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### Other Academic Publications

- 10 books
- 25 book chapters
- 6 International publishers
- 4 National publishers
- 18 International
- 7 National

- 67 Papers accepted in academic conferences
- 3 Cases
- 2 Esade publications
- 6 Doctoral theses
Faculty dedicated to research

During the 2018-19 academic year, no fewer than 139 faculty members contributed to advancing academic research in their respective disciplines.

Research budget 2018-2019

Total research funding

€5,161,107

Internal funding

€2,289,080 (44%)

External funding

€2,872,027 (56%)

External funding sources

Public

€1,390,686 (49%)

Private

€1,435,335 (51%)

Accreditations and merits in research evaluation

Faculty accreditations

The quality of faculty members’ research and teaching is assessed by the external accreditation bodies ANECA (Spanish National Agency for Quality Assessment and Accreditation) and AQUU (Catalan University Quality Assurance Agency). These types of accreditations are required for promotion within the university system. Number of Esade faculty holding ANECA and/or AQU accreditations:

<table>
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<tr>
<th>Accreditation level</th>
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<th>2018-19</th>
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Research merits

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

<table>
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<th>Faculty with six-year periods of research activity</th>
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<td>2 six-year</td>
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<tr>
<td>1 six-year</td>
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Research projects

143 project partners from around the world

Over the 2018/19 academic year, researchers in Esade Knowledge Units participated in 68 competitive research projects at the national and international levels.
Knowledge Generation Units

UMBRELLA CENTERS

BUSINESS SCHOOL

Center for Global Economy and Geopolitics (EsadeGeo)

Center for Public Governance (EsadeGov)

Esade Entrepreneurship Institute (EEI)

Institute for Data-Driven Decisions (EsadeD3)

Institute for Innovation and Knowledge Management (IIK)

Institute for Social Innovation (IIS)

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

Research Group on Entrepreneurship (GRIE)

Research Group on Judgements & Decisions in the Marketplace (JUICE)

Research Group on Corporate Social Responsibility (GRRSE)

Center for Innovation in Cities (CIC)

PARTNERS Programme

Institute for Healthcare Management

Observatory of Spanish Multinational Companies (OEME)

Chair of Leadership & Democratic Governance

STAND-ALONE SGR RESEARCH GROUPS

Business Network Dynamics (BuNeD)

Group for Research on Economics & Finance (GREF)

Leadership Development Research Center (GLEAD)

LAW

Patrimonial Law Group

Research Group on Conflict Management

Institute for Labour Studies (IEL)

The Jean Monnet Chair at Esade
Esade Highlights
Fearful consumers can hinder the development of green technologies

Firms developing products and services that tackle grand societal challenges have better chances of success when they address people’s fears, habits and routines.

There is a pressing need to develop products and services that tackle grand societal challenges. In this environmental quest, green technologies often require changing social norms and people’s expectations. This is not an easy task: social innovation is a two-way street. Without consumers, innovation would never make it to the market.

In our article published in Business & Society, we demonstrate how the involvement of future consumers in these green technologies is fundamental for market success. Firms developing technologies that target social challenges have greater chances of success when they engage and interact with future users throughout the entire innovation process.

“Green technologies often require changing social norms and people’s expectations”

We compared four case studies involving a variety of new environmental products and services, including electric vehicles, shared bicycle systems, charging networks and smart housing technology.

Our findings show that fearful consumers can hinder social innovation and that one of the keys to increasing a product’s chances of success in the market is to tap into people’s expectations, fears, habits and routines. Why? Because direct and indirect interactions with consumers during the development phase create physical experiences and positive emotions that counteract potential fears.
TAPPING INTO PEOPLE’S FEARS

To challenge prevailing fears among potential users concerning the new technology (e.g. doubts about its functionality and fears of sacrifice), the firms in our study created a variety of experiences and on-site demonstrations to familiarise users with the new technology.

“One of the keys to increasing a product’s chances of success in the market is to tap into people’s expectations”

Prior to launching the product on the market, one of the companies in our study – a French shared bicycle system provider – installed demonstration points to help users reduce their doubts and fears. Before these points were installed, users felt that it was “stressful and dangerous” to cycle in the city, as the “streets were too narrow for people to cycle safely,” and they had “not even thought of buying a bicycle, as there was no place to park it.”

Besides installing demonstration points, the company also launched demonstration campaigns in the commercialisation phase, explaining to future users how the bike-sharing system worked and what measures were taken to increase road safety. These campaigns often associated bicycling with freedom and health issues to counteract the negative image of risks and danger.

The experience worked – it changed the perception of bicycle riding among future users.

Similarly, an electricity provider aiming to introduce a new e-mobility charging network in Austria claimed that users had serious concerns about the functioning of electric vehicles, particularly with regard to the limited driving range.

“Pilot studies and demonstration sites can lower consumers’ fears”

A German automobile manufacturer aiming to bring electric vehicles to the market faced the same challenge. From the very beginning of the innovation process, the company launched educational activities to cancel out users’ fears and provide empirical evidence about the technology.

For example, some users feared that electric vehicles were only appropriate for urban areas. By providing scientific evidence that showed that users in the countryside can also manage an electric vehicle, the company showed the public new domains of application.

These cases show that pilot studies and demonstration sites can lower consumers’ fears, raise public awareness and convince future users of the benefits of new technologies.

“Creating experiences that drive positive emotions can change the initial negative perception that people may have about a new technology”

The ROLE OF POSITIVE EMOTIONS

Our interviews with users who participated in test-drives of electric vehicles showed that this hands-on experience had a positive effect on their perception of the technology. Users quickly started to adopt new behaviours such as forward-looking and energy-saving driving. The test-drives also triggered positive emotions such as joy, interest and excitement, or at least reassurance and comfort.
The role of positive emotions was even more visible in several short films that the automobile manufacturer in our study displayed on a webpage. In the commercialisation phase, the firm invited bloggers, social media critics and other interested people in several major European cities to drive an electric car for free, on the condition that they allowed the company to film their first experiences with e-mobility.

The films were posted online and showed that many drivers experienced joy and happiness, excitement, inspiration and surprise about the electric car’s quietness, comfort and acceleration capacity.

Creating experiences that drive positive emotions can change the initial negative perception that people may have about a new technology. In one user’s words: "Oh my god, this is amazing... Wow! It is super smooth and quiet, I love it. I did not even realise that I turned it on. It’s like we’re gliding. This is the future. Imagine how quiet London would be with electric cars only. Usually, I’m always stressed by the noise when driving my combustion-engine car.”

In sum, throughout the innovation process, especially in the development and commercialisation phase, all the companies in our study engaged with future users and created real-life experiences with the new technology among potential users. These experiences were successful in dismantling preconceived beliefs, lowering initial fears, and providing users with the skills and experience necessary for market acceptance.
Are lawyers immoral for defending guilty criminals or greedy corporations?

Have you ever wondered why lawyers defend even people whom they suspect are guilty? It turns out attorneys are just doing their job, argues César Arjona, Associate Professor of Legal Ethics at Esade, in the Canadian Journal of Law and Jurisprudence.

**DO BETTER: DOES DEFENDING SOMEONE WHO IS GUILTY MAKE AN ATTORNEY IMMORAL?**

César Arjona: In the field of legal ethics, there’s an amorality theory that states that lawyers are not responsible for what they do as long as they are representing their clients within the law. This opens up a big question...

If you are a citizen helping a paedophile, your behaviour is obviously immoral: if you have information about a child molester, your duty is to go to the police immediately and report this wrongdoing.

However, as an attorney, your legal obligation is to keep the secrets of your client and not to go to the police, as that would make you a very bad lawyer indeed. Attorneys have a legal obligation to protect their clients and to ensure they have the maximum guarantees during the legal process.

“Something clearly immoral from a personal perspective can be justified from a lawyer’s point of view”
SO LAWYERS ARE NOT INCURRING IN IMMORAL BEHAVIOUR?

They are not, because it’s not the attorney as a person who is helping this presumed child molester. It is the lawyer within an institutional context, and it is this context that justifies the role, rights and obligations of the lawyer. Something clearly immoral from a personal perspective – such as retaining information obtained from a criminal – can be justified from a lawyer’s point of view. This amorality theory allows lawyers to do things that would be considered immoral from a personal point of view.

FOR INSTANCE?

I always show my students an example of a famous lawyer in the United States who defended a very unpopular client – a rich man who had been found guilty of killing his wife. When confronted by public opinion, the lawyer responded that he was not defending a murderer but a legal process that is there to help people with no resources who cannot afford to pay a lawyer like him.

Even though he suspected that the husband was guilty, he strongly believed that he had been judged in ways that had not been completely respectful of the legal process, and his duty as a lawyer was to make sure that the process was strictly respected.

WHAT DO YOU REVEAL IN YOUR RESEARCH FINDINGS?

I show how this amorality theory works well for criminal defence cases, where the legal context is very clear and stable. However, when you look into other areas of legal practice, this theory becomes highly problematic. In particular, lawyers operating in transnational environments work for large corporations and in very diverse contexts where the legal conditions keep changing.

When attorneys work in negotiations involving several countries, they may be increasingly beyond the scope of any identifiable rule of law system. In a way, they are no longer attorneys; they are acting as legislators, as political influencers...

IN WHAT WAY?

In my research, I use a paradigmatic example to demonstrate this: the BTC case, a pipeline project carried out by some of the world’s largest oil companies, which required crossing several countries with different legal systems.

For this pipeline to happen, the lawyers in this case – led by a law firm based in Texas – brought together the governments of the three countries involved (Azerbaijan, Turkey and Georgia) and worked with each of them to draft and sign a separate contract with the BTC consortium as well as an intergovernmental treaty among the three countries, which was drafted by the same lawyers. The contracts included very controversial aspects such as clauses exempting the companies from basic legal obligations.

“Lawyers working in transnational environments may be operating beyond the scope of law”

IS THAT LEGAL?

The problem is that as long as lawyers are working in transnational environments they may be operating beyond the scope of law of any particular legal system. If you look at it from a legal perspective, what these lawyers were doing was the same thing that lawyers working for governments do when they draft international treaties. They literally created a new domestic and international law within and between the countries involved to make the pipeline possible. They were operating beyond the rule of law.

IS ANYONE LEGALLY SUPERVISING THE POTENTIAL CONFLICTS OF INTEREST?

That’s my point. This is a simplified version of what happened, but imagine that in order to build the pipeline you need to expropriate ground from an indigenous group. As a lawyer, you
draft a binding contract where the states commit to not only disregard the interests of the people living there, but also to compensate the companies if they are found liable in a court of law for the damage caused to the indigenous group.

THIS SOUNDS VERY IMMORAL...

This is difficult to justify from a justice point of view. But my point is that if you confront one of the lawyers by telling her that what she is doing is immoral, the lawyer cannot consistently resort to the standard “amorality” answer by claiming that she is only doing her job and following her client’s instructions. Rather the opposite: the conclusion of my paper is that she cannot justify herself that way, because the scope of the amorality theory doesn’t extend to this kind of case.

BACK TO THE CHILD MOLESTER EXAMPLE: WHAT IS THE DIFFERENCE?

For the amorality theory to work, you need three conditions. First, there must be a genuine relationship between the lawyer and the client as individuals. Second, that relationship must happen within the context of a litigation process. And third, it must take place within the context of a rule of law.

In the BTC case, none of these three conditions were met. As is typical in big commercial law practice, the individual lawyers were part of large law firms working for large transnational corporations. Rather than having a lawyer and a client talking to each other, you had a complex scenario with many different players, interests and power relations.

" The dealings were taking place beyond any rule of law system "

There was no litigation process involved but precisely the opposite: part of the rationale behind the agreements was to nullify the result of litigation if it ever were to happen. The dealings were taking place beyond any rule of law system in any meaningful sense of the term. In fact, rather than abiding by the laws of the countries involved, the lawyers were literally making things up. When I say "things," I mean the law. Under these conditions, in my view, they do not have the moral protective shield that the theory of amorality provides in the more traditional domestic context.

TRANSNATIONAL LAW CAN BE A BACKDOOR FOR CORPORATIONS...

It can. I’ll give you an example. The legal documents the lawyers drafted say that many of the legal exemptions are justified by the international law principle of free transit of petroleum. The problem is that this principle did not exist — they made it up! But now it does exist, precisely because they included it in the documents and the states went along with it. So if a similar conflict arises tomorrow in a different part of the world, there is now a precedent in place.

THAT’S SCARY...

From a political and ideological point of view, it is quite scary. From a moral viewpoint, it’s very challenging because when you as a lawyer are literally creating the law, you can no longer say that you are not morally responsible. Can you imagine a member of parliament declining any moral responsibility for the law she votes for or against? These lawyers have the actual power to create laws without a democratic process.

“ When lawyers are literally creating the law, they can no longer say that they are not morally responsible ”

Professionally speaking, a criminal lawyer is not morally committed to what a child molester does. But when you take the amorality theory to these transnational fields, you can no longer hold that in a consistent way, because the conditions that sustain amorality are simply not there.

The lawyer who came up with the principle of free transit of petroleum is morally responsible for this idea. Of course he can try to defend it on substantial moral grounds, but not by simply claiming he was following his clients’ instructions and advancing his interests. If this action has terrible outcomes for the environment or for social groups, the lawyer deserves the moral blame proportional to his contribution.
Ambivalent leaders: key drivers of corporate social performance

Why overly optimistic leaders are not best suited to improve social performance in organisations.

One would think that positive leaders must be the holy grail of organisations: they keep teams engaged and highly productive, they boost performance, etc. This certainly may be the case in many contexts, but our latest findings question this line of thought when it comes to improving corporate social performance.

Leaders who are overly positive may not be the best choice to tackle societal issues and deliver corporate social results. In fact, leaders of this type could even hinder corporate social performance – that is, the company’s commitment to having an impact and outcomes for society.

“Leaders who are overly positive may not be the best choice to tackle societal issues”

Research on management and social performance has largely focused on managers seeing societal challenges as either positive or negative, for instance as opportunity or threat. According to the common argument, managers with positive interpretations tend to be proactive in tackling social issues while those who see things in a negative way are often more reactive.

But what happens when managers don’t adopt a black and white approach? What happens when leaders are ambivalent about social issues – that is, when they see social issues as positive and negative at the same time? Can this mental attitude help to increase a company’s level of corporate social performance?

Together with a scholar from KEDGE Business School in Bordeaux, we wanted to shed light on this unexplored territory, as there is very little empirical evidence on how ambivalent leaders influence corporate responses to social issues.

To test this hypothesis, we analysed 249 CEO statements from corporate sustainability reports issued by 58 companies from 8 sectors – automobile, chemical, construction,
electronics, forestry, mining, oil and gas, and pharmaceutical – over a period of five years. We tested the sentiment of the language used in these statements to measure the effects of leaders’ positivity, negativity and ambivalence around social issues on corporate social performance.

In our analysis, 88% of CEO statements specifically referred to at least one of the 12 social issues we tracked: climate change, human rights, poverty and hunger, infectious diseases, waste and emissions, water and sanitation, land degradation, biodiversity, child labour, corruption, gender equality and accidents.

“Leaders who are negative tend to increase social performance”

Our findings suggest that leader ambivalence about social issues is positively related to corporate social performance in organisations. We argue that there are several plausible reasons behind this increase:

- Leaders who are ambivalent have greater openness and readiness to balance multiple perspectives as well as greater predisposition to change – a relevant aspect to tackle the inherent complexity of social issues.
- Ambivalence may be particularly helpful for executives to avoid biased, overly optimistic or overly pessimistic responses. Ambivalence also enables leaders to develop more balanced, prudent and substantive responses to social issues that take into account the complexity and long-term implications of their actions.
- Leader ambivalence is particularly relevant and beneficial in contexts of heightened complexity. The ability of leaders to see through the competing positive and negative aspects of an issue is particularly helpful when the issue at hand is unclear.
- Through ambivalence, leaders are more likely to develop more adequate interpretations and responses. Ambivalence prevents leaders from excessively leaning towards either positive or negative views on and responses to social issues.

Ambivalence heightens the sense of novelty of an issue, which leads to a deeper engagement with the challenge in question.

Ambivalence motivates a balanced consideration of the issue and helps people to lead change in complex situations.

“Ambivalence helps people to lead change in complex situations”

NEGATIVE THINKING IS NOT SO BAD AFTER ALL

Contrary to our expectations, our findings also demonstrate that while leaders who are overly positive tend to lower social performance, leaders who are negative tend to increase it.

One explanation for this unexpected finding could be the serious nature of complex social issues such as climate change, human rights, poverty and infectious diseases. Excessively positive leaders may reflect a more abstract, high-level perception of these issues that may lead to a more symbolic response, which would explain the decrease in social performance.

OVERLY POSITIVE REPORTING

Another explanation for this positivity versus negativity link might be the nature of social sustainability reporting as it is currently practiced in the corporate world. As recent research findings corroborate, the tone of corporate sustainability reports tends to be more positive compared to the tone of corporate financial reports.

This overly positive reporting casts doubt on the credibility and effectiveness of sustainability reports and raises questions about whether these reports are more of a public relations tool than an accountability exercise.
Cashback websites reward customers when they shop online by returning them a percentage of what they spend when they purchase goods and services. Shopping while earning money sounds like a win-win deal for customers. But what about companies? Cashback shopping is a relatively young and popular form of promotion that is seeing millions of consumers across the world buying from thousands of retailers resulting in billions of dollars of revenue.

Marco Bertini, Associate Professor at Esade, and his co-authors Prasad Vana (Tuck School of Business) and Anja Lambrecht (London Business School) reveal why rewarding customers is good for business and can draw additional sales. The researchers analysed more than 3.4 million transactions by consumers at cashback shopping stores. On average, a consumer made a total of 45 purchases on 36 days, each worth 305 dollars, and received a cashback payment on 12 days, each worth 51 dollars. These research findings in the Journal of Marketing Research demonstrate two interesting consumer behaviours:

1. **Cashback Payments Draw Additional Purchases**
   Cashback payments increase the likelihood that consumers will make an additional purchase via the cashback company’s website.

2. **Cashback Payments Increase the Size of Future Purchases**
   Consumers receiving cashback payments are not only more likely to buy again from the same company, but once they do, they increase the size of their future purchase.

“The finding that consumers are susceptible to the promise of savings is surprising because consumers are free to spend the money in any way they see fit, and yet they choose to spend it by purchasing again from the same company,” say the authors.
3 PURCHASING BEHAVIOUR EXPLANATIONS

The authors outline three possible explanations that lead consumers to adopting this purchasing behaviour.

Out of the three potential explanations, the authors propose that the most likely one is the first one because the bigger the cashback payment, the lower the effects. "People spend windfalls to the extent that they appear small, meaningless changes in one's wealth. As windfalls grow, they are more likely to be seen instead as assets, and therefore, more likely to be saved."

1. WINDFALL MONEY
   The data suggest a possible explanation for this behaviour: consumers perceive cashback payments as windfalls. This pennies-from-heaven perception would explain why consumers are more likely to spend cashback payments via the cashback company.

   "Consumers perceive cashback payments as windfalls."

2. SCHEDULING DEVICE
   A second explanation is that consumers use cashback payments to schedule future purchases. One motivation for this can be financial: consumers with liquidity problems postpone spending until they receive cashback payments and have more money at hand.

3. TRANSIENT STATE
   The authors also suggest that cashback payments might trigger a transient state in consumers: "It is possible that cashback payments elevate one's mood, or that consumers perceive them as acts of kindness and reciprocate by spending through the cashback company. Cashback payments may have a temporary effect in customers that increases their propensity to purchase and spend."

CASHBACK SHOPPING: A GROWING MULTIMILLION-DOLLAR TREND

The leading cashback company in the United States, Ebates, has processed cashback payments of over 800 million dollars to more than 10 million consumers since it began operating in 1998.

In the United Kingdom, Quidco processed more than 64 million dollars of cashback payments to its seven million registered users in 2016 alone and facilitated sales of close to 1 billion dollars for 4,300 retailers.

GENERALIST STORES: THE PREFERRED CHOICE

Another research insight reveals that cashback payments impact purchasing behaviour differently depending on the type of retailer.

"Once consumers get rewarded for their purchases, they are more likely to spend the money returned to them at generalist sites such as department stores and less likely to do so in categories such as travel and subscription-based services."

Cashback companies appear largely unaware of the effects of cashback payments.

The analysis also proposes that cashback companies can increase their revenue by designing promotions that not only attract an initial purchase but also stimulate future purchases.
Innovation tech hubs: the accelerating strengths of proximity

For firms, innovation is a strategic choice and a key driver of economic performance. But innovation is more likely to thrive when firms are physically close to innovation ecosystems, a fast-growing worldwide trend.

Innovation clusters are emerging all over the world. These spatial concentrations of innovative activity have become a contested asset in modern nations.

“Innovation tech hubs are the building blocks of global competitiveness”

Major corporations, SMEs, entrepreneurs, leading research centres, universities, venture capitalists and government institutions are thriving and interacting within these technology hot spots to collectively design, produce and export successful products and services.

These clusters are the building blocks of global competitiveness. It is not Apple or Google, but Silicon Valley as a whole that competes with other innovation ecosystems in the global arena.

Creating technology hot spots – and understanding the positive innovation dynamics that take place inside them – is a key success factor for national competitiveness.

ENHANCERS OF INNOVATION

Our research in European Management Review proposes that innovation itself is strengthened within innovation clusters and that it may originate a further positive effect: the more innovative firms are located in a cluster, the more the innovativeness of the cluster increases, which in turn enhances the innovation levels of individual firms.

This enhancer effect could at least partially explain the rapid growth of innovation clusters in recent years.

Innovation clusters also accelerate a region’s development. A clear example is the emergence of China as an innovation superpower, supported by emerging innovation clusters such as Shenzhen and Shanghai.
5 STRENGTHS TO ACCELERATE INNOVATION

Our findings suggest that the following five strengths accelerate innovation in tech hot spots:

1. **ATTRACTION**
   Attraction is a capacity-building strength that generates a positive spiral of increasing innovative capacity. This strength builds on attracting talent in the surrounding area. Talent attracts more talent. Innovation attracts further innovation.

   For example, entrepreneurs attract venture capital, which in turn attracts more entrepreneurs. Research centres attract scientists, who attract funds and new projects. R&D activity attracts advanced manufacturing and proximity improves the ramp-up process of lab to fab. Manufacturing attracts more R&D and specialised suppliers and employees.

2. **INFORMATION**
   Information about budding trends and emergent technologies is essential to creating and commercialising innovations.

   In innovation clusters, information flows through formal channels (corporate meetings, forums, fairs, conferences, seminars, etc.) and informal channels (pubs, restaurants, bars, etc.). These clusters reduce the costs and risks involved in sharing information.

   Information has the nature of a public good: sharing it among firms generates spillovers, which constitute a powerful agglomeration force. This is the case of Airbnb, where the combined strengths of information and attraction gave birth to a new business model in an entrepreneurial community: information about San Francisco's hotels being fully booked due to an upcoming conference was the seed of the now famous home-sharing model.

3. **INTERACTION**
   Interaction creates opportunities to develop technological and social innovations. Innovation clusters are a key environment where interaction thrives. The larger the number of agents in a given space, the greater the likelihood of interactions among them.

   “Personal relationships are the key to stimulating creativity”

   Creativity is raw material for innovation and personal relationships are the key to stimulating creativity. Interactions between a firm and its collaborators generate new ideas. This is especially true of interactions that come not from formal networks of strategic alliances but from weak ties.

   Without interaction there is no systemic innovation, for there is no system - just a simple set of actors. The level of interaction among institutions increases the amount of knowledge created, as well as its transformation to innovation and its expansion.

4. **RIVALRY**
   Rivalry among local competitors is an intense and emotional phenomenon. Local rivals observe one another up close, know each other well and compete for the same human resources.

   Proximity facilitates rapid best-practice transmission and knowledge spillovers through informal interaction and flows of people in the local labour market.

   When a company innovates, it is rapidly imitated. This increases the pressure of competition and, in turn, forces companies to innovate faster to regain differentiation.
Firms with nearby rivals are more innovative than firms whose main rivals are further away.

Examples of how local rivalry intensifies strategic competition and stimulates innovation appear in almost all clusters: Google and Apple in Silicon Valley; the motorcycle manufacturers Honda, Yamaha and Suzuki in Hamamatsu (Japan); and the car manufacturers Porsche, Mercedes-Benz and Daimler in Stuttgart (Germany).

**ANTICIPATION**

Sophisticated and demanding customers anticipate the future and press firms to innovate. Sophisticated demand from local customers also reveals new segments where firms can differentiate themselves. Sensing the needs of the future from a social and human perspective opens new greenfields for innovation.

Extremely sophisticated demand in high-tech industries can be stimulated through innovative public procurement.

Governments can anticipate the emergence of disruptive innovation and cover the risk of high-tech, high-risk projects that would otherwise not be carried out without public intervention.

The impact of NASA’s space missions on US contractors’ industrial capabilities is an example of this sort of demand stimulation. Public state-of-the-art technology purchasing has the potential to become a key instrument in the creation of early-stage new markets.
The effects of the gig economy on workers’ rights

Should we ban or embrace zero-hour contracts?

In the gig economy, many app-based companies are altering the way in which services are provided. Companies such as Uber, Lift, Taskrabbit, Deliveroo, Glovo or Amazon Mechanical Turk have introduced new forms of work that have pushed the boundaries of labour law.

Their business models consist of dividing their products into microtasks, externalising their entire production to a wide number of independent contractors through an app or website and hiring each service on-demand.

As a result, new technologies have allowed these companies to avoid hiring workers and to provide their services entirely through workers formally considered self-employed.

Hiring people on-demand implies using zero-hour contracts where platform workers are not subject to specific working hours and have freedom to determine their schedule, the number of hours they work on a given day and, even, their willingness to work.

“Being subject to a zero-hour contract increases work uncertainty”

However, being subject to a zero-hour contract also increases work uncertainty among employees, as workers are not guaranteed a minimum number of working hours nor a minimum remuneration amount because they are called to work only when there is a labour need.

In this context, should legal systems introduce this type of zero-hour contract to promote this way of working or should it be banned?

ZERO-HOUR CONTRACTS IN SPAIN: AN ILLEGAL FORM OF WORK

Although the zero-hour contract model is legally allowed in countries such as the United Kingdom, Greece or Italy, it is not legal in Spain.
There are several reasons why Spain’s law does not allow the zero-hour contract: the labour regulation requires contracts to stipulate specific working time and it also sets limits to work overtime – full-time employees can work a maximum of 80 overtime hours per year and part-time workers need a written agreement if they are to work additional hours.

When the contract has a minimum duration of four weeks, the Workers’ Statue also requires companies to inform the employee in writing about the essential labour conditions, including working time.

LEGAL LIMITS: SHOULD PLATFORM EMPLOYEES BE QUALIFIED AS EMPLOYEES OR SELF-EMPLOYED?

Given the illegality of the zero-hour contract in Spain, does this mean that platform workers cannot be legally qualified as employees? Some authors have argued that platform workers must be qualified as self-employed workers or independent contractors instead.

The Spanish regulation doesn’t allow employment contracts where the worker unilaterally and freely determines his or her own working time and willingness to work. However, adopting a specific business model shouldn’t influence how those providing the services are to be classified.

In my opinion, online platforms that use zero-hour contracts cannot put at risk the qualification of service providers as workers. The breach of working time regulation cannot be used to their benefit to exclude an employment relationship with those providing the services.

Especially because the freedom that platform workers have in determining their working hours is, in most cases, not full. Platforms often exercise indirect forms of control over working hours. For example, by recognising economic incentives, predetermining slots or time zones, establishing restrictions or limitations for workers to change schedules, reserving the right to exclude from the platform those service providers that do not log on a minimum number of hours...

“ The platform work model based on the zero-hour scheme entails significant social risks ”

However, the platform work model based on the zero-hour scheme entails significant social risks, as it contributes to greater employment precariousness, even when platform workers are formally considered workers or employees.

By using a zero-hour contract, not only is there a substitution of, more or less, permanent or long-term relationships for very short-term hiring, but workers are accessing lesser-quality employment with no minimum guaranteed working time and, therefore, no minimum wage guarantee either.

The zero-hour contract gives excessive business flexibility in managing working time that shifts greater risks to workers. With this scheme of working time management, platform workers assume the risks and costs of inactivity periods, lack of demand, delays, malfunctioning of the app or software... hence facing more penalties and job insecurity.

Given these social risks for workers, in my opinion zero-hour contracts should be banned in legal systems to guarantee and protect workers’ interests and, in essence, because they further allow the precarisation of labour relations.
Social entrepreneurs require different types of financing at different stages of their endeavours. Venture philanthropy is the type of funding that social enterprises need in the early seed stages, whereas impact investors kick in at the start-up and growth stages, when there is a proven business model and some track record.

Due to the risky nature of venture philanthropy, investors at the seed stage are often philanthropic ones who do not demand a financial return. Impact investors, on the other hand, invest in companies and organisations with the intention of achieving both a societal impact and financial returns.

“Investors at the seed stage are often philanthropic ones”

The ultimate objective of impact investors is to plan, oversee and execute the investment and the exit strategy while leaving behind a social enterprise with a stronger business model that is capable of attracting and managing the resources it needs to achieve its social impact mission in the long term.

There are five key steps that impact investors and social entrepreneurs should follow during the investment process to ensure a successful relationship and maximise social and financial returns:
1. **ATTRACTION**

The first step of the appraisal process is a preliminary screening of the available investment opportunities to eliminate social enterprises that do not fit the overall investment strategy.

At this stage, the impact objectives set by the social enterprise must match the **impact investor’s overall strategy** to pass the preliminary screening.

The impact investor must also assess the **needs of the social enterprise** from the perspective of non-financial support to ensure that the social enterprise’s general needs can be efficiently and successfully addressed by the impact investor’s core non-financial support strategy.

2. **DUE DILIGENCE**

During the due diligence step, impact investors carry out detailed screening and analysis of the social enterprise’s business plan.

To assess the potential social impact, the investor must first have a detailed understanding of the social enterprise’s current and expected social impact. During this stage, it is helpful if the social enterprise has already developed a **theory of change** to show how its activities lead to the desired social change. Otherwise, the impact investor can include theory of change development as part of its non-financial support.

“One common mistake leading to investment failure is to overestimate the capability of charismatic management teams”

The impact investor should also check whether the social enterprise has an **impact measurement and management system** that works sufficiently well. If not, it should include the development or improvement of such a system in the budget.

Impact investors should also analyse the management and governance of the potential social enterprise. One common mistake leading to investment failure is to overestimate the capability of charismatic management teams.
INVESTMENT DECISION AND DEAL STRUCTURING

In this step, the impact investor and the social enterprise define a set of terms and conditions that specify their agreement.

At this stage, the impact investor should ensure that the leaders of the social enterprise are deeply committed to the organisation’s social mission, are on top of the business plan and its future needs, and have the necessary skills and expertise to execute their plans effectively.

To minimise the risk of failure in deal structuring, the impact investor can start with stepped investments in target social enterprises – for example, by completing small investments in multiple social enterprises to get to know the organisations and build mutual trust. Financing instruments can also be structured to reduce risk and incentivise the social enterprise to reach its goals.

INVESTMENT MANAGEMENT

Monitoring the social enterprise’s advancement towards achieving its impact and financial goals is an integral part of the investment process. As a general rule, to measure the impact of the enterprise, the impact investor should assess output indicators more frequently than outcome indicators.

The social enterprise should report on its progress towards achieving the indicators every quarter, every 6 months or every year throughout the investment period. It is advisable to agree on reporting requirements up front and to align with co-investors to eliminate the burden of multiple reporting responsibilities.

At the social enterprise level, it is important for social entrepreneurs to verify and value the impact for key stakeholders. Key stakeholders, especially beneficiaries, should be regularly involved – at least once during the investment period – to verify that their expectations are met. Verifying and valuing results and impact with the involvement of the key stakeholders is the best reality check to assess the value created by the investment.

EXIT

At a certain point in time, the impact investor can no longer add value to the social enterprise. This is when the relationship should be ended. An impact investor will aim for the social impact to be either maintained or increased after the exit and try to avoid exiting under conditions that cause the impact to decrease.

Obviously, the achievement of a financial return is also an important factor to take into consideration.

In order to safeguard the social impact of the investee after the exit – and consequently of the impact investor itself – the impact investor should assess whether the potential new investors have a positive interest in the investee’s social mission and what their expectations are with regard to financial returns.

The data collected and analysed should be used to implement any necessary changes, such as providing additional or different non-financial support and developing corrective actions should there be any deviation from the agreed plan.
The one factor that can trigger innovation success in your business

When thinking about innovation, don’t assume that brilliant inventions always start from scratch: this preconceived idea is not always true.

In his research findings, Esade Associate Professor Jan Hohberger demonstrates that you don’t need to be a creative genius to trigger innovation success, as long as you take into account one crucial factor: prior inventions.

Managers who ignore past ideas may be missing out: “Our research proves that prior inventions are a valuable source of information that can increase the potential success of new innovations.”

Science and innovation have long held that it is beneficial to build on previous ideas – or, to use Isaac Newton’s words, to “stand on the shoulders of giants.” However, to what extent this is true for breakthroughs was open to debate.

“Breakthrough innovations are, by definition, rare events”

Breakthrough innovations are, by definition, rare events. They are based on the combination of novel, emerging and pioneering technologies and require radical changes. They are often created in different ways than standard innovations.

What is the connection between past ideas and breakthrough ideas? Can previous innovations be the starting point for developing breakthrough innovations, or do firms and inventors need to start from a blank slate for these advances?

To answer this question, Hohberger analysed more than 139,000 patents from 552 US-based firms in the pharmaceutical and semiconductor industries, both of which heavily rely on inventions and patents for optimal performance and survival.
His study had two major findings:

→ **First**, for breakthrough innovations as well as normal innovations, prior inventions are a valuable source of information that can increase the chances of success of new innovations.

→ **Second**, building new ideas on prior inventions also helps to reduce invention failures.

**HOW PAST INVENTIONS TRIGGER BREAKTHROUGH INNOVATIONS**

Prior and new inventions are like communicating vessels. When those in charge of designing and developing new innovations set aside time to analyse the value of prior ideas, their chances of success increase.

"Our analysis shows that analysing prior inventions has a positive impact on the performance of subsequent inventions," writes the author in his findings.

But not all prior inventions have the same positive effect on future outcomes, according to Hohberger: "When prior inventions hold higher value, the positive effect on new innovations weakens and returns diminish."

The findings show that valuable prior inventions also increase the likelihood that subsequent innovations will be breakthroughs. However, this breakthrough effect also decreases when prior inventions build on a larger number of breakthroughs themselves.

**A SAFEGUARD AGAINST INVENTION FAILURE**

The study also suggests that combining valuable past inventions limits the likelihood of poor invention outcomes.

Exploring both high-value and low-value inventions provides a potential safeguard against innovation failure and reduces the probability of extremely poor invention outcomes.

Investigating past invention failures, explains Hohberger, is a useful strategy for managers: "Past invention failures provide a more nuanced picture of invention outcomes and help managers develop strategies to avoid or minimise future invention failures."

**MANAGEMENT TIP**

When thinking about a breakthrough innovation, if you want to increase your chances of success, consider prior inventions but don't necessarily pay too much attention to prior breakthroughs.
The online world has completely changed the way brands think about themselves and interact with their customers. **Customers are no longer passive recipients** of whatever brands choose to provide — their expertise and skills can become key assets for brands.

Rather than imagining what clients might want by looking at data or observing focus groups from behind a one-way mirror, managers are now able to **actively involve customers** and engage them in co-creation processes to launch new innovations together.

"Co-creation initiatives can open up a brand to the outside world"

Co-creation initiatives can open up a brand to the outside world and enable it to **innovate together** with customers and other stakeholders.

In our research, we explored 20 well-known brands from different sectors and regions to shed light on how managers are using co-creation initiatives to connect with customers, **drive innovation** and build enduring relationships.

**ENGAGING CUSTOMERS IN CO-CREATION**

Co-creation initiatives are based on brand communities where **customers can interact with each other** and with the brand to develop new ideas in an often playful environment.

When co-creation works effectively, participants can be **surprisingly passionate and intense**, sometimes revealing to others what they dare not tell family and friends.

When customers participate in co-creation activities, their **feeling of closeness to the brand grows**. When brands take comments into account, provide feedback and create new proposals based on customers’ suggestions, engagement and creativity increase even further.
WHEN CUSTOMERS BECOME STRATEGIC COLLABORATIONS

Most brands start using co-creation as a tactical research tool. However, as brands become aware of the potential of this process, they realise that extremely valuable knowledge can also be found outside the organisation and they start to see customers as potential strategic partners.

Managers who use co-creation as a strategic tool see customers not only as validators of the brand’s preconceived ideas but also as creators and collaborators in innovation projects. At this stage, managers recognise that customers have expert knowledge and that their inputs can help the brand develop key innovations.

When brands use co-creation as a strategic collaboration, managers and employees learn to develop innovation projects with customers and work on strategic ideas together.

Brands that engage in strategic co-creation see customers as true long-term innovation partners with whom they can develop trusting and collaborative relationships.

WHY BRANDS USE CO-CREATION

Our findings show that most brands use co-creation as a tactical market research tool to make decisions on specific issues. In this context, brands use co-creation to determine how relevant and valid internally generated ideas are according to customers.

“Most brands use co-creation to make decisions on specific issues”

Compared to traditional methods like focus groups, managers embrace co-creation because it offers deeper insight into the customer experience. Co-creation also creates opportunities to engage customers in active participation and bring them closer to the brand by spending more time with them.

Another benefit of co-creation – specifically when it takes place online – is speed and flexibility. Once an online platform has been set up, whenever managers need more insight about a specific topic, they can immediately turn to their brand community and ask participants more questions.

Employees can then analyse and interpret the results while interacting with customers, without having to wait for results from an external agency. As a consequence, the final research output is richer and more precise, thus facilitating managerial decision-making later on.

MANAGEMENT TIP

Managers who want to use co-creation as a tactical market research tool should bear in mind that the key to success is to create a process that builds trust among participants and between participants and the brand.

MANAGEMENT TIP

Brands that want to turn co-creation into strategic collaborations with customers need to develop a supportive corporate culture that promotes openness, empathy and humility as well as organisational structures that are flexible and less hierarchical. They should also create cross-functional teams capable of breaking silos and fostering collaboration across the entire organisation.

Research Yearbook 2018-2019
Why disclosing green practices can be a profitable business practice

Going green is good for business, especially when companies disclose their environmentally friendly practices.

Annachiara Longoni, Director of Esade's BuNeD research group, has published empirical research that shows how disclosing environmental practices can benefit a firm's performance.

"Companies that are transparent and make their environmental practices public are likely to improve their financial outcome," says Longoni. "Our findings demonstrate that the broader the environmental disclosure practices, the greater and more positive the impact on financial performance."

To test their hypothesis, Longoni and her co-author Raffaella Cagliano from Politecnico di Milano looked into the green supply-chain practices of more than one hundred top Italian food firms: "The food industry is a useful context for analysing the impact of environmental disclosure initiatives, since the public has started to pay more attention to the responsible behaviours of food companies."

The researchers measured the level of environmental disclosure practices and compared the average return on investment of these firms to that of their industry peers.

“Sharing environmental practices with stakeholders increases a firm’s financial performance”

BROAD DISCLOSURE PRACTICES

The findings confirm that sharing environmental practices with a variety of stakeholders increases a firm’s financial performance. But not all stakeholders are equal: improvement levels vary according to the type of stakeholders chosen.

When environmental disclosure practices are limited and restricted to primary stakeholders – such as suppliers, distributors, customers and final consumers, shareholders,
employees and unions, and the local community – financial performance is not improved on average.

However, when environmental disclosure practices are more comprehensive and include a wider range of stakeholders – such as industrial associations and NGOs, mass media, regulatory institutions, banks, the scientific community and research institutions – financial performance is significantly improved.

EXAMPLES OF SUSTAINABLE PRACTICES

The type of information companies in the study disclosed included internal green supply-chain management practices in production processes – for example, efforts to reduce consumption of raw materials, water and energy, as well as pollution emissions.

Regarding external green supply-chain management practices, the information disclosed was related to supplier selection on the basis of sustainability competencies, sustainability performance and reputation, certifications, and overall capacity to develop sustainable products.

"Disclosing environmental practices is not so good for improving environmental performance."

THE WEAK LINK: ENVIRONMENTAL PERFORMANCE

Disclosing environmental practices is good for business, but not so good for improving environmental performance.

Companies that make their environmental practices public are not necessarily more committed to addressing sustainability issues. In fact, disclosing this information through channels such as CSR reports could sometimes be a marketing tool to enhance brand image among stakeholders.

"Concerns among academics and practitioners are emerging about how statements in disclosure practices compare with the firm's real commitment to addressing sustainability issues," state the authors.

The study suggests that companies that disclose their environmental practices do not necessarily improve their environmental performance.

In fact, the researchers warn that an imbalance between the level of information disclosed and the firm's real commitment to addressing sustainability issues could have negative consequences: "Discrepancies between environmental information disclosed and a firm's actual green practices may preclude both the possibility of creating a positive firm image and improving financial performance, and establishing a dialogue with stakeholders to improve environmental performance."
Business models can transform social reality – sometimes to an extreme. Even when business models are designed to improve economic, environmental and social value, our research in the *Journal of Business Ethics* suggests that such transformations can be either positive or negative (or both).

While most studies have focused primarily on the positive transformational impacts of business models, scholars have only recently begun to examine the negative ones.

Our research suggests that there are two categories of business models with pernicious effects:

1. **BUSINESS MODELS FOR OPPRESSION OR DEPLETION**

   Business models for oppression or depletion are designed to strengthen patterns, norms and power structures that marginalise the poor, or to deplete and exploit particular communities or resources.

   This category includes firms that extract and deplete scarce natural resources such as forests, water and iron for aluminium, and precious or rare resources such as “blood diamonds” in various parts of the world.

   “Despite being universally condemned, various forms of slavery remain a growing management practice for many enterprises.”

   These business models offer high profits and seem to constitute important elements of the supply chain of well-known industries. But even if some of these elements are illegal, they are unlikely to be detected.

   In our fieldwork in Buenos Aires, we encountered first-hand the human consequences of business models for oppression. Take, for example, Ariel, a strong 21-year-old man from...
Bolivia. Like many others in his hometown, he was tricked into slavery by a fake ad on a local radio station promising a job offer in Buenos Aires. He was forced to work more than 15 hours per day and was repeatedly beaten violently. It took him about two years to escape. Despite being universally condemned, various forms of slavery remain a viable and growing management practice for many enterprises.

2. EXCLUSIONARY BUSINESS MODELS

Another pernicious business model is based on exclusion. Business models designed to address specific problems can inadvertently exclude some of the stakeholders they aim to positively impact.

One example is the soccer ball industry in Pakistan. Despite the industry’s well-intentioned and orchestrated attempts to eliminate the bane of child labour, these efforts have reinforced situations of deprivation – the very problems they set out to address. The consequence was that women stitchers had to drop out of the workforce, plunging their families into deeper poverty.

A large number of microcredit-based programs have also failed to reach out to the poorest. In our research, we encountered some of these exclusionary effects. One example is the case of Latifa, a young lady from Bangladesh who was deserted by her husband and was living precariously with her children. When she tried to contact credit officers, she was told that a microcredit was not for her because it would be difficult for her to repay the loan on time.

These models, with their strict repayment dates, rigid savings schemes and inflexible rules, create emotional, cognitive and behavioural barriers for women like Latifa, who are afraid to ask for loans.

MORALLY QUESTIONABLE MODELS

In the case of business models for oppression or depletion, the impacts are intended and hence morally unacceptable to most.

With exclusionary business models, however, the negative impacts are often unexpected and unintended. Therefore, these impacts can often be attributed to a limited understanding of the nature of the problem being addressed or a failure to further explore it. As a result, such business models are also morally questionable endeavours.
4 ELEMENTS TO PROMOTE TRANSFORMATIONAL BUSINESS MODELS

We argue that the following four elements can contribute to transformational business models designed to tackle society’s greatest challenges:

1. PARTICIPATORY FORMS OF ARCHITECTURE

One element that can contribute to transformational business models is engaging in co-creation to embrace stakeholders other than the usual ones. Engaging stakeholders is a demanding task because major challenges involve a diverse range of actors who are likely to hold opposing perspectives.

Building a participatory architecture means setting up spaces for negotiation and interaction among stakeholders with different power positions and resources. Organisations that want to implement positive transformational business models should embrace this task and make it a central challenge.

“The Kyoto Protocol failed because it offered a single way of perceiving the problem of climate change rather that combining opposing perspectives”

2. MULTIPLE PERSPECTIVES

It is essential to combine opposing perspectives in order to better understand the nature of the existing problems and how to tackle them.

A study on climate change provided an example of a failure to develop multiple perspectives. The study demonstrated that the Kyoto Protocol failed precisely because it offered a single way of perceiving the problem of climate change rather that combining opposing perspectives to get a broader vision of the problem.

3. SCAFFOLDING

A third element in designing business models for positive transformation is scaffolding. This is the practice of building structures adapted to the local social system when implementing solutions to major challenges.

This approach makes it necessary to focus on how local realities make alternative realities unthinkable, even for those who are likely to benefit from change. For instance, when a woman we met in Bangladesh was asked by a credit officer to go to the market to sell her products, she responded with shock: “How can I go to the market? I’m a woman!”

Such words and reactions show how, despite efforts to create platforms to empower men and women, the existing social conventions are so deeply ingrained that it is difficult for people to see any alternatives for themselves.

4. PROXIMITY

A fourth element to be considered when implementing business models to tackle major challenges is proximity, understood as a caring concern for the other. When managers and leaders fail to adopt ethical concern for others, the consequences might explain firms’ unwillingness to contribute to the advancement of society.

Managers are more likely to care about the other when they go out into the world and observe the actual experiences of, for instance, women living in extreme poverty, schoolteachers and children, health workers in war-torn regions, and smallholder farmers.

Seeing first-hand how these people improvise their way through daily life can motivate leaders to take this reality seriously when implementing business models that can transform society for the better.
How to spark innovation in hospitals

Sparking innovation in hospitals is a challenging endeavour. In their publication in *Harvard Deusto*, Marcel Planellas and Ivan Bofarull discuss how healthcare organisations can use innovation to create value and improve patient experience.

"Innovation processes in hospitals tend to be less defined and their success is more difficult to quantify," says Planellas. "One of the main difficulties when managing innovation in healthcare environments is the lack of a direct relationship between investment in innovation and achievement of results in patient experience."

To gain insight into innovation in healthcare, the Esade academics worked with Jorge Juan Fernández from EIT Health to analyse the pioneering innovation strategy of Sant Joan de Déu Hospital (Barcelona Children's Hospital).

"Healthcare innovation creates value and improves patient experience"

The hospital initiated its strategic journey to promote innovation in 2008. Over the past years, more than 600 health professionals have been involved in innovation projects at the hospital. The success of this initiative is reflected in tangible results that include 180 innovation projects, 40 patents, 7 licenses, 3 start-ups and 1 spin-off.

What were the drivers of the hospital’s innovation strategy? The authors outline 5 steps that allowed the hospital to successfully promote innovation.
The first step was the creation of a Department of Innovation and Research to attract talent and obtain financing for research and innovation. Bringing research and innovation together in a single department proved to be crucial in avoiding conflicts, which usually arise when these two areas are separate.

Appointing a well-known doctor as Director of Innovation and Research was another fundamental aspect of the hospital’s innovation strategy. This role was assigned to the hospital’s medical director, who was also on the board of directors. His expertise and connection to top management allowed him to bring innovation to the hospital’s discussions about strategic priorities.

The hospital put together a team of experts devoted to innovation, initially on a part-time basis and later full-time. One of the team’s training activities involved visiting other countries to learn from innovation experiences that had proven to be effective, for example at Boston Children’s Hospital and the Mayo Clinic in the United States.

Targeting specific topics through innovation was another step that allowed the hospital to focus on specific priority areas such as medical devices, e-health and digital health. Concentrating efforts in a small number of areas and selecting high-impact projects with high credibility became two essential aspects for driving innovation.

Efforts were also invested in creating a culture of innovation within the hospital. Once a week, the Director of Innovation and Research visited each of the 33 services and departments to discuss what innovation was and to explain the role of the new department. The hospital also involved doctors in the innovation process by putting them on teams to tackle specific projects.
KEY FACTORS FOR INNOVATION

What are the key factors and lessons learned from the hospital’s successful strategy to promote innovation in healthcare organisations?

1. THE TEAM AND ITS LEADER
The team of the Department of Innovation and Research included people of many ages (ranging from 25 to 63 years old) representing a wide range of disciplines, including medicine, pharmacy, economics, engineering, design and journalism. This multidisciplinary approach allowed the team to tackle projects from very different perspectives, which contributed to obtaining better results.

2. INNOVATION CULTURE
For innovation to be effective, three cultural changes emerged as essential. The first was to involve both doctors and patients in innovation projects from the very beginning. The second was to break the traditional hierarchical barriers of research and allow anyone in the hospital to communicate potential ideas to the Research and Innovation Department. The third was to gain the trust of doctors, especially when the Department rejected their ideas – not because they were bad but because they were not seen as business opportunities. Learning to say no without damaging relationships or burning bridges was essential to ensure that doctors would return the next time they had an idea.

3. RESOURCES
Having resources to invest in skills, talent and knowledge was also at the core of the hospital’s innovation success. Investing doesn’t guarantee innovation, but having a budget is crucial for implementing prototypes and running the necessary patent eligibility tests.

Another key aspect was the value of human capital: having a highly devoted and committed team and the support of the hospital’s top management ensured a sustained effort towards innovation.

4. PROCESSES
For innovation to succeed, a lean process had to be put in place to allow the proper flow and management of new ideas. There proved to be a direct correlation between good innovation processes and results.

If the ultimate goal is to accelerate the cycle of innovation, the process must be very agile (doctors have very little time to dedicate to activities that are not strictly patient-related). It must also be efficient to ensure that resources are only invested in the projects with the most potential.
There are about 7,000 diseases that afflict mankind, yet treatments are only available for over 200 diseases. The cost of developing a new drug, including failures, is estimated at €2.6 billion.

The increasing complexity of diseases, such as rare cancers or neurological conditions, requires the investment in new approaches to investigate their molecular and genetic causes.

With the explosion of data availability in the life sciences, biomedical research is increasingly becoming a data-driven science. This deluge of data in biomedical research, combined with the availability of new analytical tools based on machine learning and artificial intelligence, provide unprecedented opportunities to accelerate drug discovery, even in complex disease areas.

“Biomedical research is increasingly becoming a data-driven science”

Greater use of bioinformatics and computer modelling has led biopharmaceutical companies to open up beyond their fixed boundaries, particularly in the early stages of drug discovery, partnering with competitors and academia in new collaborations that go beyond the traditional modalities of mergers, takeovers and in-licensing.

This reality is reflected in the 334 new R&D consortia created in recent years to facilitate greater research efficiency by merging knowledge, technologies, capabilities and data in order to speed up the discovery of new drugs.

**PARTNERING WITH COMPETITORS**

Traditionally, the pharmaceutical industry has collaborated with third parties mainly to tap into new expertise. But as the complexity in pharmaceutical R&D increases, pharma companies are now expanding their collaborations and partnering with more agents – including their competitors.
Why is this shift happening? Why would pharmaceutical companies choose to partner with their competitors? In short, in such a challenging context “pharma companies have realised that partnerships can increase the likelihood of success,” explains Ian Tomlinson, the former head of development for GSK.

“As the molecular biologist Pierre Meulien from Innovative Medicines Initiative explains: “These types of consortia reduce a great deal of duplication. Companies conduct their research in secret and tend not to publish the results of failed studies, meaning that other groups are likely to follow the same fruitless lines of inquiry. If companies are working on the same target in Alzheimer’s disease and it has failed, that is ten times the investment that is down the tubes.”

**THE CASE OF OPEN TARGETS**

To shed some light on these questions, we analysed the case of Open Targets, a large-scale R&D created by leading research organisations and companies to establish the links between genetic targets and disease development.

The consortium uses advances in genetic methods to support researchers in the **first step of exploring new drugs** and help them identify where to start. The consortium has created a Google-type platform that extensively searches drug targets and provides evidence-visualisations that can be associated with a specific disease.

Going along with the Open Targets philosophy of **sharing knowledge** and results between partners does not come naturally for pharmaceutical companies. Some agree to open up their knowledge of targets and the early phases of drug discovery, but others do not join in because they don’t want to share such information.

**EFFECTIVE COLLABORATION**

The effective collaboration within Open Targets requires a **clear delineation** between what is shared and what remains closed for the participants.

The ‘turbulence’ in the line going from **cooperation to competition** needs to be demarcated to create a comfortable environment of collaboration. This way partners can accelerate...
the early stages of drug discovery while preserving their assets to compete amongst each other in later stages of the development process.

To succeed in finding the best targets to effectively treat disease, firms agree to collaborate and **disclose data and knowledge** only in the very early stages related to target identification (phase 1) and target validation (phase 2).

During this process, however, **firms do not reveal the proprietary data** that they are going to use to identify the multiple molecules active against the potential targets. Companies share what they know on targets while withholding their R&D agenda.

In the paradigm shift that pharma is experiencing, sharing the **immense cost of the early stages** of drug discovery is the primary strategy to cope with the innovation crisis in the pharmaceutical industry.

The crisis in the biomedical enterprise is not imposing a retrenchment in R&D. Instead, it has brought new collaboration opportunities for creating and unlocking value. As the saying goes: "United we stand, divided we fall."

“Firms agree to collaborate and disclose data and knowledge only in the very early stages”
Men vs. women: who performs better in competitive environments?

Are men more competitive by nature or is that a biased belief?

Some research has shown that women underperform in competitive environments compared to men and are more likely to avoid such environments in their careers. If that were true, it would lead to a gender gap in wages, either because women are less effective in certain competitive environments or because they are less likely to seek promotions.

However, other research has shown that women’s underperformance in competitive environments depends on the task and the gender composition of their competitors.

In light of these contradictory findings, my coauthor Nagore Iriberri from the University of the Basque Country and I conducted a study to gain insight into whether women underperform in competitive environments and, if so, why.

We ran several behavioural experiments with 640 male and female participants. In each session, half the subjects were men and half were women. The subjects were not told that the experiment included a gender study to prevent biased perceptions.

The experiments consisted of two tasks. One task involved spatial relations, a skill that men are supposedly better at. The other involved verbal and memory skills, an area in which women tend to outperform their male counterparts.

Relative underperformance and stereotype threat

Our results show that women underperform only in specific situations. We found relative underperformance by women only in competitive environments in very specific contexts.
When women know their rival is a man, it seems to trigger a stereotype that makes them feel threatened. That, in turn, leads them to underperform. Specifically, we found women underperformed only in the task believed to favour men and only when the rival’s gender was revealed or when the women were informed that their rivals were ready to start competing. "Women underperform only in the task believed to favour men.”

Our experiments demonstrate that when the rival's gender is not revealed, the two genders tend to perform similarly: men showed an average improvement in the number of correct answers of about five, while women improved by about six. However, when we provided participants with information about their rival’s gender, men on average improved by eight answers while women improved by only three.

In other words, when men and women know their opponent is of the opposite sex, men's performance improves by 75%, while women's performance declines by almost 50%.

MANIPULATING INFORMATION

So technically women’s underperformance does not depend on their rival’s gender itself, but on their preconceived stereotypes of their opponent’s sex before they perform the task. “When the rival’s gender is not revealed, the two genders tend to perform similarly.”

Our findings demonstrate how manipulating the information given to men and women before they perform a task influences how they will perform in competitive environments. Women are more likely to underperform when they are provided in advance with information about their rivals’ gender and supposed gender-based differences.

If women believe they are about to perform a task that favours men, their performance will tend to decline. When we briefed participants with gender-related information, such as telling women whether the task they were about to perform tended to favour men or vice versa, we found the belief that they were performing a “male” task caused female performance to decline significantly.

Based on our evidence, it seems that omitting or emphasising gender-related information can weaken or reinforce previous perceptions about differences in tasks and competitive abilities, thereby affecting performance.

The effect of correcting false preconceptions about women’s relatively lower ability to perform jobs traditionally considered male should be studied, since such perceptions are not true.
Can inductive governance help solve the world’s most pressing problems?

When breaking the rules of traditional global governance is the smart thing to do

In the wake of the terrorist attacks in London in 2017, terrorists used the internet as a recruitment forum. Twitter and Facebook cooperated in the fight against terrorism by deleting the communications from jihadists.

This example of internet governance shows how global matters are no longer a one-way business of national governments and inter-governmental organisations.

Although nation states will continue to play a key role in global governance, involving other players is becoming crucial for effectively tackling the world’s most pressing problems.

“Inductive governance is a promising way to tackle the world’s most pressing issues”

Global governance is facing major challenges such as a demand for greater participation, a growing complexity of problems and the worldwide responsibility for decisions taken.

In a Policy Brief in partnership with the Real Instituto Elcano, my co-authors, Andrés Ortega and Aitor Pérez, and I argue that inductive governance is a promising way to tackle the world’s most pressing issues.

Compared to traditional top-down governance, this mode of governance involves a bottom-up way of organising collective action to tackle global issues. It relies on the active participation of non-governmental actors such as businesses, NGOs, trade unions, foundations and citizen movements.

By involving civil society organisations, experts, academia and local governments, inductive governance is managing to overcome the world’s most pressing issues in certain domains.

Inductive governance was applied in designing the 2030 UN Sustainable Development Goals and in reaching the Paris Agreement on Climate Change and is also starting to be implemented in the governance of internet.

Inductive governance differs from traditional international governance in several ways. It connects the global level of governance with civil society, public opinion, and local governments. It also contributes to a more efficient and accountable use of public resources.
PARTICIPATION AND DIALOGUE

In inductive governance, citizens and civil society actively participate in global governance by expressing their anxieties and worries and thus limiting a backlash against globalisation and global governance. Such coalitions of the willing – often including states – have already been set up in several spheres, including climate change, human rights, internet governance and arms control. These types of coalitions encourage dialogue and increase the chance of reaching agreements.

“Inductive governance makes governments more accountable”

EFFICIENCY

Inductive governance contributes to a more efficient and accountable use of public resources. Although these participatory initiatives might encounter coordination problems, they can help muster more knowledge – especially at the local level – and also prove that private or non-governmental governance can work.

GOVERNMENT CONTROL

Governments should not worry. Inductive governance does not go against intergovernmental governance – it complements it in setting global agendas, designing goals and controlling implementation.

ACCOUNTABILITY

Inductive governance makes governments more accountable to public opinion and civil society. It can reinforce control over the implementation of agreements by linking global and local levels.

RESILIENCE

In inductive governance, citizens and civil society actively participate in global governance. If a major government does not wish to participate in an initiative or withdraws, the other signatories can continue, as well as other participants from the withdrawing country.

FINANCING

At a time of general austerity in public spending, global governance may have to resort to private financing and, in particular, philanthropic funding. Those who are paying will want to participate in designing its goals, means and implementation. Inductive governance can fill the gaps.
Access to good-quality basic public education is an important premise for an equal-opportunity society. It also helps to close the income gap between the rich and the poor. Yet public education funding varies substantially across countries, regions and school districts.

There are several reasons for this. One is the income gap between the rich and the poor, which affects the political support for public education spending.

In their paper, *Inequality, opting-out and public education funding*, Esade Associate Professors of Economics Ioana Schiopu and Calin Arcalean show that a rise in income inequality can drive education spending in opposite directions in rich and poor economies.

**Higher inequality can lower public spending per pupil in low-income economies while the opposite happens in rich societies.**

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**DO BETTER: WHY DID YOU CHOOSE THIS RESEARCH TOPIC?**

**Ioana Schiopu:** The rise of income inequality is a pervasive phenomenon and an increasingly important societal concern. We wanted to understand how societies allocate public resources for education and how changes in the income distribution affect these allocations via the political process.

In democratic societies, the distribution of public resources across different destinations is determined through the interaction of market forces and a political process that reconciles the conflicting interests of different socioeconomic groups. At the same time, the provision of public education is an important form of redistribution between groups (for example, from rich to poor or from old to young).

“A rise in income inequality generates a decrease in public spending per pupil in poor economies”
Thus, political decisions involving the level of public education funding need to take into account conflicting preferences regarding taxation and redistribution. Moreover, any change in income inequality – triggered, for instance, by technological changes that favour certain groups of workers – will have an impact on the amount and distribution of public resources spent on education. This, in turn, will have long-lasting effects on the accumulation of human capital and future growth.

WHAT DID YOU FIND IN YOUR RESEARCH?

We show that the effect of higher income inequality on public spending per pupil depends on how rich the economy is. Specifically, a rise in income inequality generates a decrease in public spending per pupil in poor economies, whereas in sufficiently rich economies, a similar increase in inequality leads to more public spending per pupil.

WHY IS THIS?

To understand these results, it is important to recall that in most societies, families have access to both private and public education. While in general, it is the relatively high-income families that rely on private education, the extent of opting out of public schooling varies inversely with the quality of this schooling.

“Support for public education depends on the income gap between the rich and the poor”

In a rich economy, public education is of sufficiently high quality such that few families opt out. In contrast, whenever public education quality is low, more families opt out. Thus, in times of higher income inequality, rich and poor societies will have different patterns of opting out, and this will translate into different incentives to fund public education.

WHAT DO YOU MEAN?

Support for public education – that is, the level of taxes that fund public spending – depends on the income gap between the rich and the poor. Our model shows that in poor economies, when income inequality rises, support for public spending increases.

However, public school enrolment also grows, and therefore the public spending per pupil may go down. This is mainly because the change in public school enrolment is larger than the change in tax revenues. In rich economies, however, the opposite can happen; as inequality increases, public spending per pupil goes up.

“In poor economies, when income inequality rises, support for public spending increases”

WHAT OTHER FACTORS INFLUENCE PUBLIC SPENDING ON EDUCATION?

Another dimension that influences public spending is fertility. On average, families that choose private schooling have a
lower fertility rate than those that send their kids to public schools. Low-income, high-fertility families will therefore put more pressure on the resources to be spent in public schools.

To sum up, when income inequality increases, the relative size of the poor and rich classes increases at the expense of the middle class. The need for public education spending goes up steeply because there are fewer middle-income families that choose low fertility and private schooling but a higher number of low-income families with more children educated in public schools.

Thus, the relatively poorer families steer the political process in their favour, raising the tax rate. However, we show that the increase in public school enrolment is larger than the increase in tax revenues, so spending per pupil ends up being lower in poor economies.

WHAT IS THE ROLE OF POLITICAL POWER IN PUBLIC EDUCATION FUNDING?

It is well known that voter turnout is higher among the richer and better educated groups. In a working paper, we found the same pattern when we looked at participation of different socioeconomic groups in voting on local school budgets across the school districts in the state of New York.

Consistent with the empirical evidence, we show that when political influence is proportional to income, the incentives of the rich to lower taxes have a greater influence on the political process. This could exacerbate the decline of public education spending per pupil in poor districts when income inequality rises.
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.

“Friendship connections with different minority groups represents a powerful way to overcome prejudice and discrimination”

“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 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 analysed 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 authors then also measured students’ levels of prejudice and used multilevel modelling to analyse the impact of having a diverse social network on levels of prejudice.

In a second study, the researchers 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 favourable 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 behaviour 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 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 crystallise 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.

“Intergroup experiences during adolescence are effective for developing favourable attitudes that help reduce prejudice”

**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 organisations and societies, this is a particularly challenging but important task: “Our findings show that promoting intergroup social networks, characterised by positive connections with diverse others, is an effective strategy for achieving positive and successful group relations.”
The operations management literature has for quite some time explored how firms can become more environmentally and socially sustainable. However, a small but still significant number of companies continue to neglect their ethical responsibilities. The negative implications of acting irresponsibly are well known and include tarnishing a firm’s reputation, lawsuits, financial losses and cost of capital increases.

One might think that companies with a poor financial performance would be more likely to act irresponsibly, but findings by Esade Associate Professor Frank Wiengarten and his co-authors reveal that this is not always the only case.

**DO BETTER: HOW IS FINANCIAL PERFORMANCE LINKED TO A FIRM’S LIKELIHOOD OF ACTING ETHICALLY OR UNETHICALLY?**

Frank Wiengarten: Our research looked at the aspirational level of managers – that is, their behavioural aspiration to perform financially better or worse. To measure this, we analysed over 2,800 manufacturing firms in the UK over a period of five years using secondary data. We compared a firm’s current financial performance to its previous year and also to its main competitors. Our results reveal that regardless of whether firms were above or below their aspirational level of performance, they were breaching sustainability regulations.

**WHAT MAKES SOME COMPANIES MORE LIKELY TO ACT IRRESPONSIBLY?**

Intuitively, you would think that only when companies are performing poorly, they would be in a hurry to catch up and thus tempted to cut corners, breaching environmental or occupational health and safety rules and regulations. For example, if last year your company’s financial performance was great, but this year you’re not selling any products and your financial performance is deteriorating, you would probably consider reducing operating expenses. This
decision could lead to breaching safety regulations, for instance, by not paying attention to your workers’ health risks or neglecting the environmental consequences of your actions.

“Even when they are performing well financially, some companies still behave unethically”

ARE FIRMS PERFORMING POORLY THE ONLY ONES AT RISK OF BEHAVING UNETHICALLY?

Our findings show a counterintuitive fact: that firms performing above their aspirational level also take on similar ethical risks. Even when they are performing well financially, some companies (such as Shell) still behave unethically, taking risks that could result in an environmental disaster. There are also many companies in the fashion industry (such as H&M) that are doing well financially but are still breaching sustainability regulations.

WHY IS THIS?

The first explanation is that firms performing above aspirations are hubristic and believe they can get away with actions others cannot. The second is that firms performing well, especially those doing extremely well, believe that their future performance is likely to decrease and hence they take extreme measures to avoid this loss.

“Firms performing above aspirations believe they can get away with actions others cannot”

The good news is that the vast majority of firms do not breach safety and environmental regulations: our data show that the likelihood of a firm having a breach in any given year is only 2.5%. However, our results also show that the further a firm moves (positively or negatively) from its aspirational level of financial performance, the more likely it is to be one of the small number of firms that act irresponsibly.

BASED ON YOUR FINDINGS, WHAT WOULD BE YOUR ADVICE FOR MANAGERS?

Although operational managers are unlikely to play a direct role in behaviours such as misstating financial reports, their actions are directly linked to breaches in occupational health and safety and environmental regulations.

Managers and CEOs need to have safety cards in place to reduce the likelihood of breaching rules and regulations. They also need to remember that a firm has to take care of sustainability when it’s performing poorly and also when it’s performing well – because the risk of breaching sustainability standards happens in both scenarios.
How to measure performance in public-sector organisations

Measuring performance in public-sector organisations has many benefits. It allows managers to set up mechanisms to evaluate, control, budget, motivate, promote, celebrate and improve their strategic decision-making.

Our research in the *International Journal of Public Sector Management* identifies five core uses and benefits of setting up performance measurement systems in public-sector organisations:

1. **PROGNOSIS**

   One of the main benefits of measuring performance in public-sector organisations is the prognostic capacity of performance indicators. Prognostic measurement tools allow public organisations to improve their productivity and mission effectiveness. They also provide data that make it possible to specify what decisions need to be made to better align strategic activities.

   “Prognostic measurement tools allow public organisations to improve their productivity”

2. **DIAGNOSIS**

   Diagnosis involves identifying problems and attributing blame. Performance measurement systems that target diagnosis can help managers identify best practices and provide rational evidence for selecting what process improvements would be most beneficial to make first.
**MOTIVATION**
Managers in the public sector can use performance monitoring systems that track motivation as a call to arms for improving situations or taking corrective action. This type of monitoring can also facilitate the scorekeeping of service providers, thus enhancing competition among them. Performance indicators targeting motivation also improve judgment and decision-making.

**LEGITIMATION**
Performance measurement systems that target legitimation are used for compliance purposes and to conform with the law. This type of performance monitoring in public-sector organisations can offer credibility with internal and external audiences and implementation as an industry norm.

**LEARNING AND IMPROVEMENT**
Setting up performance indicators that measure learning and improvement levels can be a useful tool for both benchmarking and increasing learning capacity to implement better actions in the future.

“Public-sector participants are less interested in measuring performance to enhance competition”

**TOP-RANKED PERFORMANCE CHOICES**
Which performance indicators are the preferred choice in public organisations? To measure their performance preferences, we divided participants into different groups with public and private-sector experience.

Our results show that participants with public-sector experience preferred performance indicators focused on prognosis. Public-sector-driven participants were mostly interested in improving productivity and mission effectiveness, as well as aligning strategic activities to strategic plans.

One would expect that participants with a market-managerial logic would also favour performance indicators that track productivity and mission effectiveness. However, our findings show an unexpected mixture.

Instead of choosing productivity and effectiveness as their preferred option, participants with private-sector experience preferred performance indicators focused on diagnosis. Their preferred choices were performance indicators that helped them identify best practices and provided rational evidence to help determine what process improvements to make first.

**COMPETITION AND LEARNING**
Our findings reveal that public-sector participants were less interested than their private-sector peers in measuring performance to enhance competition. This difference makes intuitive sense, given the central role of competition in the private sector.

Learning was also rated differently among participants. Compared to their private-sector peers, public-sector participants expressed lower interest in implementing performance indicators to measure learning progress. This low score could be due to the public sector’s stronger attention to accountability, with priority given to other actions such as media attention on public-sector performance rather than learning for improvement.

Surprisingly, like their market-driven peers, participants with a public-sector logic rated legitimation at the bottom of the ranking.
Esade Research Impact
Research with social impact

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


The research goal was to determine how companies in the water industry sector can address the challenge of embedding sustainability into the mainstream-business. The methodology was based on a documentary review, and an experimental implementation with a focus group which consists of decision-makers within the company's business scope. The process contributed at distinguishing between 'sustainability values of global interest' and 'sustainability values within the business scope' according to decision-makers’ perspective. As a result, a common framework based on sustainability values emerged, which is a useful tool to analyse value dissonances in supplier-client relationships, identify value perception gaps in the business strategy, and simultaneously drive the value creation processes at an inter-organisational level. The research sheds light on the importance of identifying and aligning expectations on sustainability's contribution to the water business development, getting business actors involved closely in the implementation and execution of the Sustainable Development Goals and the Business Alliance for Water & Climate Change.


The global financial and economic crisis had a strong impact on the Spanish labour market, especially with regard to job destruction and unemployment. The worrying situation in the Spanish labour market resulted in the adoption of multiple reforms that led to fundamental changes in the labour regulatory framework. The Spanish government and Parliament adopted a surprisingly high number of labour law reforms as 'anti-crisis measures', aimed at increasing labor market flexibility and eliminating the – according to the legislator – unnecessary rigidities of the labour regulation to foster job creation. The chapter analyses the effects on labour standards and employment protection of the labour reforms undertaken in the Spanish legal system in the past decades and suggests that these labour law reforms, in spite of aiming at fostering job creation, have introduced higher levels of labour market flexibility that resulted in an increase in formal and actual precariousness.

Research frequently demonstrates diverse communities exhibit lower intra-community cohesion. Recent studies suggest there is little evidence perceived ethnic threat plays a role in this relationship. This paper re-examines the roles of ethnic threat and prejudice in the diversity/cohesion relationship. First, we test threat/prejudice as conceptualised in the literature: as mediators of diversity’s effect. Second, we test a reformulation of the roles of threat/prejudice: as moderators of diversity’s effect. Applying multi-level models to cross-sectional and longitudinal data of White British individuals across England and Oldham (a unique English town case-study) we find neighbour-trust lower in diverse communities. However, perceived-threat/prejudice does not mediate this relationship. Instead, we find perceived-threat/prejudice moderate diversity’s impact on neighbour-trust. The result is diversity only reduces neighbour-trust among individuals who already viewed out-groups as threatening. Longitudinal analysis confirms the importance of out-group attitudes in the diversity/attitude relationship. In diverse communities, residents whose out-group attitudes improve, or worsen, become more, or less, trusting of their neighbours. However, in homogeneous communities, changes in out-group attitudes are not linked to changes in neighbour-trust. We therefore argue and demonstrate that perceived-threat emerges from other societal processes (such as socio-economic precariousness) and it is when individuals who already view out-groups as threatening experience diverse neighbourhoods that local cohesion declines.


Internalising environmental externalities is a market-driven approach to correcting people’s private costs and benefits. One way of quantifying these externalities is estimating the willingness to pay (WTP) of people to reduce them. To better understand the determinants of this WTP, we use the Theory of Planned Behaviour (TPB), which is a commonly used approach for predicting behavioural intentions. Our study focuses on air pollution and greenhouse gas (GHG) emissions from private road transport. We gathered survey data from 406 residents of Catalonia to explore the relationships among the psychological factors determining willingness to pay to quantify the mentioned externalities. We expanded the TPB by adding as antecedent Environmental Concern (EC) prior to the theory’s three main factors (Attitude, Subjective Norms and Perceived Behavioural Control). Next, we used Structural Equation Modeling (SEM) to calculate an estimate of these externalities. The results of our study show that environmental concern is positively related to the three main factors of TPB. Our model accounts for most of the variation of WTP (R-squared is 94.7%). Our results also reveal that a majority of the respondents in Catalonia are willing to pay to reduce air pollution and GHG emissions from private road transport.

**Embedding social innovation: Shaping societal norms and behaviours throughout the innovation process.**


New products and services that tackle grand societal challenges often require changes in societal norms, values, and expectations. This research investigates the question of how innovating actors shape these informal institutions throughout the innovation process by drawing on the literature on social innovation and institutional theory. In a comparison of four case studies, we observe that all innovating actors under study engage in a diverse set of practices to challenge and shape societal norms and expectations as well as user habits and routines throughout the innovation process. These activities can be clustered into unilateral, bilateral, and multilateral change processes, depending on the number of actors involved. Our findings highlight how different types of direct and indirect interactions between innovating actors and users along the innovation process shape the understanding of social innovation, and stress the central role of physical experiences and positive emotions among (future) users. Thereby, we provide for a more nuanced view of how companies that aim to bring technologies with different characteristics of innovativeness to the market shape the informal institutional environment throughout the different phases of the innovation process.


**Transformational business models, grand challenges, and social impact.**


The starting premise of this paper is that business models can transform social reality—sometimes to an extreme. Then, building on the concept of “grand challenges,” we argue that such transformations can be either positive or negative in nature (or both)—even in the case of business models designed to improve value not only economically but environmentally and socially as well. To further our understanding of the negative aspects, we introduced two conceptual categories of business model: those for oppression or depletion and exclusionary ones. We further argue that bringing the notion of grand challenges center-stage highlights four elements that can contribute to emerging research and inform practice on transformational business models. These elements are: participatory forms of architecture; multivocal inscriptions; scaffolding; and proximity (understood as a caring concern for the "other"). They are central components of what we name transformational business models.

This article maintains that the standard conception of legal ethics – the so-called 'theory of amorality' – is highly dependent on context and cannot be consistently applied to transnational legal practice. After defining in some detail the basic tenets of the standard conception, I identify its main assumptions, namely, (i) that a legal relation is an agency relation in which both lawyer and client are individual moral agents, (ii) that such relation is connected to a litigation process, and (iii) that such relation takes place within the framework of a decently well-functioning rule of law system. Using as a paradigmatic example the BTC pipeline case– a set of contracts and international treaties signed by a consortium of private companies and several sovereign states during the first decade of the 21st century to regulate the building and operation of a transnational oil pipeline – I analyse one by one these three assumptions to conclude that they are at the very least highly problematic in the context of global legal practice. Additionally, I consider the counter-argument that a lawyer who moves beyond the standard conception is actually usurping the role of the judge, an argument that loses much of its appeal on the transnational context. In a brief concluding remark I inscribe these problems within the more general post-Westphalian paradigm shift in law and jurisprudence.


In two-stage elimination math contests, participants from four different age groups compete to pass from stage 1 to stage 2 and later to be among the winners. Although female participants have higher maths grades at school the gender gap reverses in the two stages of the contests. More importantly, following the same individual participant across different stages, we find that the gender gap in performance increases from stage 1 to stage 2. The increase in female underperformance is attributed to higher competitive pressure and alternative explanations based on selection, discrimination and differences in reaction to increasing difficulty are ruled out.
Research projects for society

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

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

**KIC INNOENERGY**

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

**MYSMARTLIFE: SUSTAINABLE CITIES FOR A BETTER FUTURE**

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

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

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

**SUSTBUS PROJECT: SUSTAINABLE BUSINESS MODELS**

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

**GENDER LENS INVESTING: AN INVESTMENT OPPORTUNITY FOR LATIN AMERICA**

Gender equality is one of the fundamental pillars of development for Latin America and the Caribbean (LAC) and is one of the conditions for achieving sustainable interventions from all economic sectors.

**SOCIAL IMPACT · BBK FUNDAZIOA**

This project is devoted to the generation of relevant knowledge that contributes to the development of a reference ecosystem in social impact.

**ISS: CSR IMPACT IN PEOPLE MANAGEMENT: BEST PRACTICES**

The objective of the study is to analyse the impact of corporate CSR strategies and actions on their people management policies.
DIGICOM: ACTIVISM, PARTICIPATION AND DIGITAL COMMONS GOVERNANCE

The first general objective of this project is to study the governance mechanisms of the digital commons in their creation and growth.

EQUAL4EUROPE

The EQUAL4EUROPE consortium consists of 6 Research Performing Institutions (RPI), one international association of universities and one consultancy bureau who all have a clear focus on arts, humanities, medicine, social sciences, business and law (AHMSSBL). Whereas in the past, gender equality was especially recognised as an issue by science, technology, engineering and maths (STEM) RPIs, it is now also recognised by AHMSSBL institutions.

The main aim of the EQUAL4EUROPE consortium is to contribute to increased gender equality in the European Research Area (ERA).

FROM TRADITIONAL CITY MODELS TOWARDS SUSTAINABLE AND SMART CITIES

This research project aims to define the key elements that a city has to develop in order to become smart from a perspective of social, environmental and economic sustainability, especially in the fields of energy efficiency and electric mobility.

THE ROLE OF FARMERS’ RELATIONSHIPS FOR MODERN SLAVERY ERADICATION IN THE COFFEE SUPPLY CHAIN

The aim of this research proposal is to collect money for mobility of the principal investigator and the collaborator for this research for data gathering in the coffee supply chain in Brazil. Specifically, this research project aims to study how dyadic relationships in a global supply chain can tackle modern slavery issues. The global supply chain investigated is the coffee supply chain. European major brands buy coffee beans from different areas of the world, especially Central and Latin America and Africa, that are roasted in plants in Europe.

EDUCATION IN MANAGEMENT, SPIRITUALITY AND INTERRELIGIOUS DIALOGUE

The objective of this research project is the deepening of the relationships between education in management, spirituality and interreligious dialogue.

VUNERABLE SUBJECTS IN THE SMART CONTRACTS ERA

The purpose of this project is to highlight the contrast, in the era of smart contracts and blockchain technology, between the introduction of a new type of contractual logic, based on the principles of freedom and flexibility, and the effects already perceptible associated to this type of contract, of subjection and of rigidity, at least for one of the types of subjects that participate in them.
Impact on the executive world

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

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

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Every year, professionals from around the world enroll in Esade’s three research programmes: the MRes in Management Sciences, the PhD in Management Sciences, and the PhD in Law. These research-oriented programmes give participants in-depth knowledge of management methodologies for basic and applied research, paving the way for successful careers. Esade PhDs go on to work at top universities and research institutions around the world.

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Awards & other recognitions
Research awards

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Barcelona, September 2018

Oriol Iglesias, Nicholas Ind & Stefan Markovic
Best Paper-presentation at the Brand Science Slam of the 14th Global Brand Conference 2019
Berlin, May 2019
Paper: “Why co-creation is the future of branding”

Vicente Bermejo Boixareu
Best Paper Award in the 16th Annual Conference in Financial Economics Research

IDC Herzliya, June 2019
Paper: “Entrepreneurship and regional windfall gains: evidence from the Spanish Christmas lottery” with Miguel Ferreira, Daniel Wolfenzon and Rafael Zambrana

Lina Eze, Georges Samara & María José Parada Balderram
Best paper in the 79th Annual Meeting of the Academy of Management
Boston, August 2019
Paper: “Hakuna Matata! Cross-Regional differences in the entrepreneurial capital of family firms”

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Corporate Governance: An International Review
Journal of International Business Studies
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Journal of Marketing Behavior
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Daniel Arenas
Business Ethics: A European Review

Joan M. Batista Foguet
Frontiers in Psychology
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International Roman Law Journal

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Customer Needs and Solutions
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International Public Management Journal
Journal of Behavioral Public Administration
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International Journal of Operations and Production Management

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Journal of Family Business Strategy
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Journal of Business Ethics
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Journal of Brand Management
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Josep M. Lozano
European Management Review
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Financial Analysts Journal

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Advances in Methods and Practices in Psychological Science
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Business Research Quarterly

Ana Valenzuela
International Marketing Review
Journal of International Marketing
Journal of Consumer Behavior
Journal of Consumer Psychology
Journal of Retailing
Journal of Research in Marketing

Wim Vanhaverbeke
Journal of Engineering and Technology Management
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Ivanka Visnjic
International Journal of Business Environment

Jonathan Wareham
Information and Organization
Journal of Information Technology
Journal of Strategic Information Systems
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International Journal of Operations and Production Management
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Research Seminars

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