring positive attitudes between groups: “The specific cognitive and psychosocial dynamics of adolescence – such as moral development, identity formation, importance of peers, and better understanding of social norms – can play a key role in how young people respond to diversity,” says Prof. Schmid.

“This increase in sensitivity shapes the attitudes of adolescents toward other groups and thus their future levels of prejudice and discrimination. This can also critically affect how they will engage with diversity in their adult life, such as when working in diverse workgroups or teams. Core attitudes seem to be more malleable at a young age, when they crystallize during a period of mental plasticity, and then tend to remain relatively stable in adulthood.”

Although peers and social networks remain important in adulthood, the study suggests that their influence on reducing prejudice is lower in this later life stage.

Contacts and social networks

The authors also examined the effect of different forms of direct contact between students (for example, positive face-to-face encounters between minority groups) in addition to the role that students’ social network connections in the classroom played in this process. The findings show that both direct forms of contact and indirect ones such as social networks contribute to positive attitude change. Moreover, the amount of direct and indirect contact between groups predicted students’ intergroup attitudes toward the majority-group students in class, not just the minority groups.

“Our analysis suggests that early contact experiences between different minority groups may not only be particularly effective at a young age, but that once they have improved attitudes they also increase the likelihood of future contact with other groups. This is important as it will help individuals engage with diversity more successfully and in a more tolerant manner. In today’s world, where diversity is a defining feature of organizations and societies, this is a particularly challenging but important task. Our findings show that promoting intergroup social networks, characterized by positive connections with diverse others, is an effective strategy for achieving positive and successful group relations.”

3 strategies to make Human Resources departments more effective

How HR departments can implement effective practices by working with other managers



By Jordi Trullén



Human Resources executives who work in silos cannot implement effective HR practices. ESADE Associate Professor Jordi Trullén has discovered that HR departments aspiring to be more effective need to work closely with other line managers in the company – that is, the executives who head revenue-generating departments and directly manage other employees.

“Having high-quality human resource practices in place does not ensure high performance. HR practices that are not effectively implemented may be of little help, no matter how well they address the needs of the organization and its employees,” warns Prof. Trullén in a paper published in the *Human Resource Management Journal*.

The key to ensuring high performance is for HR departments to work closely with line managers. These executives play a key role in helping HR implement effective practices by acting as ‘interpreters’ of human resource practices for employees. They are able to show how HR practices fit within their work units, and in doing so they are also able to influence employees’ responses to these practices.

Line managers’ abilities and motivation

The study shows that line managers’ ability to carry out their duties is crucial for implementing effective HR policies. “If line managers lack the necessary competences, the outcome will inevitably be poor,” says Prof. Trullén.

The abilities line managers need in order to successfully help HR departments may vary from practice to practice. For example, these abilities may be related to knowledge about relevant legislation, trade union relationships, people management skills or procedures on how to use HR practices.

But how can HR departments motivate line managers to help them in this task? Although taking on HR duties can be rewarding for line managers – it allows them to focus on strategic issues besides business targets – the study warns that it is also a source of additional work and challenges. As a consequence, line managers may prioritize operational tasks and pay little attention to the proper implementation of HR practices.

3 strategies to improve HR effectiveness

“For line managers to be committed to helping, the Human Resources department must facilitate initiatives that stimulate line managers’ desire and willingness to effectively perform their HR implementation duties,” says Prof. Trullén.

The findings reveal 3 major strategies that HR professionals can put in place to help line managers develop their abilities to become effective HR implementers.

1. Ability-enhancing initiatives

The Human Resources department needs to provide line managers with ability-enhancing initiatives through actions such as HR training, HR support materials and HR support services like an open-door policy, as well as the use of in-the-field HR specialists.

2. Motivation-enhancing initiatives

HR specialists also need to promote initiatives that enhance a line manager’s motivation to contribute. Framing HR policies in appealing ways and actively involving line managers in strategic decisions are among the initiatives that can enhance line managers’ ability to implement effective HR practices.

In the development of HR policies, the researchers show that recognizing line managers’ implementation efforts is also an asset.

3. Opportunity-enhancing initiatives

For line managers to be effective, HR departments may also benefit from hiring consultants, seeking CEO support for practices and exploiting windows of opportunity.

“We show that hiring consultants gives legitimacy to HR implementation in the eyes of employees, thus facilitating implementation. We have also observed that another powerful means of generating a favorable implementation scenario is when HR managers take the initiative to seek the CEO’s active support,” says Prof. Trullén.

An additional way in which HR departments can make line managers more effective is by exploiting windows of opportunity – that is, moments when organizational or outside events create favorable conditions for the introduction of HR practices.

One last piece of advice: Pay more attention to line managers’ selection

The findings also demonstrate that for line managers to be effective, their selection process needs to be taken very seriously. “When choosing line managers, the HR department needs to select those who have management skills and are strategically qualified to take on this joint task with HR.”

How entrepreneurs can attract investors

Investing in start-ups is a very risky proposition, as most of them will fail within the first 5 years, according to the US Bureau of Labor Statistics. Lacking collateral, a proven track record, or even a validated business idea, most start-ups struggle to raise capital from sceptical investors, and many are unsuccessful at it. Yet, some start-ups do manage to raise the capital they need. How do they do it?

New research by ESADE Assistant Professor Jaume Villanueva in the *International Journal of Management Reviews* reveals some of the strategies that entrepreneurs have at their disposal for attracting investors.

What is the secret to attracting investors as an entrepreneur?

After an exhaustive review of the literature for the past 30 years on this topic, we reached the conclusion that there are few strategies entrepreneurs can use to attract investors. In fact, one could group all the activities that successful entrepreneurs engage in into two overarching strategies, which we call projective and interpersonal. While interpersonal strategies focus more on exploiting entrepreneurs' social networks, the focus of projective strategies is on persuading investors of the merits of the idea as an attractive, worthwhile investment opportunity. It is really about projecting a vision of the future that is so compelling, so attractive, that investors will fall over themselves to get a slice of the action. The name of the game

“ ———
Most investors are quite sceptical and are likely to have lots of doubts about any given investment opportunity
 ——— ”

for investors is growth, of course, and that is what the projective idea of the future must focus on...a slice of the pie that today is worth, say \$100 thousand could be worth a million 5 years from now. These kind of projections play a key role in 'selling' the investment.

But projections are not tangible results...

We talk about projective in the sense of conveying a desired vision of the future, not actual forecasts (although financial forecasts are expected). Actual financial forecasts are not, per se, what will attract investors. Most investors are quite sceptical and are likely to have lots of doubts about any given investment opportunity. It is unrealistic to think that one can fully convince them. What one needs to strive for, as an entrepreneur, is to create a seed of doubt ("maybe it will work out"). Speaking colloquially, one needs to foster FOMO (Fear Of Missing Out). Investors may not be fully convinced and may still have a lot of doubts about the potential of the venture but what if they are wrong? "What if I am missing out on the next Snap, Twitter or Facebook?" It is the fear of missing out on a great opportunity that may help entrepreneurs overcome the doubts that rigorous risk analysis on the part of investors will inevitably raise.

What other strategies can entrepreneurs use?

Another way for entrepreneurs to attract external resources is by using interpersonal strategies. This type of strategy is based on the relational capital that exists between the entrepreneur and the potential investor, in other words, using one's connections. This does not mean that the quality of the opportunity is irrelevant, or that expectations of the future do not come into it. What it means is that the focus of the strategy is on the relationship of the entrepreneur with the potential resource provider, rather than on the nature of the venture itself. Interpersonal strategies appeal to the investor's sense of obligation and reciprocity toward the entrepreneur based on the nature of their relationship.

Your research shows that entrepreneurs can use the same type of tools for both projective and interpersonal strategies.

Yes. First, it should be said that these two types of strategies are not mutually exclusive. Entrepreneurs can simultaneously engage in both projective and interpersonal strategies. Second, when it comes to the tools that entrepreneurs have at their disposal to implement these strategies, it seems that the list of alternatives is also fairly limited. We have identified four main types of tools by which entrepreneurs implement their resource acquisition strategies, both projective and interpersonal. One of the most common and most effective set of tools is what we call 'Words', which refers to what entrepreneurs say and how they say it, in any given communication form, to influence investors' perceptions regarding the future of the new venture (in the case of projective strategies) or the nature of their relationship with the entrepreneur (in the case of interpersonal strategies).

Another set of tools for entrepreneurs is what we call 'Actions', which refers to specific activities that entrepreneurs undertake to signal positive qualities about the venture (projective) or to exploit ties with investors (interpersonal). 'Associations' is another set of tools, which consists in creating or demonstrating ties with prestigious or reputable parties to signal positive qualities about the venture and its potential. Signalling is a common strategy in contexts of very high uncertainty, as is the case in investing in start-ups. Although investors may be unsure of whether the start-up will succeed or not, knowing that other reputable parties are tied in lowers their sense of the risks involved. Finally, what we call 'intangibles' are a set of tools by which entrepreneurs exploit are 'soft' assets at their disposal, such as skills, capabilities, intellectual or symbolic capital, to gain access to external resources.

Have entrepreneurs access to all these tools? Is there a set of tools that works better than others?

Most entrepreneurs will not have access to all these tools. Some will be able to engage in relationships with prestigious parties, others will not. Some will be able to carry out activities that could be perceived as high quality by investors, others will not. It is up to each entrepreneur to understand the tools at his/her disposal and the ways in which they can be exploited in the implementation of a successful resource acquisition strategy.

One thing all entrepreneurs have in common is the ability to communicate with potential investors in some way or another. For this reason, 'Words', or the set of tools underlying any communication strategy, such as rhetoric or storytelling, are probably among the most useful ones for entrepreneurs, or at the very least, among the most widely available. For projective strategies, in particular, evidence suggests that the way entrepreneurs pitch their new projects influences how potential investors see business opportunities. It is no secret that telling a good story will go a long way.

Does storytelling really persuade investors?

There is growing evidence that it does. In fact, I am conducting research in this area myself. For example, I have run an experiment with a sample of angel investors in which the description of a new venture opportunity was altered at the narrative level, while keeping everything else equal. Investors were randomly assigned to one of the conditions and were then asked to evaluate the new venture in several ways. Results show that the narrative version affected investors' assessments in several respects, albeit in an inconsistent manner (some positively, others negatively). Much remains to be understood about the effect of storytelling and other forms of communication on investors' assessments, but it seems clear that they do have an impact. All we know at this point is that, regardless of the kind of communication used, entrepreneurs should pitch to investors the best, most compelling, credible and attractive version of their vision of their venture's future.



Hiring a Chief CSR Officer improves firm performance

The financial benefits are greatest
if the appointed executive is a woman

By Frank Wiengarten



Do you want to improve your company's financial performance? If so, then hire a Chief Corporate Social Responsibility (CSR) Officer.

ESADE Associate Professor Frank Wiengarten and his research colleagues at the Hong Kong Polytechnic University have demonstrated that Chief CSR Officers, under certain conditions and with certain characteristics, improve a firm's financial performance in terms of return on assets (ROA).

Under what circumstances – and to what extent – can a Chief CSR Officer impact a company's financial performance?

"Our findings in the *Journal of Business Ethics* demonstrate that appointing a Chief CSR Officer does more than improve financial performance. More importantly, we employ a behavioral perspective and explore how certain characteristics of the CSR executive impact financial performance. We found that the best financial performance is achieved if the appointee is female with a CSR functional background," says Prof. Wiengarten.

To be effective, the Chief CSR Officer needs to be part of the top management team, which is directly involved with strategic decisions made by the CEO.

CSR and financial performance

Previous research has confirmed the impact that improvements in environmental and social performance can have on financial performance. According to Prof. Wiengarten, appointing a Chief CSR Officer can help to enhance a company's reputation, thereby positively affecting its financial performance.

"Effective sustainability strategies can help to reduce costs, which in turn can have a positive impact on financial performance," explains Prof. Wiengarten. "We believe that the Chief CSR Officer has a substantial influence on effective sustainability strategy."

Female Chief CSR Officers

Gender does matter. Previous research has demonstrated that gender diversity in the top management team can generate economic gains.

"Previous studies suggest that women are more concerned with ethical and CSR behaviors, are more inclined to build harmonious relationships and help others, and are more likely than men to be ethical," explains Prof. Wiengarten.

"In our study, we found that greater performance benefits can be expected in terms of ROA if the CSR executive is a woman."

Internal hire, functional background and newly created position

Other aspects that contribute to greater financial performance are for the CSR executive to be an internal hire (instead of externally recruited) and to have a relevant functional background, as it will allow him or her to be more influential in the firm's strategic decisions.

Another characteristic that contributes to improving firm performance is for the CSR position to be a newly created strategic role within the company. This sends signals to both internal and external stakeholders that the CSR role is being elevated to the strategic level.

The researchers warn that in order to implement an effective sustainability strategy, the Chief CSR Officer should have a high level of technical knowledge of the operations process as well as solid managerial skills to encourage a new corporate culture and liaise with various internal stakeholders.

“ —
To be effective,
the Chief CSR Officer
needs to be part of the top
management team, which
is directly involved with
strategic decisions
made by the CEO

— ”

ESADE Research Impact

Research Impact on Teaching



ESADE is committed to enhancing education by incorporating cutting-edge research in the teaching process. To give participants a real-world experience, ESADE professors bring their latest research findings into the classroom - such as cases, research articles and academic publications - in order to provide students with research-backed management and business strategies.

During the 2016-2017 academic course, the Center for Educational Innovation (CEI) and the ESADE Deanship of Faculty and Research conducted a series of roundtables with Faculty members to discuss the challenges and strategies professors are using to leverage research and teaching.



1st edition Round Table 'Bridging Research and Teaching' - STRATEGIES TO LEVERAGE RESEARCH WHEN TEACHING I

April 26, 2017, ESADE Sant Cugat

ESADE Professors conducting the session:
César Arjona, Katharina Schmid & Carolina Villegas



2nd edition Round Table 'Bridging Research and Teaching' - STRATEGIES TO LEVERAGE RESEARCH WHEN TEACHING II

May 16, 2017, ESADE Barcelona

ESADE Professors conducting the session:
Núria Agell, Marco Bertini, Oriol Iglesias & Pep Mària



Research Impact on Companies



R&D and the corporate world

Cutting-edge research results have great potential to help companies **solve complex needs and challenges** that require solid data-backed decisions.

Over the years, ESADE researchers have built strong partnerships with the corporate world across the globe. Today many of our researchers are helping companies to tackle their most pressing challenges by sharing data results, offering strategic guidance and taking on **strategic research projects** that help firms improve their performance and answer their most pressing business questions.

Strategic partnership highlights

Gas Natural Fenosa

ESADE

RAMON LLULL UNIVERSITY

ESADEgeo-CENTER
FOR GLOBAL ECONOMY
AND GEOPOLITICS

GAS NATURAL FENOSA – ESADE
CHAIR IN THE GEOPOLITICS
OF ENERGY



The **Gas Natural Fenosa–ESADE Chair in the Geopolitics of Energy** was launched in July 2016 to meet a need for more research and discussion on the geopolitics of energy, an ever-shifting and ever-important field. The Chair engages in independent, rigorous academic and applied research in order to help policymakers, practitioners, researchers and the general public pilot the changing landscape of the geopolitics of energy.

Focusing both on policies and geopolitics related to a broad range of energy types, the knowledge produced by the Chair is disseminated through publications (energy papers), workshops, seminars and other channels. Among the Chair's activities during the 2016-2017 academic course was the publication of the Working Paper *The governance of the EU's Energy Union: bridging the gap?*, developed thanks to the strategic partnership and financial support of Gas Natural Fenosa.

Mercadona



ESADE Professor Josep Francesc Valls and **Mercadona** have joined efforts to conduct research on the evolution of consumers' price sensitivity in Spain. The joint report *Evolution of price sensitivity* reveals how consumers have changed their buying habits from 2009 to 2017 and how their drop in purchasing power has promoted an increasing interest in promotions, discounts and lower prices.

This report, which will be released in December 2017, has been possible thanks to the ongoing research collaboration between Mercadona and researchers at the ESADE Marketing Department.

Banco Sabadell

The **Banco Sabadell** has built a strong research partnership with ESADE professors in the Department of Economics, Finance and Accounting.

Among the results of this partnership is the publication of the **ESADE Economic and Financial Report**, a joint research report that provides a snapshot of the global economy and offers latest trends and financial predictions.

Sabadell



EY Foundation

Published by the ESADE Institute for Social Innovation in collaboration with the **EY Foundation**, the annual publication *Antenna for Social Innovation: Trustful and Trustworthy* examines the creation of trust in the new digital environment.

In terms of social innovation, this is an unprecedented scenario for designing a socio-technical architecture that can **help to generate a positive social impact** in areas such as social cohesion and economic inclusion.

EY Fundación



Caja de Ingenieros Foundation

During the 2016-2017 academic year, ESADE researchers at the Institute for Social Innovation worked together with **Caja de Ingenieros Foundation** to publish the report *La transición hacia una economía baja en carbono*.

This joint research study was aimed at raising awareness on the importance of CO₂ emissions, the consequences of climate change and how organizations can face this scenario with socially-responsible and sustainable investments.

Fundación
Caja de Ingenieros



Robert Bosch Stiftung

In February 2017, **Robert Bosch Stiftung**, one of the largest corporate foundations in Germany, started a joint project with ESADE researchers to provide meaningful insights into how to best tackle complex societal challenges.

The project *A Lab on Labs: Exploring the spaces and methods of social innovation laboratories* is set to address a series of questions to bring forth scalable and sustainable positive change, such as knowing what the most effective methods employed by social innovation labs are, or how social innovation labs can maintain a radical and creative edge while being embedded in the current system. This project also received the support of the BBVA Foundation.

**Robert
Bosch
Stiftung**

Santander Universities

The research activities carried out by the ESADE Entrepreneurship Institute are possible thanks to the ongoing support of **Santander Universities**. Both institutions signed a strategic alliance in 2010 and have been since jointly promoting entrepreneurship and supporting research projects developed by the ESADE Entrepreneurship Institute.

This strategic research collaboration with ESADE has allowed both institutions to help advance knowledge on technological development, innovation and responsible entrepreneurship in Spain.

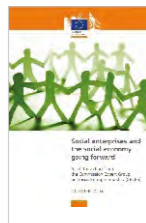
Santander
UNIVERSIDADES

Research Impact on Society

ESADE is strongly committed to advancing research in the areas of **social responsibility** and **sustainable development**. Our Faculty members contribute to generating empirical knowledge that helps organizations in their mission of becoming more sustainable while bringing social, environmental and economic value.

Our Faculty participate actively in discussions, debates and research projects related to social responsibility and sustainability by bringing their expertise in their respective areas of knowledge. The research generated by our Faculty members has also a direct **impact on society** by addressing pressing issues in business ethics, sustainability, technological and economic challenges, as well as social inequalities, among others.

Research highlights



GECES Report on social entrepreneurship

Lisa Hehenberger, Director of the ESADE Entrepreneurship Institute, has been a key player in the GECES Report *Social enterprises and the social economy going forward*, published in October 2016. The report is a call for action from the Commission Expert Group on Social Entrepreneurship. Professor Hehenberger is Member rapporteur of the Sub-group on Impact Measurement and rapporteur on the Working Group on Access to Finance of the European Commission's expert group on social business (GECES).

SDG Observatory



The ESADE Chair in Leadership and Democratic Governance has joined efforts with CaixaBank and La Caixa Foundation to create the SDG Observatory. This research center's mission is to improve the understanding and conceptualization of the nature and forms of the private sector's role in helping to achieve the Sustainable Development Goals (SDGs). The SDG Observatory is, in itself, a partnership between stakeholders committed to the SDGs who embody a variety of approaches and generate different types of social impacts - SDG-aligned business leadership, social debate and public awareness-raising, knowledge generation, etc. - promoted by the cities of Barcelona and Madrid.



SUSTBUS Project towards sustainable business models

Launched in December 2016, the SUSTBUS Project is a 2-year research initiative funded under the ERASMUS + Program. The ultimate goal of this project, led by ESADE Professor David Murillo, is to contribute to higher education by developing competencies and teaching content on the integration of sustainability concerns in economic decision making and in the design and innovation of business models.

The need to further integrate sustainability into business school curricula is essential for ensuring that business school candidates are equipped with the competence to face these challenges in business practice.



EUInnovate. Innovating in search of sustainability

Funded by the European Commission, the EU Innovate project aims to investigate the creative, innovate and entrepreneurial roles of users in developing sustainable novel products, services and systems.

EU-Innovate focuses on the potential contribution to sustainability-driven open innovation processes, both within and outside of corporate value chains – and by extension which policy mechanisms and corporate approaches can best enable the creation of new enterprises that create jobs and enhance competitiveness in Europe.



mySMARTLife: Sustainable cities for a better future

The mySMARTLife project pursues the smart transition of EU cities towards a new concept of smart life and economy. The project aims at developing a strategy that transforms current urban areas into **sustainable environments** capable of responding to the most pressing challenges facing cities in the coming years.

ESADE, through the Center for Public Governance (ESADEgov), is responsible for analyzing the key factors to ensure that the sustainable business schemes promoted by these new urban models will be consistent and lasting.



ESADE offers three research-oriented programs for professionals with management and law training and a strong foundation in theoretical management methodologies for basic and applied research.

Research Programs at ESADE offer promising careers. Our PhD alumni work in top universities and research institutions around the world.

FACTS & FIGURES

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NATIONALITIES



1

URL EXTRAORDINARY
PhD AWARD



MOHAMMAD GHADERI



PhD Placement 2016-2017



Luis Araya Castillo

Associate Professor and Director of Escuela de Administración y Negocios Universidad Miguel de Cervantes
Santiago, Chile



Mehdi Bagherzadeh Niri

Assistant Professor of Innovation, Management Strategy and Entrepreneurship
Department NEOMA Business School
Paris, France



Javier Capapé Aguilar

Researcher at Sovereign Wealth Lab, Instituto de Empresa
Madrid, Spain



Esther Hennchen

Postdoc researcher, University College Dublin
Dublin, Ireland



Tanusree Jain

Assistant Professor at Trinity College, The University of Dublin
Dublin, Ireland



Melissa Jo Lee

Assistant Professor, Louisiana State University in Baton Rouge
Louisiana, USA



Stefan Markovic

Assistant Professor, Department of Marketing, Copenhagen Business School
Copenhagen, Denmark



Leticia P. Mosteo Chagoyen

Lecturer at International Business School Intebus, Hochschule Fresenius
University of Applied Sciences
Idstein, Germany





JORDI ADELL MARTÍNEZ

Análisis y proposición de criterios interpretativos en relación a los supuestos de calificación culpable del concurso de acreedores establecidos en el art. 164.2.1º de la Ley 22/2003, de 9 de julio, Concursal

Director: Miguel Trías Sagnier
Ramon Llull University (URL), ESADE Law School



LUIS ANDRÉS ARAYA CASTILLO

Impact of international diversification on the performance of Spanish multinationals: the moderating role of the firm's sector and the firm's geographical focus

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



ELISABETH GARCÍA CUETO

La ineficacia de la vocación hereditaria por falta de conocimiento del *ius delationis*

Director: Teresa Duplá Marín
Ramon Llull University (URL), ESADE Law School



MOHAMMAD GHADERI

Preference disaggregation: towards an integrated framework

Directors: Nuria Agell (Ramon Llull University URL, ESADE Business School), F. Javier Ruiz (Universitat Politècnica de Catalunya)



ALBERT ARMISEN

Innovativeness of ideas from crowdsourcing discussions

Directors: Ann Majchrzak (University of Southern California) & Esteve Almirall
Ramon Llull University (URL), ESADE Business School



JAVIER CAPAPÉ

Sovereign Wealth Funds: strategic governance and responsible ownership

Directors: Ruth Aguilera (Northeastern University, ESADE Business School), Javier Santiso (IE Business School)
Tutor: Vicenta Sierra
Ramon Llull University (URL), ESADE Business School



SOLANGE HAI

Walking a tightrope: understanding and managing tensions in social enterprises

Director: Daniel Arenas
Ramon Llull University (URL), ESADE Business School



MELISSA LEE

Open strategies for innovation in the public sector: challenges and opportunities

Director: Esteve Almirall
Ramon Llull University (URL), ESADE Business School



RYAN FEDERO

Governing those who govern: essays on the governance of intergovernmental organizations

Director: Angel Saz
Ramon Llull University (URL), ESADE Business School



PATRICIA ESTHER FONT GORGORIÓ

Problemáticas fiscales en la calificación y valoración de la relación socio-profesional y sociedad profesional

Director: Joan Pagés i Galtés (Universitat Rovira i Virgili)
Tutor: Sergio Llebaría Samper
Ramon Llull University (URL), ESADE Law School



SUSANNA SALVADOR

Holding the stick at both ends: the design of Network Administrative Organizations

Director: Angel Saz
Ramon Llull University (URL), ESADE Business School

Research Day

How can organizations achieve high-performance levels and ensure high-impact results? The ESADE Research Day, held at ESADEForum on May 2nd, brought together **top-order international speakers and leading ESADE researchers** to discuss recent developments and future challenges organizations need to address if they are to be effective.

The event attracted nearly 200 participants, about half of which were external guests coming from research institutions, foundations, companies, consulting services, universities, business schools and independent professionals.

The high interest shown by professionals and researchers from outside ESADE came from different sectors, including companies and consulting services, which represented over 50% of the external registered participants. Representatives from research institutions and foundations were the second sector with the highest number of registered participants from outside ESADE (23%). Researchers from universities and representatives from other business schools (13%), as well as Independent professionals (12%) were also among the panel of registered participants.

Top speakers such as Harvard Professor Michael Beer, Stanford University Professor Kathryn Shaw and CASS Business School Professor Laura Empson shared their latest research insights on how organizations can improve their performance and impact. Executives, researchers and industry professionals learned about **the latest breakthroughs regarding high-performance and high-impact organizations** and discussed the applicability of these ideas to their own business realities.



ESADE Research Day

May 2, 2017

Plenary speakers

> **How to create the high-performance, high-commitment organization**
Michael Beer, Professor Emeritus, Harvard Business School

> **Managing talent in high-performance organizations**
Kathryn Shaw, Ernest C. Arbuckle Professor of Economics at the Graduate School of Business, Stanford University

> **Managing the modern law firm**
Laura Empson, Professor in the Management of Professional Service Firms, CASS Business School

ESADE speakers

> **Only the brave: Product innovation, service business model innovation, and their impact on performance**
Ivanka Visnjic, Assistant Professor, Department of Operations, Innovation and Data Sciences

> **Current trends in corporate compliance**
David Velázquez, Lecturer, Department of Law

> **Creativity for Business Innovation Challenge (C4BI)**
Marcel Planellas, Professor, Department of Strategy and General Management. Educational Innovation Award 2016

> **Scaling impact: Template development and replication at the base of the pyramid**
Dimo Ringov, Assistant Professor, Department of Strategy and General Management

> **Sustainability and supply chain management**
Cristina Giménez Thomsen, Professor, Department of Operations, Innovation and Data Sciences

> **Teaching Economics: Understanding the value of the economic analysis for business and law students**
Pedro Aznar, Lecturer, Department of Economics, Finance and Accounting. Teaching Excellence Award 2016



ESADE PhD Graduation Ceremony

The graduation ceremonies for the PhD in Management Sciences and for the PhD in Law were celebrated as part of ESADE's Research Day.



PhD Graduates in Management Sciences 2016-2017

Mehdi Bagherzadeh Niri	Ana López Ranz
Alessandro Comai Kraus	Enrique López Viguria
Neus Feliu Costa	Stefan Markovic
Hugo Gaggiotti Tuero	Leticia Pilar Mosteo Chagoyen
Esther Hennchen	María José Parada Balderrama
Tanusree Jain	Margarida Truninger De Albuquerque

PhD Graduates in Law 2016-2017

Antonio Delgado Planas

Awards & Other Recognitions

Research Awards

ANA VALENZUELA

Seth Foundation Dissertation Award: “Cultural effects on intertemporal choice: a sequential mediating model of time orientation, fatalism and future self-connectedness”

Association for Consumer Research, Berlin (Germany)
September 2016

ARIADNA DUMITRESCU

Runner-up Best Paper Award: “Familiarity and competition: the case of mutual funds”

Financial Management Association International (FMA), Houston (USA)
October 2016

SIMON DOLAN

Best Reviewer Award

Kindai University, Osaka (Japan)
December 2016

ANGEL SAZ

Directorate-General for Education and Culture Success Stories - Jean Monnet MEKBiz project

European Commission, Brussels (Belgium)
January 2017

DIEGO ROBELO, MASAOKI HAMADA, MICHAEL CAPPELL & MARÍA JOSÉ PARADA

Global Family Enterprise Case Competition - Best Graduate Presenter

University of Vermont (USA)
January 2017

LLUIS MARTÍNEZ-RIBES

Finalist at Euroshop Retail Design Award 2017: “GranOptic Goya project”

EHI Retail Institute, Köln (Germany)
March 2017

MARCEL PLANELLAS & IVAN BOFARULL

Innovations that Inspire 2017: “Creativity for Business Innovation Challenge (C4Bi)”

Association to Advance Collegiate Schools of Business (AACSB International), Houston (USA)
April 2017

LUISA ALEMANY, EUGENIA BIETO & LOURDES URRIOLAGOITIA

Best European Entrepreneurship Case: “Scytl Case”

European Foundation for Management Development (EFMD), Brussels (Belgium)
June 2017

Other recognitions

MARCO BERTINI

Thinkers50 Radar

Thinkers50, Wargrave (UK)
April 2017

ENRIQUE LÓPEZ VIGURIA

Doctor Honoris Causa by the Universidad Católica de Córdoba

Universidad Católica de Córdoba, Córdoba (Argentina)
August 2017

ESADE Faculty in Editorial Boards of Impact Factor Journals

NURIA AGELL

Information Fusion

RUTH AGUILERA

Organization Science

Corporate Governance: An International Review Journal of International Business Studies

Academy of Management Perspectives

Strategic Management Journal

Global Strategy Journal

Organization Studies

DANIEL ARENAS

Business Ethics: a European Review

JOAN M. BATISTA FOGUET

Frontiers in Psychology

JAIME BONACHE

International Journal of Human Resource Management

ELENA BOU

Management Learning

JAN BRINCKMANN

Journal of Business Venturing

Entrepreneurship Theory & Practice

HENRY CHESBROUGH

Research Policy

California Management Review

MIT Sloan Management Review

SIMON DOLAN

Cross Cultural Management: An International Journal

Career Development International

EuroMed Journal of Business

SKANDER ESSEGHAIER

International Journal of Research in Marketing

MARC ESTEVE

Local Government Studies

International Public Management Journal

CRISTINA GIMÉNEZ

International Journal of Operations & Production Management

ALBERTO GIMENO

Journal of Family Business Strategy

JOSEP M. LOZANO

European Management Review

Ethical Perspectives

IGNASI MARTÍ

Organization Studies

MARCEL PLANELLAS

Revista Latinoamericana de Administración

PETYA PLATIKANOVA

Financial Analysts Journal

JOAN RODON

Business & Information Systems Engineering

KATHARINA SCHMID

Group Processes & Intergroup Relations

Social Psychology Quarterly

International Journal of Conflict and Violence

JORDI TRULLÉN

Organization Studies

ANA VALENZUELA

Journal of International Marketing

International Marketing Review

Journal of Consumer Behavior

WIM VANHAVERBEKE

Journal of Engineering & Technology Management

JONATHAN WAREHAM

MIS Quarterly

Journal of Strategic Information Systems

Journal of Information Technology

Journal of the Association for Information Systems

Information & Organization

FRANK WIENGARTEN

Journal of Operations Management

International Journal of Operations & Production Management

International Journal of Production Economics

TAMYKO YSA

Public Management Review

Research Seminars



MOHAMMAD REZAADE

Associate Professor at the Knowledge, Information, and Innovation (KIN) research group, Vrije Universiteit Amsterdam

October 21, 2016

Exploring the patterns of online privacy policy changes: unpacking the paradox of conformity and opportunism



JEROEN MEIJERINK

Assistant Professor at University of Twente

November 29, 2016

How do employee perceptions of high performance work systems relate to employee performance? A meta-analysis



GEORGE CHONDRAKIS

Assistant Professor at University of Twente

December 2, 2016

They come, they go, but relationships stay: The moderating role of contracting strategy on the effects of employee mobility



SANG YOON (TIM) LEE

Assistant Professor at Toulouse School of Economics

March 17, 2017

Horizontal and vertical polarization: task-specific technological change in a multi-sector economy



MICHAEL KAGANOVICH

Professor at Indiana University

March 20, 2017

College curriculum, diverging selectivity, and enrollment expansion



VASILIKI KOSTAMI

Assistant Professor of Management Science and Operations at the London Business School

March 23, 2017

Pricing and capacity allocation for shared services



ALLAUDEEN HAMEED

Professor at Provost's Chair, National University of Singapore

December 16, 2016

Dividend clientele and return comovement



RICHARD BOYATZIS

Professor at Case Western Reserve University

January 12, 2017

Approaches to theories of change



PEDRO REY BIEL

Assistant Professor at the Autonomous University of Barcelona

January 13, 2017

Expectations, satisfaction, and utility from experience goods: a field experiment in theaters



JONATHAN SHAW

Senior Research Economist at The Institute for Fiscal Studies

March 31, 2017

The redistribution and insurance value of taxes and transfers



JAIME ALONSO-CARRERA

Professor in Economics at Universidade de Vigo

April 28, 2017

Anatomizing the mechanics of structural change



VICENTE CUÑAT

Associate Professor at the London School of Economics

May 26, 2017

Price and probability: decomposing the takeover effects of anti-takeover provisions



DIMITRIS ASSIMAKOPOULOS

Professor at EM Lyon Business School

January 19, 2017

The incommensurability paradox in the emergence of a cross-disciplinary "particle therapy" community: from CERN through Siemens to Heidelberg Hospital the overlapping dualities between science-tech & medicine



ECKHARD JANEBA

Professor at University of Mannheim

January 27, 2017

Preferences over taxation of high income individuals: evidence from online and laboratory experiments



IBRAHIM ABOSAG

Senior Lecturer in Marketing at The School of Oriental and African Studies, University of London

February 22, 2017

The paradox of brand similarity with customer uniqueness on social network sites' satisfaction



ANNE TSUI

Adjunct Distinguished Professor at the University of Notre Dame, Motorola Professor Emerita of International Management at Arizona State University and Visiting Distinguished Professor at Peking University and Fudan University, China

June 12, 2017

A vision of responsible research in business and management: striving for credible and useful knowledge



DENNIS QUINN

Professor at the McDonough School of Business, Georgetown University

June 26, 2017

The political origins of exchange rate valuation

Special Thanks

Companies and foundations that contribute to research projects and to the ESADE foundation purpose

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Inspiring futures

At ESADE we aim, through education, research and social dialogue, to inspire “the futures” of people determined to be competent professionals in the business and legal worlds and socially-responsible citizens.



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