C O N T E N T S

Pre	face, Jordi Canals
Intı	oduction, Joan E. Ricart and Josep M. a Rosanas
	Г ONE leaders and society: What future are we building today?
	Whom Do We Want as Our Business Leaders? How Changes in the Corporate Milieu Have Brought About a New Breed of CEOs Donald C. Hambrick and Adam J. Wowak
	1.1. How the life of the CEO has changed 1.2. What has agency theory wrought? 1.3. The causal logic 1.4. Changes in the CEO population 1.5. Stewardship theory and "the good old days"
	1.6. Some proposals 1.7. Summary References
2.	Some Thoughts on Theory X and Theory Y Economics Raymond E. Miles and Grant Miles
	2.1. Expanded thoughts about a Theory Y economic model
	2.6. Conclusion References

3.		tutional Logic of Great Global Firms		
	Rosabeth M			
		sitions	84	
	3.1.1.	Proposition 1: Conceiving of the firm as a social		
		institution is a buffer against uncertainty and change	84	
	3.1.2.	Proposition 2: An emphasis on the firm as a social		
		institution generates a longer-term perspective.		
		Short-term financial sacrifice becomes permissible		
		in the interest of positioning the firm for sustainable success	87	
	3.1.3.	Proposition 3: Articulation and transmission		
		of institutional values can evoke positive emotions,		
		stimulate intrinsic motivation, and propel		
		self- or peer-regulation as a type of control system	89	
	3.1.4.	Proposition 4: The need for cross-border and cross-		
		sector engagement to tap new opportunities requires		
		concern for public issues beyond the boundaries		
		of the firm and the formation of public-private		
		partnerships in which the public interest is weighed		
		along with the business interest	93	
	3.1.5.	Proposition 5: When institutions internalize society,		
		actions to produce societal value are undertaken		
		whether or not they are tied to core functions		
		of producing and selling goods and services		
		and actors consider externalities as part of their internal decision-making	96	
	216			
	3.1.0.	Proposition 6: People can be treated as self-determining professionals, coordinating and integrating activities		
		and producing innovation through self-organizing in		
		addition to formal assignments	99	
	3.2. Towar	d joint logics		
4.	Manifesto	o for a better management. A rational		
	and humanistic iew			
	Rafael And	reu and Josep M.ª Rosanas		
		luction	109	

4.2. Management: Basic concepts	112
4.2.1. Firms	112
4.2.2. The concept of management	113
4.3. The importance of management	115
4.3.1. Creating economic value	116
4.3.2. Fostering the well-being and development	
of people	117
4.3.3. Creating models for society	120
4.3.4. Other impacts on society	121
4.4. The ills of today's management	123
4.5. The conceptual bases of the problems	125
4.6. Some practical implications of these problems	131
4.7. Foundations for a renewed conception of management	131
4.7.1. Which way ahead for management practice?	132
4.7.2. Which way ahead for management theory?	137
4.8. Conclusion	139
Exhibit 1—Elton Mayo and the "Hawthorne Experiments"	140
Exhibit 2—Some practical implications of the problems of today's	
management	141
A2.1. A lack of an administrative point of view and a failure	
to consider sufficient criteria when making decisions	141
A2.1.1. An overspecialization and a lack of a "general	
management view"	142
A2.1.2. A mechanistic view of persons as "something"	
that does not change or learn	142
A2.1.3. Strategy formulation understood as something	
mechanical, almost exclusively, the result	
of passive industry analysis	143
A2.1.4. The virtual disappearance of strategy	
"implementation", except for incomplete	
indicator systems	143
A2.2. Problems relating to functional areas	144
A2.2.1. Misuse of accounting and management	
control systems, mainly in relation	
to performance assessment and measurement,	
and policy on performance-based pay	144
A2.2.2. A finance function that either turns into	
ideological microeconomics or becomes	

		"hyper-technical" and turns into applied		
		EXCEL. Absence of financial policies	145	
	A2.2.3.	A concept of marketing which considers		
		customers as passive entities whose behavior		
		is fully captured by statistics, and which forgets		
		that its fundamental goals should be to meet		
		customers' real needs and create consumers	146	
	A2.2.4.	A mechanical production which forgets		
		that those who must actually do the producing		
		are human beings who know more about		
		the real production process than their		
		managers	147	
	A2.2.5.	An organizational behavior that: a) is merely		
		descriptive as far as organizations are concerned,		
		and b) considers people as mere instruments		
		of organizations	147	
	A2.2.6.	An economic analysis that puts ideology before		
		facts	148	
	References		148	
PA	RT TWO			
		new theory of the firm		
5.	Towards a Stakel	holder Theory of Strategic Management		
<i>J</i> .		molder Theory of Strategic Management		
	Joseph T. Mahoney	s theory	154	
		re property rights?		
		erty rights—and resource-based—theories		
		rights perspectives		
		m as a nexus of explicit contracts		
		m as a nexus of explicit and implicit contracts		
	00	r possible research agendasavenues of research		
		avenues of research	172	
			1/4	
6.	,	f What? Humanizing the Firm		
	in the Time of the Precariat			
	John Christopher Spen			
	6.1. Introduction		183	

	6.2. Is it all politics?	191
	6.3. Theories of the firm	199
	6.4. Some ToFs in practice	205
	6.5. A methodology of/for agency	213
	6.6. The agentic individual	219
	6.7. Conclusions and comments on business education	223
	References	234
7.	The "Management Case" for Corporate Social Responsib	ility
	Antonio Argandoña	
	7.1. Introduction	241
	7.2. Arguments for corporate social responsibility	242
	7.2.1. The legal or government case	242
	7.2.2. The social case	242
	7.2.3. The moral case	243
	7.2.4. The business case	244
	7.3. What does it mean that a manager acts in a socially	
	responsible way?	247
	7.3.1. Back to the moral case	250
	7.4. The "management case"	253
	7.5. Conclusions	257
	References	258
8.	Caring About Firm Stakeholders: Towards a Theory	
	of Proactive Stakeholder Engagement	
	Carmelo Cennamo, Luis R. Gómez-Mejía and Pascual Berrone	
	8.1. Theoretical background	268
	8.1.1. Proactive stakeholder engagement	270
	8.1.2. Explorative capacity	273
	8.1.3. Managerial empowerment	277
	8.1.4. Incentive alignment system and managerial risk	
	bearing	285
	8.1.5. Moderating effects	289
	8.1.5.1. Resource Slack	289
	8.1.5.2. Environment's Dynamism	290
	8.1.5.3. Managers' Individual Values	
	8.2. Discussion and conclusion	
	References	297

PART THREE

On micro-foundations

9.	Corporate Governance and Stakeholder Relations	
	Hossam Zeitoun and Margit Osterloh	
	9.1. Defining corporate governance from an incomplete	
	contracting perspective	308
	9.2. Stakeholders' firm-specific investments and organizational	
	value creation	311
	9.3. How to support relational contracts	314
	9.4. The variety of corporate governance arrangements	317
	9.4.1. Influence of corporate law	318
	9.4.2. Influence of organizational arrangements	327
	9.4.3. Influence of social norms	331
	9.5. Conclusions	332
	References	333
10	H . O H I' DI I I I'	
10.	How to Overcome Herding Behavior in Firms	
	Reto Cueni and Bruno S. Frey	
	10.1. Literature on herd behavior and voice and silence	
	in organizations	
	10.2. Costs of voice: determinants and propositions	
	10.3. Practitioners' view on the costs of voice	352
	10.4. Discussion and conclusion	355
	References	357
11	Firm Evolution and Learning in a Market Economy	
11.	with Bounded Rationality	
	,	
	Rafael Andreu, Josep Riverola, Josep M. a Rosanas and Rafael de Santiago	961
	11.1. Introduction	
	11.2. Modeling considerations and general model structure	
	11.3.1. Modeling firms	
	11.3.2. Structure of the "PARRS world"	
	11.4. Using the model: exploring results and insights	
	11.4.1. Baseline parameters	
	11.4.2. Model inputs and outputs	377
	11.4.3. Illustrative scenarios: simulations, results	
	and insights	379

11.4.4. Summary of insights: Conjectures for a bounded
rationality economy
Appendix 1: Firm's capabilities
Appendix 2: Formal model structure
Firms and projects
Management knowledge, preferences and learning
Updating management's knowledge of their company's
profile
Probability of succeeding when a given project is undertaken
by a firm
Evolution of frims' profiles
Decision making
References
12. The Effects of Organization Design on Employee
Preferences
Avner Ben-Ner and Matthew Ellman
12.1. Introduction
12.2. Literature review
12.3. Theoretical framework for analyzing change in preferences
12.3.1. Preferences and adverse inequity aversion
12.3.2. Perceived inequity triggers anger
12.3.3. Individuals seek to correct adverse inequities
12.4. How organization design may affect
preferences—an illustration
12.5. Conclusions and policy recommendations
References
List of Figures and Tables
List of Figures and Tables
Index
About the Authors