SELECTED ABSTRACTS

FROM THE LATIN AMERICAN RESEARCH CONSORTIUM

DEANS' WORKSHOP

Curriculum Innovation, Technology, and Program Development

April 3-4, 2008

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WELCOMING REMARKS

John Trapani, Director of Goldring Institute for International Business[1]
A. B. Freeman Tulane University, New Orleans, LA

The Latin American Research Consortium was founded by Tulane University in 1995 with the purpose of promoting scholarly research on Latin American markets and business institutions. Its purpose is to bring together scholars from around the world who are experts on Latin American business issues to share their research and knowledge related to these issues. Schools represented at the consortium meetings in the past have included ITESM-Monterrey, INCAE, Universidad Icesi, Universidad de los Andes, IESA, ITESM-Guadalajara, University of Chile, Universidad de Belgrano, Católica de Bolivia, ITAM, Instituto de Empresa, Getulio Vargas, Universidad Francisco Marroquín, ESPAE-ESPOL, and the Central Bank of Brazil in Latin America, and UCLA, Tulane University, Texas Christian University, and the University of Illinois in the United States. In 2007 we initiated the Dean's Workshop as part of the Consortium meeting to provide the deans of the top business schools in Latin America a forum to share their programs and initiatives in management education in the region. The 2008 meeting, held at ITESM-Campus Monterrey, is the 8th meeting of LARC.

1. The Goldring Institute for International Business was founded at Tulane University in 1991 through the generosity of the Goldring Family Foundation. The Goldring Institute's purpose is to promote and develop the research and academic programs of the A.B. Freeman School of Business which are related to international business. The Institute is divided into three centers: Center for Latin American Business Studies, Center for Asian Business Studies, and the Center for Freeman International Programs. The programs of the Institute are to serve the educational needs of Tulane students to understand the opportunities and challenges of global business, to support our faculty's global experience through international travel, teaching and research, and to position the school as a leader in management education around the world.

This year we have about 45 participants for the Dean's Workshop and the LARC research meetings representing 13 different universities. We have some very interesting presentations on innovative curricula and the use of technology in academic programs; we have a distinguished panel of deans to discuss these issues; and we have over 20 scholarly papers covering business research topics on the region.

The Dean's Workshop and LARC meetings is evolving into a strategic partnership for the development of management education for the region as the participant share the institutional development objectives, new program initiatives, and research interests using the LARC as the forum.

Tulane University has committed to work with the partner schools and our graduates on their institutional development goals for faculty and scholarship.

NOTE FROM THE DEAN OF THE SCHOOL OF BUSINESS AND ECONOMIC STUDIES AT ICESI UNIVERSITY

Héctor Ochoa, Dean Faculty of Business and Economic Studies, Icesi University, Colombia

Selected Abstracts is a compilation of the most relevant abstracts presented for consideration at the Latin American Research Consortium (LARC) held from April 3rd to 4th, 2008, in Mexico. Ten abstracts and a full article are presented, covering different subjects and keeping the focus of this workshop "Curriculum innovation, technology and program development", what generated debates not only about the education in business schools but in other topics like finance and behavioral sciences.

The program (annexed at the end of this document) was designated to fill these diverse academic necessities. In this order, after an open session about scholarly topics for all the assistants, two programs where developed: one for behavioral sciences fields, and other for finance academic fields. **Selected Abstracts** presents one full article and two abstracts about educational topics; four selected abstracts from the behavioral science program and five from the finance program.

Especially, we wanted to present the full article of Antonio Dieck-Assad from the Instituto Tecnológico de Monterrey (ITESM, Mexico), about leveraging technology for distance learning. The reason to do that is because ITESM is actually the Latin-American leader in distance learning and their experiences would be valuable and replicable in other universities in the region. In the case of the attendees of the event, the deans had the opportunity to watch by themselves the implementation of this technology at ITESM, what represented a big glance of the challenges that are to come. In the same topic, an abstract about educational innovation implemented in Caracas (Venezuela) and an abstract about a joint venture experience in education are presented.

The selected abstracts presented as part of the behavioral science program, represent multiples topics from different universities: Tulane, ITESM and Icesi. Tulane's research work presents team learning and regulation experiences derived from an aviation disaster. ITESM participates with two works: the first about strong social ties, culture and employment practices in Mexico; the second about cross-border shopping, a common practice for Mexicans who live in cities near the US frontier. José Roberto Concha, Director of the MBA at Icesi University, will also present the main results of his presentation regarding the effect of country of origin on the behavior of consumers. This research was done in collaboration with two students of business administration at Icesi University, who studied the effect of country of origin in some beer brands from Colombia, the United States, Mexico, and Holland.

In finance, this document will present five abstracts, mainly written by professors from ITESM. They compile topics like the performance of mutual funds; the impact of future contracts on volatility of IPC stock index; the information content of earnings, cash flow and earnings management; and the need for financial analysis in a Mexican firm. Finally, Julián Benavides, director of the Finance Department in business school at Icesi University, presents the results of the investigation realized in collaboration with professor Samuel Mongrut from the ITESM and Mónica González, student of business administration at Icesi University. The investigation called "Family ties, do they matter? Family Ownership and Firm Performance in Peru"; analyze the structure of family ownership in some firms inscribed in the Lima Stock Exchange in Peru.

Selected Abstracts is a consequence and example of the links generated as a result of the LARC, when the resources are shared in order to promote scholarly research on Latin-American. Icesi University, well known in Colombia for its academic journal, ***Estudios Gerenciales***, has offered its installations, trained personal and resources to produce **Selected Abstracts.** This, as a proof of our commitment with the discovery, development and diffusion of knowledge, and with the hope this may be useful for readers along the region and the world.

To access the full documents presented here, you will be able to directly contact the authors by email. You could also contact Jorge Alba García (jalbagar@tulane.edu) or William A. Mindak (wmindak@mailhost.tcs.tulane.edu) at Tulane University, who have done the selection of the abstracts that are finally published in this document.

MENSAJE DEL DECANO DE LA FACULTAD DE CIENCIAS ADMINISTRATIVAS Y ECONÓMICAS DE LA UNIVERSIDAD ICESI

Héctor Ochoa, Decano Facultad de Ciencias Administrativas y Económicas,
Universidad Icesi, Colombia

Selected Abstracts compila los resúmenes de artículo (*abstracts*) más relevantes presentados para consideración al Consorcio Latinoamericano de Investigación (LARC, por sus siglas en inglés) llevado a cabo los días 3 y 4 de abril de 2008, en México. Este documento incluye diez resúmenes y un artículo completo sobre los diferentes temas tratados en este Consorcio, el cual tenía como tema principal "Innovación en los currículums, tecnología y desarrollo de programas". Este tópico generó debates no solo sobre la educación en las escueles de administración y negocios, sino también en otras áreas como las finanzas y las ciencias del comportamiento.

El programa (anexo al final de este documento) fue diseñado para llenar esta diversidad de contenido académico. En este sentido, después de una sesión abierta a todos los participantes para tratar las necesidades de la educación en administración en la región, se desarrollaron dos programas diferentes: uno para las ciencias del comportamiento y otro para las áreas financieras. **Selected Abstracts** incluye un artículo completo y dos resúmenes de artículos sobre los temas educativos tratados en la sesión abierta; cuatro resúmenes presentados en el programa de ciencias del comportamiento y cinco resúmenes de artículos del programa de finanzas.

En especial, quisimos presentar el artículo completo de Antonio Dieck-Assad del Instituto Tecnológico de Monterrey (ITESM, México) sobre cómo utilizar la tecnología en la educación a distancia. ÍTEMS es actualmente líder en Latinoamérica en educación a distancia, por lo que concluimos que sus experiencias podrían ser muy valiosas y replicables en otras universidades de la región y por eso el interés en presentar la totalidad del artículo. En el caso de los decanos participantes al evento, estos tuvieron la oportunidad de visitar las instalaciones del ITESM y de esta manera observar de cerca cómo se han implementado estas tecnologías, lo que representó una ojeada a los retos que deben enfrentar las escuelas de administración en el futuro. En esta misma área, un resumen del artículo sobre innovación tecnológica implementada en Caracas (Venezuela) y un resumen sobre la implementación de una Joint Venture en educación en México, son presentados.

Los resúmenes seleccionados del programa de ciencias del comportamiento representan múltiples tópicos tratados en diferentes universidades: Tulane, ITESM e Icesi. El trabajo de investigación presentado por Tulane, muestra las experiencias de aprendizaje y regulación que surgieron en un accidente aéreo. ITESM participa con dos trabajos: el primero sobre los vínculos sociales, culturales y prácticas laborales en México; el segundo, sobre compras transfronterizas, una práctica muy común en mexicanos que viven en las fronteras de los Estados Unidos. José Roberto Concha, Director del MBA de la Universidad Icesi, presenta los resultados más importantes de su investigación sobre el efecto-país en el comportamiento de los consumidores. Esta investigación fue realizada en colaboración con dos estudiantes de administración de empresas de la Universidad Icesi, quienes estudiaron el efecto-país en algunas marcas de cerveza de Colombia, Estados Unidos, México y Holanda.

Por el lado del programa en finanzas, este documento presentará cinco resúmenes de artículos, principalmente desarrollados por profesores del ITESM. Estos estudios reúnen diferentes temas como el desarrollo de fondos mutuos, el impacto de contratos futuros sobre la volatilidad del índice de las acciones del IPC; el contenido de los ingresos, flujo de caja y los ingresos de gestión, y la necesidad de análisis financieros en una firma mexicana. Finalmente, Julián Benavides, Director del Departamento de Finanzas en la facultad de Administración de la Universidad Icesi, presenta los resultados de la investigación llevada a cabo en colaboración con Samuel Mongrut, profesor del ITESM y Mónica González, estudiante de Administración de Empresas de la Universidad Icesi. La investigación, llamada "¿Vínculos familiares, importan? Propiedad familiar y desarrollo empresarial en Perú", analiza la estructura de propiedad familiar en algunas empresas inscritas en la Bolsa de Valores de Perú.

Selected Abstracts es una consecuencia y un ejemplo de los vínculos generados como resultado del LARC, en donde los recursos se comparten con el objetivo de promover la investigación en educación en América Latina. La Universidad Icesi, reconocida en Colombia por su revista académica ***Estudios Gerenciales***, ha ofrecido sus instalaciones, personal y recursos para producir **Selected Abstracts**. Esto, como una prueba de nuestro compromiso con el descubrimiento, desarrollo y difusión del conocimiento, y con el anhelo de que este documento sea de gran utilidad para los lectores a lo largo de la región y del mundo.

Para acceder a las versiones completas de los artículos presentados aquí, el lector interesado puede comunicarse vía email con los autores de los mismos, para lo cual se provee la dirección electrónica de cada uno de ellos. Igualmente, puede comunicarse con Jorge Alba García (jalbagar@tulane.edu) o con William A. Mindak (wmindak@tulane.edu) de la Universidad de Tulane, quienes fueron los encargados de seleccionar los resúmenes finalmente publicados en este documento.

DEANS WORKSHOP: LEVERAGING TECHNOLOGY FOR DISTANCE LEARNING AT ITESM

Antonio J. Dieck-Assad, Dean EGADE, Instituto Tecnológico de Monterrey, México.

This work was presented at the Latin American Research Consortium (LARC)
Deans Workshop, Monterrey (Mexico).
April, 2008.

ajdieck@itesm.mx

Tecnológico de Monterrey System

The Tecnológico de Monterrey (TM) is a multi-campus university system founded in 1943 as a private, non-profit institution. Mr. Lorenzo Zambrano is currently the President of the University's Board of Trustees. The system offers 44 bachelor degrees, 53 master degrees and 9 doctoral degrees. It is also relevant to point out that each student entering the TM system is required to have a laptop so it can be assured the intensive use of technology through the coursework.

The mission of TM is to transform persons with integrity, ethical standards and humanistic outlook, who are internationally competitive in their professional fields; and at the same time, good citizens committed to the economic, political, social and cultural development of their community and to the sustainable use of natural resources.

To accomplish this mission, Tecnológico de Monterrey has expanded from the face-to-face programs of Tec de Monterrey to the Virtual University and more recently Tec Milenio and the Institute for Social Development. Our network is strengthened by our satellite locations and liaison offices throughout the world.

Distance Learning at Virtual University

The Virtual University (VU) at the TM offers quality education using innovative educational models, collaborative learning, and advanced information technology, in order to contribute to the development and advancement of Spanish-speaking communities. VU was founded in 1989 with the objective of extending educational coverage without geographical limitations. At the beginning, the VU started its programs using satellite technology for course delivery and the internet for student interaction. Ten years after its launch in 1999, the VU evolves and increases the number of on-line courses.

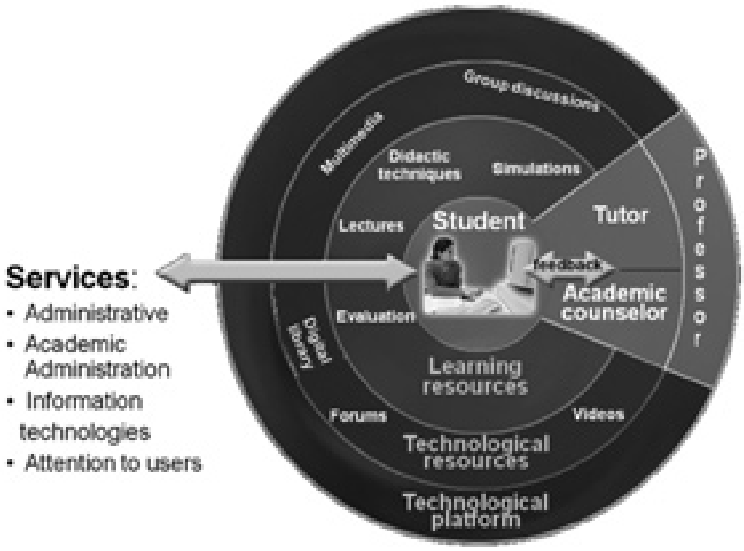
VU offers a number of master degrees and a doctoral program in innovative education, although it does not grant bachelor degrees it does support many courses offered for the TM campi through satellite and online delivery. Currently, the VU serves 6,712 students in graduate programs; 11,291 in undergraduate courses; 874 in high schools; and 90,509 in continuing education programs.

The traditional educational model locates the teacher at the center of the model and the students around him. TM educational delivery model also implemented for the distance learning delivery strives to bring together the tools to help the student seize the learning experience and become the center of it. These tools include the faculty, tutors, learning objects, individual learning activities, collaboration networks, and a digital library.

As didactic techniques we use the Problem-Based Learning (PBL), the Case Method and the Project Oriented Learning (POL) as well as collaborative learning. These techniques have been developed and permeated through all faculty of the TM system in order to learn by doing since it is the method that conveys a larger retention capacity since the role of the student is more active.

The VU designs courses that favor development of competencies and knowledge acquisition, using internet technology and all its instructional potential. The elements in the process of course delivery are shown in Figure 1.

Figure 1. Elements of a course delivery at the VU



The process of course design has different stages. First, it is needed to make a request for a specific design, then develop the content, design the learning environment and adapt the content to that so the activities are planned during the course with the design in mind; then the elements are incorporated into the technological platform and finally the student(s) is/are able to use it.

The characteristics of these courses are:

- Instructional design that incorporates didactic techniques to promote active participation of the students
- Activities promoting self-learning based on technology
- Learning communities that foster collaboration among classmates
- Activities that students can apply to their environments

- A tutoring system that guides and provides feedback to each student
- Use of a technological platform that allows effective academic and administrative follow-up

Some of the benefits of this educational model are the following:

- Training time is reduced
- Promotes learning retention
- Greater flexibility
- Allows the creation of communication, knowledge and collaborative learning in an organization
- Easy content update
- Allows a more effective administration of training thanks to the participant follow-up and the ability of the platform to generate reports
- Greater participant reach and interaction
- More standardized training
- Develops “learning to learn” skills

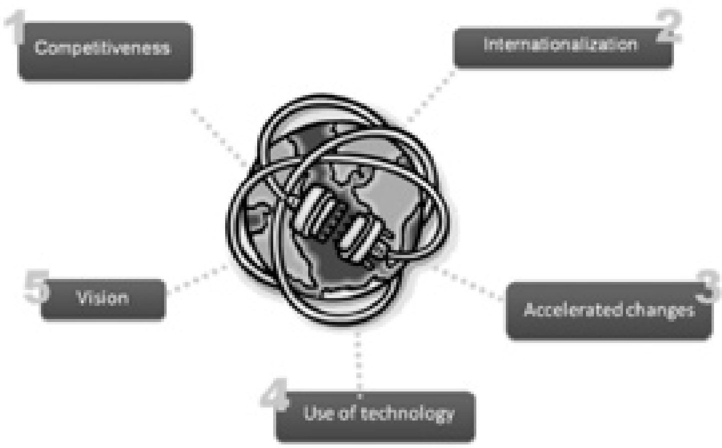
In accordance to the solutions that have been present during the last two decades to confront the opportunities of training, development and people evolution in the organizations and institutions it is important to mention that the traditional schemes of education have to be adapted or modified to achieve the expected results. The limitations in physical and economic resources and a profile change of the individuals have forced educational models to be more *ad-hoc* to the tendencies and needs of the institutions. That is why it is fundamental to describe and introduce an innovative model for the new challenges in education. In order to complement this educational model it is necessary to add attitudes and values as well as abilities to the overall development of the educational experience of the individuals. These two vectors include the following details:

- Attitudes and Values. Ethics, entrepreneurship, leadership, responsible individuals, development and improvement spirit.

- Skills. Link the practice and theory, innovation, productivity, collaboration, learn to learn, flexibility in time and space, faculty and tutors well trained and of high orientation to service and innovative strategies.
- Knowledge
- Didactic techniques and technology

The factors of the world environment

Currently, there are various factors that have impact in the development of the world economies and the evolution of organizations and institutions. In this section we will try to describe the most relevant factors:



Competitiveness. Competitiveness means to achieve the objective and being at par with the best of the world considering the purpose and objective of the organization. For example, being competitive is to have products and services that are comparable with the best in the world. It is fundamental being competitive but to achieve competitiveness it is very important to have a way of doing it step by step and when to follow in order to achieve the final result of being competitive.

Internationalization. This factor is relevant in the modern world where the only barriers between nations are distances and visas. For the individuals, this factor represents a challenge that may be attained if the focus is correct by the organization. The internationalization at all levels within the organization is a great challenge to overpass in such a way that the communication evolves in a more effective way between people.

Accelerated changes in the environment and knowledge generation. The motivation is a great fueling for the humans to continue functioning. The accelerated changes should not deteriorate the human activity and motoring. Motivation should serve as an inspiration for individuals to perform better.

Use of Technology. A factor of great impact in recent years has been the use of technology at different organizations and institutions. This is used to facilitate work, communication, learning, etc.

Vision. The use of time represents a competitive tool for all aspects of humanity. Establishing and describing a clear vision takes all to arrive successfully to the best place possible. This is why the vision represents a key factor for the adequate development of the organizations.

The current demands of the institutions and organizations.

Organizations and institutions have currently different aspects to consider, demand and require to be prepared for the points mentioned in the previous paragraphs. They are described as follows:

- Productivity and quality
- Distance work interaction, collaborative work and leadership
- Innovations and learning organizations
- Being able to use technology
- Anticipation of the future (predicting the future)
- Deep knowledge to date and significant

It should be mentioned that there are different forms to implement the learning process for these organizations. The purpose is to describe a vision on how by using different methodologies one may achieve this objective even if the individuals have different profiles, time usage conditions, location and trend of activities within the organization. First, it is important to start with the assumption that the result is achievable with different delivery platforms such as traditional, distance learning (satellite, online) combined and hybrid.

Programs offered by the Virtual University

Undergraduate courses

As mentioned before, the VU does not offer undergraduate programs; it only supports TM with courses to the campi. This is because, at that level of studies, we use it to support the face-to-face programs when we have one faculty member very specialized in an area and several students in different locations interested in that particular course.

Graduate programs

We offer the following graduate programs:

- Master in Business Administration
- Master in e-Commerce
- Master in Administration of Information Technologies
- Master in Innovation and Business Development
- Master in Science with specialization in Quality Systems and Productivity
- Master in Information Science and Knowledge Management
- Master in Public Administration
- Master in Ethics
- Master in Humanistic Studies
- Master of Education
- In cognition in council and educative development
- In cognition in teaching-learning processes
- Master of Education, specialization in Administration of Educational Institutions
- Master in Educational Technology
- PhD in Educational Innovation
- Global MBA, dual degree with Thunderbird University

- Master in Educational Technology, dual degree with University of British Columbia
- Master in Innovation and Business Development, dual degree with Arizona State University
- Master in Management of Information Technologies, dual degree with Carnegie Mellon University (August 2008)

And the following certificates and specialties:

- e-Commerce
- Financial Management
- Six Sigma Black Belt Certification
- Construction Management Certification
- Registered Financial Specialist Certification
- Global Business Management Certificate

Continuing Education Programs

The VU offers a program named CAP (Círculo de Actualización Profesional) that is a learning community that works through an annual membership, including: actualization courses, special events, and information services.

The advantages and benefits of these programs are:

- Tailor made training according to the organizations, the company or institution decides the topics in which they want to prepare their employees.
- It is possible to follow the progress of each individual/employee through a Learning Management System (LMS).
- Subject areas of interest to different interest groups and needs of the organization.
- Training at a minimum cost and same standard
- Possibility to concentrate the training strategy in one place within the organization

Distance Learning at EGADE

Academic programs

EGADE offers three different academic programs: One-MBA, Global MBA and Executive MBA.

1. One-MBA is a consortium of five different universities around the world, delivered on a weekend per month during 21 months.
2. Global MBA is a dual degree with Thunderbird University. It involves classes every other Friday and Saturday typically from Phoenix, Arizona and Monterrey, Mexico to sites across Latin America. It also combines live satellite sessions and multimedia for a world-class virtual academic experience. Learning is both high-tech / high-touch. The program prepares Latin American managers for success in the always dynamic global business environment and it allows flexible learning for individuals who cannot study abroad because of their job, family or other reasons.
3. The Executive MBA is an in-company program for mid-management executives, with duration of 18 months. In this program the executive may be able to take courses in different delivery platforms including online, weekends and satellite.

Executive education

The strategies for executive education involve the best of all worlds (face-to-face, satellite and online; books, cases, faculty and practices), the return on investment in the short-term, and an alignment with the strategy of the organization. The learning experience is based on exposing the students to essential skills and abilities as: self-learning, analytical thinking, creativity, identifying, defining and solving problems, decision making, work as a team member, efficient use of telecommunication and information technologies, oral and written communication skills, and didactic techniques such as POL, PBL, CBL and collaborative learning.

The International Management Program is targeted at mid- and top-management in a blended format with online activities and three face-to-face modules. The total duration of the program is nine months and includes lectures from three top-ranked business schools around the world, case discussions, visits to the organization's offices, presentations with key leaders from the organization, and a real life project done in small teams.

Another Management Program is an internal alliance between VU, Tec Milenio and EGADE Monterrey. It is a competence-based program in which the company establishes the competences (custom-made), targeted to mid-managers. The program is completely delivered online and the program requires a project for its completion.

Discussion and conclusions

Our expectations from the education enriched development are the following:

- To improve productivity in the organizations
- To improve productivity of the individuals
- *To increase usage of e-learning*
- The enrichment of the teaching-learning process
- Agile teaching-learning process
- *Uniformity in the delivery of education without limitations of time and space*
- *Non-border limitations for business executives*

We can conclude that the main issues to address are to identify the organizational needs, then identify and offer your strengths through alliances (internal and external), then apply technology usage and apply the concepts via project development.

Finally, and in order to being able to achieve the knowledge communication to the readers, it is very important to mention that the delivery educational models continue to be valid in the traditional mode. The delivery model has to be defined by reviewing different aspects within the organization in each case. For this to be accomplished, it is necessary a study of profiles, personnel groups and special situations where you evaluate critical aspects of delivery issues considering knowledge of technology and available resources for the educational learning processes.

The Question and answer session following the presentation on technology was lively and proactive.

Issues that were raised had to deal with:

Intellectual Property- what rights did faculty have over the materials they prepared for on line or in the virtual university? What contractual arrangements –release time, financial incentives- seems to work best?

What was the best way to recruit, train and motivate faculty to be innovative leaders?

How could technology be tied into overall academic research, either in individual business schools or in cross cultural research?

What are actual cost/benefits of online education?

What comparative studies have been done of results between online education and the more traditional ways?

EDUCATIONAL INNOVATION: THE IESA SAN BERNARDINO PROJECT

Henry Gomez, Professor emeritus, IESA, Venezuela

This work was presented at the Latin American Research Consortium (LARC)
Deans Workshop, Monterrey (Mexico).
April, 2008.

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Aníbal, his wife, and three children live in a two-room cinderblock shack built 40 years ago on unclaimed land in a densely populated slum community less than 200 yards from IESA. His dwelling and those of next-door neighbors stand on soft, sinking soil. A participant attending a management program offered by IESA to San Bernardino community leaders alerted Aníbal that IESA students were preparing proposals for public works. Soon after, two MBA students, both engineers, undertook a geological study of the area, recommending to local authorities to either relocate Aníbal and his neighbors in public housing, or undertake a costly land stabilization project.

IESA is located in San Bernardino, a blighted residential area of Caracas on the foothills of Mount Avila. Spanning 2.3 square kilometers with a population of about 50.000, the area is chiefly occupied by middle to lower-middle income housing. Based locally are two large, privately-run medical centers and several health care facilities, together with the headquarters of four leading banks, the city's sole power and light supplier, and the Venezuelan navy.

In the 1950s and 60s Venezuela's population expanded rapidly. As people from Venezuela's countryside migrated to the city in search of work, the borders of several mountainside streams in San Bernardino were settled informally, leading to the growth of what are today crime-ridden, drug-plagued slum communities, known as *barrios*. Some nearby barrios are home to a few of the school's maintenance staff.

In 2004, as corporate social responsibility took hold in leading business schools, IESA convened a meeting of representatives from major companies in San Bernardino, to which local neighborhood association leaders were invited. One purpose was to share emerging outcomes from the Social Enterprise Knowledge Network, led by the Harvard Business School and 10 schools in Latin America and Spain, including IESA; another, to explore joint efforts to improve the local community and reduce crime, which endangered the lives and property of those who employed public transportation to get to work, visit a health care center, or attend IESA classes.

This meeting sparked the San Bernardino Project, which currently receives support from local companies and the European Economic Community. Spearheading the project was the school's aim to "walk your talk", for the IESA mission is to prepare responsible managers. Efforts soon began to sensitize elite MBA students and Advanced Management Program participants to the country's daunting social realities. Field visits by groups of students were initiated to barrio communities, buttressing MBA and executive education courses and workshops on corporate social responsibility.

Interaction with barrio communities has proven invaluable for developing innovation at IESA, including research in marketing focused on low income "bottom of the pyramid" strata, and market initiatives to reduce poverty by shaping ventures with low income groups as consumers, suppliers, and business partners. Other outcomes include executive education ventures directed towards markets that are new to business schools generally, such as leadership training for community development, and micro enterprise management. Under the San Bernardino Project IESA has organized, among others, the following activities:

- Mapping of San Bernardino institutions, including health centers, public agencies, civil society organizations, places of worship, neighborhood associations, and over 50 schools offering pre-school, primary, secondary, and special education (autistic children, etc.)

- Invitations to teachers and children of selected local schools to attend special events, including a Jesús Soto art exhibit and a teaching concert offered by the Mozarteum music school.
- Workshops in negotiation skills and entrepreneurship, led by volunteer IESA faculty, offered to 45 San Bernardino community leaders.
- IESA student projects: barrio homes at risk; information system to speed the flow of medical supplies at a barrio outpatient clinic; improved street lighting in San Bernardino (submitted by the neighborhood association to the power and light company); 1-to-1 review of IESA blue collar staff education, assessing public offerings where each might enroll.
- Two 196-hour management programs for 30 community leaders, offered over 25 weeks by IESA and CESAP (a social agency), featuring modules in project design and execution, computer skills, self-esteem, negotiation skills, teamwork, and other subjects. Eight community improvement projects were designed by eight teams of participants.
- Upcoming 126-hour micro-enterprise management course, supported by British Petroleum. Companies may seek approval to deduct outlays for social and environmental projects, such as this course, from special tax assessments.

IESA seeks the following objectives: first, support research and teaching by acquainting faculty and students with the country's exacerbating social issues; and second, craft innovative, sustainable, and demand-generating management development programs. How to embed these aims in the school's overall strategic management structure is currently under study.

Also at issue is that comparatively few students volunteer to participate. Many fear to set foot in crime-ridden barrios, where stray bullets can emerge from gang wars held at any time of day. On the other hand, faculty members have generously volunteered to teach in scheduled programs and workshops without claiming the extra compensation they obtain from executive education, but obtaining academic credit toward their respective teaching load.

EQUIS, in granting IESA accreditation, cited the San Bernardino Project as evidence of the school's commitment to the welfare of society. IESA appears as the second-ranking region business school in the Aspen Institute's Beyond Grey Pinstripes survey.

Economic return is as yet minimal. Despite EEC and corporate support, plus volunteer staff time, IESA contributes to the cost of the San Bernardino Project. Some may ask whether an academic institution strapped for funds – such as IESA – should divert scarce resources to help a poor community.

Companies that spend shareholder earnings on social responsibility outlays face a similar question. Corporate social initiatives, as distinct from conventional R & D spending, hold little promise of early return. But if such outlays are not made in Latin America – if business and academic institutions fail to find ways to sponsor sustainable ways to rescue society from overwhelming poverty – what can we expect from the region's future? One could ask: Will there be a future for private enterprise in Latin America?

For IESA, the San Bernardino Project holds the promise of shaping innovative academic, consulting, and executive education products attuned to the needs of a socially and politically divided society. Programs offered to community leaders and micro enterprises in San Bernardino can be replicated elsewhere. As knowledge is produced from this challenging interface between business and society, IESA may widen its role in molding Venezuela's future – not merely serving as the country's leading provider of business education. Beyond these emerging outcomes, the project has linked IESA with a swath of local society that is widely ignored by business, public agencies, and the well-to-do.

A community leader who attended the 2007-08 management program and addressed the group of participants, faculty, and staff at a closing ceremony, shared how the community's long-standing perception of IESA as an enclave has changed: "I've lived in San Bernardino all my life and have often guided pedestrians who asked me where IESA was located, but I never knew what IESA was about, nor did I dream I'd ever come here… Nowadays, IESA is a meeting point for our neighborhood association; IESA is family."

BUSINESS ENGINEERING AT ITAM: A JOINT VENTURE OF THE BUSINESS SCHOOL WITH THE DIVISION OF ENGINEERING

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This paper explains the reasons ITAM decided to launch a new undergraduate program in Business Engineering and some characteristics of this new program.

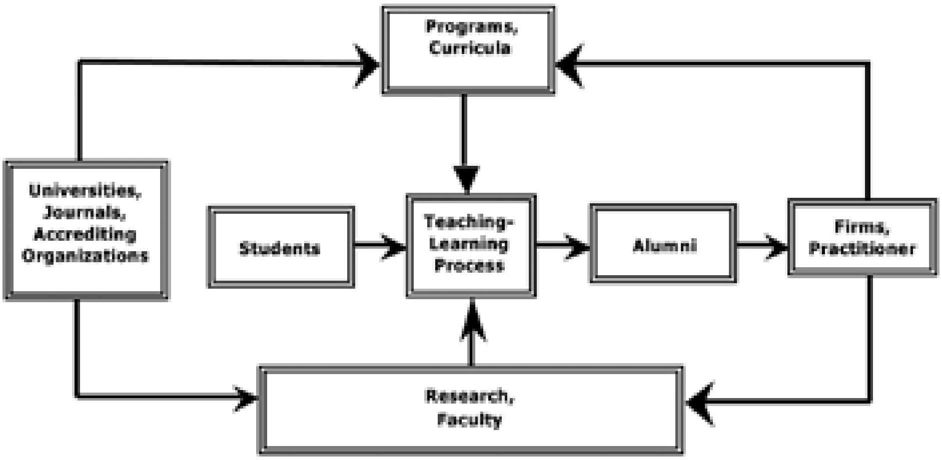
Mission

The Business School at ITAM became 60 years old in 2007. Its mission has been to be a learning community, integrated by students, faculty and alumni that:

- Forms world-class professionals.
- Develops rigorous and relevant business knowledge.
- Improves the practice of management through the organization of programs and events for the professional community.

Strategic Model

The strategic model of the Business School includes the following seven elements: the teaching-learning process, faculty and research, programs, alumni, organizations using the services of alumni, students, and universities generating faculty and knowledge. The school develops a strategy for each of the elements in the model.



The Competitive Environment of Business Majors

The environment for the business graduates has been changing.

Perceived changes in the business environment usually include globalization, increased complexity, and fast technological changes.

The typical BBA, as offered in the US, is becoming short on preparing businessmen for this new environment.

As a result, some firms are hiring more Engineers, Actuarial Science majors, Economists and other graduates to fill positions that traditionally have been offered to Business majors. These professionals often become successful managers with little previous direct training in the field.

Advantages and Disadvantages of Business Majors vs. other graduates

We frequently hear opinions about the advantages and disadvantages of a business major. Some of the points usually made include:

- Non-business professionals may offer to their employers more analytical or thinking skills than the business majors.
- Non-business professionals often lack a well rounded preparation in business issues and in managerial skills such as communication, interpersonal relations and leadership.
- Non-business professionals sometimes have some business preparation. Actuarial Science majors usually take several courses on Finance. Industrial Engineers have a focus on Production Management. Psychologists focus on Human Resources.
- However, non-business majors may lack a holistic view of business issues. Business problems are frequently the result of the interaction of several functional areas, and the career of one individual may encompass several functional areas and sometimes moves to general management after a few years.
- Business majors lack of a clear, dominant, series of courses to introduce the student to the field. In some schools, the first business course, in a Business program, is taken in the third year, with the exception of the Introduction to Business course. An exception to this generalization is the Accounting program where a clear series of Financial and Managerial Accounting courses taken in the first two years of the program integrate its spinal column.
- The smorgasbord or buffet approach used by students to select their elective courses. As a result often their major or concentration lacks breath and depth. The student may lack knowledge in some important area of their concentration.
- The lack of a process perspective in the business major. The functional division of courses in Marketing, Finance, Management, etc. and the lack of integration of these areas in a single professional perspective, with the possible exception of the Business Policy course taken in some schools by the end of the program.
- The specialized nature of business faculty. PhDs are trained in a specialized mode. Often, PhD students only take courses in one

concentration field of Business Administration and on one other discipline, frequently outside Business, which is used as theoretical basis for the research program to be developed by the student. As a result, a broad perspective on Business Administration (and teaching methods) is often lacking.

- An undergraduate degree in Business, and even an MBA, is not necessarily the best preparation to continue towards a PhD in Business Administration. The lack of mathematical, statistical and computational skills seem to be the reason for this incongruence. Ideally, the best preparation to do a PhD in a given field should be an undergraduate or master's degree in the same field.

Challenges

As a result of the evaluation of the elements indicated above we believed that:

- We had to strengthen the position of Business graduates as the required preparation to become a top business professional.
- We needed to develop a solid integrated curriculum with a strong conceptual framework.
- We should strive to attract our share of the brightest students available to the profession.
- It was necessary for schools to develop brand names positioned in the market with a certain degree of differentiation.

Characteristics of the New Business Program

Taken into account the issues discussed above, a new program in Business Engineering was developed at ITAM. The program was to incorporate the following elements.

- Strong preparation in mathematical and statistical methods to provide analytical and thinking skills. .
- Strong preparation in management information systems to comprehend the processes and systems used in modern businesses.

- A holistic view of business administration including managerial skills and a global perspective.
- A name that represents all these elements: Business Engineering.

Similar programs, with different names, had been developed in Chile, Colombia and other countries of Latin America.

Types of scientific disciplines

There are at least three types of scientific disciplines:

- **Formal sciences**, like logic and mathematics. Without empirical content. Logical consistency of the propositions is required to be valid.
- **Explanatory sciences**, like the natural sciences and the social sciences that attempt to describe, explain and predict phenomena. They seek to develop causal models.
- **Design or professional sciences**, like engineering and medicine. They seek to develop knowledge which is useful in the design of problem solutions. The design, or professional, sciences seek to develop knowledge that is useful for the professionals in the field. A professional is a member of a well defined group, with formal training in the field that solves real world problems with the help of skills, scientific knowledge and creativity.

Business includes all three elements, but should emphasize the design or professional sciences. As a result, business could be seen as a type of engineering.

Definitions of Engineering

There are several definitions of Engineering in the literature:

- The application of scientific and mathematical principles to practical ends… Skillful maneuvering or direction. The American Heritage Dictionary of the English Language, Fourth Edition, Houghton Mifflin Co. 2003.

- The practical application of science to commerce or industry… The discipline dealing with the art or science of applying scientific knowledge to practical problems. (The Free Dictionary by Farlex).
- Creating something useful from other things using science and mathematics…Turning ideas into reality. http://www.rtpnet.org/nc-new/materials/engweek.htm
- Engineering is the discipline of acquiring and applying scientific and technical knowledge to the design, analysis, and/or construction of works for practical purposes. (Wikipedia).

These definitions are consistent with our perspective of Business Engineering.

Definitions of Business/ Enterprise Engineering (BE)

Definitions of Business and Enterprise Engineering already exist.

- It is the body of knowledge relative to the development, implementation and use of enterprises, as well as its practical application to projects. (Dietz, 2006, p. 71).
- Enterprise Engineering is an integrated set of disciplines for building or changing an enterprise, its processes, and systems. It integrates the most powerful change methods and makes them succeed. The goal is a human-technological partnership of maximum efficiency in which learning takes place at every level (Martin, 1995, p. 58).

Elements of Business Engineering

Business Engineering has to do with the engineering of organization, information and processes, and the change methods to modify the enterprise.

- **Organization** engineering is related to the determination of specific roles, and assigning these roles to organizational units and specific human beings.
- The engineering of **information** has to do with the design of information and the communication technology.

- **Process** engineering has to do with the tools and equipment used and the skills of the persons involved in the processes and operations of the organization.
- Understand the methods that can **change** an enterprise.

Principles of BE

At least three principles should be the basis of Business Engineering:

1. Reconcile the demands of a) the users, and b) the developers and managers of the organizational system.
2. Design the general structure of the whole and the detailed internal structure of each part --the modules and their interfaces.
3. Take into account the temporal dimension, the life cycle of the organization. How to generate, grow, maintain and liquidate the organizational system.

Courses

The 48 courses taken in 8 semesters include:

Mathematics: 8 courses.

Statistics: 3 courses.

Humanities: 7 courses.

Computer Science: 6 courses.

Economics: 4 courses.

Accounting: 3 courses.

Business: 13 courses.

Industrial Engineering: 3 courses.

Law: 1 course.

Perspectives

The following Business Engineering perspectives are included in the program:

1. A focus on competing on analytics. Developing data bases, and analyzing them using statistical techniques. Also involves modeling business process and situations and simulating possible results of the operation of the system.
2. Designing the enterprise information system architecture and integrating it with the other processes of the organization.
3. A focus on service management, to further differentiate the BE from Industrial Engineers.
4. A focus on Business Analysis. "Business Analysis is the set of tasks, knowledge, and techniques required to identify business needs and determine solutions to business problems. Solutions often include a systems development component, but may also consist of process improvement or organizational change." (IIBA, 2006). A business analyst works as a liaison among stakeholders in order to elicit, analyze, communicate and validate requirements for changes to business processes, policies and information systems. The business analyst understands business problems and opportunities in the context of the requirements and recommends solutions that enable the organization to achieve its goals (IIBA, 2006).

Students

The students that may be inclined towards this program usually:

- Enjoy new technologies.
- Are interested in the world of business.
- Have strong analytical skills.
- Have managerial skills such as leadership, creativity, negotiation and proactivity.
- Accept and enjoy change.

Employment

The types of positions that the graduates are expected to occupy have some of the following characteristics:

- Could work for IT areas or traditional business functions.
- Important role as bridge between business and engineering.
- Could work in operations of service firms.
- Strong in the analytical areas such as IT, quantitative methods and modeling.
- More rounded than the typical engineer in the Business areas.

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In the questions and answer session that followed the presentations, the following issues presented themselves:

Many of the programs –particularly the environmental programs- were very broad with the regional and international implications. Some sort of cooperative effort would have to be launched among the different schools.

Funding from foundations and government as well as corporate sector would be essential. Again this would call for cooperation among schools.

Many of these new programs were outside the traditional course offerings of business schools. Considerable public relations and educational activities would have to be undertaken to convince corporations that there would be some sort of payoff other than financial.

As was the case with the technological discussion, innovate programs such as these would require recruiting, training, and rewarding faculty champions. How these programs could translate into productive academic research would be another issue.

TEAM LEARNING AND REGULATION: EVIDENCE FROM AN AVIATION DISASTER

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This work was presented at the Latin American Research Consortium (LARC) Behavioral Science Program presentation (Organizational Behavior), Monterrey (Mexico). April, 2008.

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Relationships between individual learning and team learning as well as between self-efficacy and team efficacy are understudied issues in the management literature. Through the lens of theories of experiential learning and behavior, we examine how team learning and team efficacy develop in the aftermath of an aviation disaster in the Great Bear Wilderness of Montana. Our presentation focuses heavily on how teams share what they know and what they might do to resolve a crisis. More specifically, we present discourse and action around critical team decisions concerning whether to stay or leave the crash site, in order to better understand team learning and decision-making.

The accident required team decision making under considerable stress and ambiguity and is an example of a difficult and challenging event. Testing limits imposed by tough decisions can be more revealing than common or routine problems. Much of the research accumulated to date on team cognitive and regulatory processes represents ad hoc groups in laboratory settings. Non-routine, atypical cases do not occur predictably; this obstacle can in part be overcome by probing archived and available material. We had access to survivors' thoughts and actions, a unique opportunity and a situation often inaccessible to investigation.

The work crew had assembled for the first time the day of the crash, allowing examination of how team processes unfold in a group with varying levels of expertise. We know very little about the effects of non-routine events on the errors and adaptive behaviors in newly formed teams. The incident provides examples of reflection-in-action, team dialogue and subsequent behavior in relation to the influence of leadership, situation awareness, and socio-emotional support. In total, the rich archival material, survivor accounts, and unique aspects allow in-depth examination of how an atypical case contributes to understanding learning and decision making in teams.

Analytic Strategy

We obtained official documentation of the accident (e.g., Federal Aviation Administration, National Transportation Safety Board, and U.S. Forestry Service) including access to transcribed interviews with survivors of the crash. For the interview data, we used thematic analysis to progressively move from broad categories to key themes and constructs. Several strategies limited potential sources of bias in our interpretation of the interview data, including inter-coder reliability checks and survivor validation of our findings. Importantly, the survivors confirmed the accuracy of our narrative description of the entire incident.

Results and Discussion

Our accident narrative provided the basis for a time chronology, detailing flight operations, survivor movement and search and rescue efforts. Within this chronology, we identified seven critical team decisions or episodes: deciding to fly in stormy weather, misidentifying the plane's location, returning to the burning plane, rescuing the chief-of-party, staying at the crash site, leaving the site and continuing the hike.

Our LARC presentation focuses on two team events: the decision to stay and then leave the crash site. The initial team decision to stay is noteworthy. Life threatening injuries arouse the sympathetic division of the autonomic nervous system, releasing adrenaline to mobilize the victim with the energy needed for fight or flight. This point is most evident in one survivor's strong desire to leave immediately. The team developed a sense of efficacy for rescue (through persuasive discussion) to overcome his physiological need to leave. The dialogue also demonstrates the intact role structure of the work crew. The younger workers perceived the chief-of-party as the leader with greater knowledge and expertise, despite his serious injuries. Furthermore, transactive memory (i.e., understanding who knows what) was accessed through questioning; this knowledge enhanced individual and collective efficacy for the team's course of action.

The second decision episode demonstrates how awareness of changing environmental conditions including the death of the senior member of the team, led to a reconsideration of the efficacy for being rescued, as the dyad weighed benefits and risks. Dialogue contributed to their shared efficacy for pursuing another course of action. These themes and their implications for theory-building on how team cognitive and regulatory processes develop and affect decisions during crisis events are discussed. Furthermore, the implications of these findings for studying teams in other contexts including cross-culturally are discussed.

STRONG SOCIAL TIES, CULTURE, AND EMPLOYMENT PRACTICES IN MEXICO

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Latin American businesses have been characterized as embedded within a larger societal system based on complex kinship networks (Elvira & Davila, 2005; Jones, 2005; Martinez & Dorfman, 1998). These networks are composed of compact, homogeneous social groups that are reproduced over time by means of cultural values—e. g. among the political elites and working classes (Camp, 1988; Davis & Coleman, 1986; Murillo & Schrank, 2005). Within this societal structure, organizational practices merit special research attention. In this article, we focus specifically on employment practices in firms in Mexico.

Research in Mexico has shown that human resource (HR) practices are highly influenced by strong-tie social networks based on kinship, understood as relatives and close friends, or colleagues belonging to the same socioeconomic

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group (Elvira & Davila, 2005). We know, for instance, that staffing practices are primarily based on employees' referrals, and these include relatives and close friends who belong to the same socioeconomic group (Davila & Elvira, 2005; Hualde, 2001). The Mexican National Statistics, Geographic and Informatics Institute (INEGI in Spanish) reported in the third trimester of 2006 that 55 per cent of all salary-based employees obtained their current job through friends or family relationships (Rivero, 2006).

The current perspective on social networks proposes that weak ties—composed of distant acquaintances with sporadic personal contact—act as bridges between strong tie networks and make it easier for individuals to interact in the larger social system and to become part of modern society. Because of this, the role of weak ties becomes instrumental, specifically for exchanging social resources—e. g. information about prospective jobs (Granovetter, 1973, 1983) or access to people in power (Lin, 1982, cited in Bian, 1997). This perspective is frequently used to understand labor markets (e.g. Montgomery, 1994) or the ways in which individuals obtain jobs (e. g. Brown & Honrad, 2001). The main assumption here is that labor markets are subordinated to market asymmetries, and that the information necessary for individuals to find jobs is available through informal mechanisms such as social networks. Nevertheless, few studies examine social networks that exist within and outside organizations, or their relationship with formal HR practices (e. g. Castilla, 2005; Fernandez, Castilla & Moore, 2000; Petersen, Saporta & Seidel, 2000). Little attention has been paid to exploring the correlation between concepts about how individuals search for jobs —e. g. strong versus weak ties—and hiring practices within firms.

Empirical studies on social networks show contradictory results in contexts different from those of market economies. In Asia, for example, strong ties are most effective for people who are searching for jobs or who want job mobility. Conversely, weak ties enable the exchange of other social resources, such as access to people from different social strata or hierarchical levels (Lin, 1982; cited in Bian, 1997). This phenomenon is related to a cultural values system that encourages the development of interpersonal connections and their use during the process of job searching (Bian, 1997; Bian & Ang, 1997). In Mexico, we can observe a similar phenomenon.

Although international research on social networks produced the hypothesis that strong ties are necessary for job searches and job mobility (Bian, 1997), the phenomenon is still addressed very much in structural terms. That is, little attention has been given to the cultural perspective of ties. Therefore, the purpose of this paper is twofold: to extend the social networks perspective by including cultural values in the study of social ties in the Mexican context; and, to use the social networks lens to understand employment practices in firms in Mexico.

This paper is divided into three parts. First, we offer a general discussion that focuses on social networks and their relationship with labor markets and HR practices in Mexico. Second, we address the social networks perspective from a cultural point of view. Finally, we propose a theoretical framework that offers general guidelines for the study of employment practices—staffing and promotion—and suggest how firms could capitalize upon this by taking into account the socio-cultural structure of the country.

CROSS-BORDER SHOPPING: FAMILY NARRATIVES

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Shopping across the border is a common practice for Mexicans who live in cities near the US frontier. The El Paso international bridges handle almost one-fifth of all trade along the U.S.-Mexico border. Local economists estimate between 15% and 20% of the city's retail sales are derived from Mexican nationals. According to the Greater San Antonio Chamber of Commerce, Mexican nationals purchase approximately $200 million in retail goods in San Antonio each year. Two major malls in the area report that as much as 35% of all sales go to Mexican nationals. Further, according to Visa International, San Antonio has the second largest usage of their credit cards by Mexican nationals in the United States (second to McAllen), with approximately 9% of total U.S. purchases (U.S. Chamber of Commerce, 2005).

This work intends to provide a framework on the experience of shopping across the border. Cross border shopping is a learned behavior which is passed down from generation to generation. Essentially the experience of cross border shopping is constructed on narratives that move beyond the simple description of experienced events to provide explanatory frameworks and emotional evaluation of what these events mean to the individual (Bruner, 1986).

Mexicans who live in the Northern part of the country have been familiar with the US border towns for generations. Even before the malls existed, many Mexicans would cross the border to shop at stores selling apparel, tools, furniture, toys, and groceries, among many other products looked for in their shopping trips. Normally these trips would be scheduled several times per year, coinciding with the holidays and the change of seasons. This still happens.

Traditionally the gender roles in Mexican society have been clearly defined: men as providers, women in charge of buying whatever is needed for the family. Therefore in this work we focused our research on women. We conducted nine in-depth interviews with three generations of women from three different families who live in the Northern part of Mexico and shop frequently across the border. Variations in age/cohort and life cycle allowed attention to sociocultural factors driving relationship behaviors in both interpersonal and consumer behavior domains. Each of these women follows her own shopping rituals, seeks to satisfy her goals, and use narratives to construct and reinforce their experiences. However there are also common themes immersed in the Mexican culture that link their stories together; manifestations of a well-documented cultural legacy particularly relevant to the lives of Mexican families.

Belk (1988) argues that the marketplace has become a preeminent source of mythic and symbolic resources through which people construct narratives of identity. Zaltman (2003) states that the stories we hear in early childhood become important frames of reference or mental models that later influence our behavior, including our consumption behavior. Thus, through the examination of stories that are passed down from generation to generation and which construct "family identity" (Epp and Price 2005, Moore, Wilkie & Lutz 2002) and in the context of the concepts of "glocalization" (Robertson, 1995) and "malinchismo" (Paz, 1969), this videography intends to provide a framework on the experience of cross border shopping. [According to Paz (1969), malinchismo is a Mexican trait that affects patterns of consumption.

The concept was developed in the fifties and means to deny one's own roots in favor of a foreign power].

Our findings highlight different points related to the processes associated with the experience of shopping across the border. *First,* each family works throughout the years to construct its own particular family identity using the tales of their shared experiences. Similar encounters are interpreted in different ways by each family, resulting in particular, and individual narratives for each of them. *Second*, an intergenerational transfer of knowledge, attitudes and behavioral patterns going from grandmothers to mothers to granddaughters in each family occurs as a result of the experiences lived together in the process of cross border shopping. *Third*, a common knowledge is developed both by the Mexican consumers and the North American retailers that translates into particular commercial practices. *Finally*, all our contributors are immersed in a shared national culture, more specifically in a Northern – Mexican culture. They share and transmit values like thriftiness, malinchismo and the relevance of family ties. These values affect their attitudes and their shopping patterns, generating important consequences for both the economies of Mexico and the United States.

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IMPACT OF COUNTRY OF ORIGIN EFFECTS ON CONSUMER PURCHASE DECISIONS

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The globalization of the world's economy continues to expose consumers to a wider range of foreign products than ever before. The impact of products' country of origin on consumers purchase decisions has been an issue of increasing importance to marketing and consumer behavior researchers, as well as to the marketing managers. However, manufacturers have been paying little attention to the effects of a product's new country of origin on consumers' perception of its quality.

Most published studies on country of origin effects found that country stereotypes do exist and that they have some impact on product evaluations and purchase decision. Country of origin effects have been found to exist for products in general (Darling and Wood, 1990), for certain products categories (Cordell, 1992) and for specific brands (Chao, 1993).

The dimensions of consumer knowledge

The effect of country of origin is a complex phenomenon which has various factors that can influence its affect. One of those is the knowledge of the consumer and the other is knowledge of the product. The first one plays an important role in the evaluation and acquisition of the product by consumers; the second affects the information used by consumers to familiarize themselves with the product and develop better knowledge of it. It is evident that the levels of knowledge vary according to the involvement of the people who acquire the product, since it depends on whether the product is durable or expensive where previous knowledge of the purchase is relatively high because the consumer has acquired all the available information. The opposite case happens when the intentions of purchase are directed towards products of low involvement such as products of mass consumption.

Study and results

The purpose of this study is to explore the effect of brand name and country of origin information on the decision information with a Colombian individual's sample.

We use a personal survey in this study. The sample consisted of Colombian residents who are aged 18 and above, students from a University in Cali, Colombia. Three hypotheses were studied:

H1. *In a situation where only the brand of the product and the country of origin are known as information, consumers probably trust the country of origin more if they do not know the brand than if they did.*

H2*. Consumers who have used a particular brand trust it in less degree than the consumers who have not tried the brand personally.*

H3. *Consumers with high levels of knowledge are probably more confident in the country of origin for evaluating products of mass consumption, and particularly if these products are of an unknown brand, than consumers with inferior levels of knowledge.*

The results indicated that country of origin cues affect Colombian consumers in beer evaluation. It suggested that brand familiarity and objective product knowledge mediate the extent to which consumers relied on country of origin in product evaluation. However the study found inconsistent results between different levels of objective knowledge and its effects on country of origin of manufacture.

Conclusions and managerial decisions

Some conclusions and managerial decisions based on the results of this study are:

1. Country of origin effects have an influence on Colombian consumers
2. Are only weak associations between product dimensions and country of origin cues particularly for evaluations of unfamiliar brands.
3. At the country level Holland is perceived by Colombian consumers as the best in product quality, this positive perception is transferred to the evaluation of the fictitious brand from Holland.
4. Consumers did not rely on COO when evaluate an unknown brand name (H_1), Blackwell (2001) and Schaefer (1977)
5. Customers with lower levels of brand familiarity are expected to pay closer attention to country origin image (H_2). Han and Qualls (1985).
6. Beer producers or importers must use COO in promotion strategy when introducing new brands in the marketing
7. Consumers with high level of objective product-country knowledge no necessarily rely easily on COO when evaluating low involvement products, they prefer to test and compare. Instead of emphasizing country of origin messages may be more efficient to try the products by those consumers.

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MUTUAL FUND PERFORMANCE IN MÉXICO

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Mutual funds in Mexico are not new; the first one, according to Isabel Morales Pasante started in 1954, given that the first law was passed in 1950. It was not until major legislation and stricter enforcement applied in the late nineties that mutual funds experienced accelerated growth. A stronger legal framework is necessary for the development of the mutual funds, as found out by Khorana, Servaes and Tufano (2005) (KSF). Therefore this work employs the variables used by them as a guideline to describe the Mexican legal, regulatory and operative frameworks. It seems that the Mexican regulation is in line as in the rest of the world, hence the development of the Mexican market.

As we will see later, when this work analyzes the different types of mutual funds, it is not sufficient to have a robust legal and operative framework to foster the development of mutual funds because investors, as always, demand positive risk adjusted returns. The next section analyzes the Mexican mutual fund industry size and composition, and is compared against the United

States and the rest of the world. The comparison includes the Assets Under Management (AUM), number of funds and administrators evolution from 1999 to 2004.

In Mexico the stock market is only a fraction of the relative size of other economies. Therefore, it is not surprising to find in Mexico that there is a predominant type of mutual fund, which is the fixed income mutual fund type. As we will see later, the proportion of the total funds invested into this type of fund is the largest in the world and this leads to the central question of this dissertation, even though mutual funds in Mexico are growing, why is it that the proportion of capital markets mutual funds is so low, as compared with fixed income mutual funds. The answer may not be a lack of adequate legal and operative frameworks that are in place. Rather it may have to do with the returns of the capital markets mutual funds or the stock market itself.

The next section analyzes the returns of the Mexican stock market. A very simple reason for not investing into capital markets mutual funds may be that the stock market premium over the risk free rate of return is not positive, which is not the case. Another possibility may have to do with the liquidity of the market. As a result of such analysis it turns out that an investor investing into a few stocks may benefit from most of the market's returns. This is a valid reason, but applicable only to High Net Worth investors, because Mexican brokerage firms require large amounts of money to open an account. Therefore, for the average investor, is not easy to directly invest in the Mexican stock market. The alternative, of course, is to invest in capital markets mutual funds but, as mentioned before, its relative importance is low.

In Mexico, there seems to be an adequate legal and operative framework, the returns of the stock market are positive but there may be an issue with liquidity, though. This leads into analyzing the performance of the capital markets mutual funds. On average, the returns do not compensate the administration fees charged by the administrators and this may constitute another reason for the relative small size of the capital markets mutual funds.

The next part of the dissertation deals with a topic still under debate in developed markets: whether or not mutual funds have persistence, a topic highly documented in the US financial literature, where efficient markets are a reality. This work applies much of the same tests in Mexico, a developing market.

The list of authors that have found no-persistence is long and dates back to Jensen (1967); Malkiel (1995) found that investors were better off by investing in index funds than on managed funds; Carhart (1997) found persistence, but it was explained by common factors. Brown (1992) and Brown et al. (1995) did not find persistence. The list that supports persistence is equally rich: Ginblatt and Titman (1989) found long term persistence; Hendricks et al. documented short term persistence, peaking at four quarters; Gruber (1996) affirms that management ability is not priced since open-end funds are traded at net asset value. Bollen and Busse (2002) found persistence on intervals of less than a year; Avramov and Wermers (2004) determined that is possible to have a trading strategy with superior returns if transaction costs are ignored and Mamaysky et al. (2004) stated that correcting for systematic bias of alphas and betas can have risk adjusted abnormal returns.

Persistence may be used as a source for trading strategies that investors may try to use. Different authors look for persistence using different approaches; the simpler way is to consider only returns, as Malkiel (1995); weighting flow of funds, as Gruber (1996) might be more representative and a third criteria, the number of investors that come into and out of the funds is considered. If a market is not efficient, then persistence may be present, and the results show that, not surprisingly, this is the case of the Mexican market and there may be trading strategies available for the average investor.

As for conclusions, I can say that there is a well structured legal and operative framework that supports and oversees the mutual fund industry. This is a sine qua non condition such that the growth of the market is based in a strong foundation but investors demand, besides low legal risks, high returns and cheap fees, that is in their nature.

In Mexico, administrators do not compensate investors with extraordinary risk adjusted returns (positive alphas), not even before commissions. Therein lays the reason as to why the capital markets mutual funds' size is smaller than the fixed income mutual funds. Given the low liquidity that prevails in the Mexican stock markets, it may be expected that with a few stocks an investor can replicate most of the market behavior and need not hire an administrator. This is true for High Net Worth Individuals but not for small investors, due to the large amounts to open accounts that the Mexican brokerage firms requires.

There is persistence in the Mexican capital markets mutual fund industry, but given the preceding findings, small investors would be better off if they buy only indexed mutual funds. In the end, an important conclusion may be that there is rationality among Mexican investors, if we consider that they do not spend their money in fees that do not compensate them, and that the mutual funds should work harder to earn their fees.

One of the limitations of this work is the length of the analyzed period which is only six years. An idea for further research would be to test deeply for indexed mutual funds, i.e. do they perform according to their objective? or if they have substantial deviations from their benchmark, investors might as well forget about mutual funds, both managed and indexed and simply invest in the only tracker Mexico has, the NAFTRAC which is the equivalent of the Exchange Traded Funds (ETF) in the United States.

IMPACT OF FUTURES CONTRACTS ON VOLATILITY OF IPC STOCK INDEX: THE CASE OF MEXICO

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Abstract

The derivative market is integrated for forwards, futures, options and swaps. These contracts are essentially like insurance, providing protection against uncertain terms of trade on spot markets at the future date delivery.

The objective of this research is to show the impact of futures trading on the IPC Index, following its introduction in august 1998, using the Generalized Autoregressive Conditional Heteroscedastic (GARCH) family of statistical techniques. This model is looking to measure the impact of the introduction of futures market in Mexico, specifically in the volatility of spot stocks prices and the efficiency of the Mexican Market.

Futures Contracts: an overview

The connection between futures prices and expected future spot prices is so strong that some market observers believe that they must be, or at least should be, equal. Similarly, the price for storing the good underlying the futures contract helps determine the relationship among futures prices and the relationship between the futures price and the spot price.

Literature Review

Some researchers that presents arguments in favor of the idea that futures markets have a beneficial effect on the underlying cash markets are Schwartz & Laatsch (1991), Stoll & Whaley (1988), Danthine (1978), Bray (1981) and Kyle (1985). Although many studies have been carried out trying to understand whether futures markets destabilize or not cash market, the findings are still not in agreement.

Bologna (2002) made a research and conclude that the existence of stock index futures, at least for the Italian Stock Exchange, by reducing the underlying market volatility, contributes to increase market efficiency.

Mexican Futures Market

In Mexico there exists a Mexican Derivative Exchange (Mexder) since 1998. This exchange is operating only futures and options contracts with underlying financial asset. Actually, Mexder is an important competitor for Chicago Mercantile Exchange, given that many Mexican and North American investors require taking positions in DEUA, Cetes, TIIE, IPC or some shares listed in the Mexican market. At the end of 2004, the TIIE´s future contract is ranked on the third place in terms of trading volume, in the world.

Methodology and Data

The Bologna´s (2002) and Antoniou´s (1995) methodology was used and addressing three important issues. *First,* does the existence of stock index futures affect the volatility of the cash stock market, and how? *Second*, if the "futures effect" exists, is it immediate?. *Third*, is the futures introduction the only cause for a change in the cash market volatility?.

Data used have been provided from Invertia Plus, daily returns of IPC from January 1994 until May 2005 was calculated, yielding a total of 2794 observations. Daily index information includes data from NYSE Composite in order to test whether the changes in volatility should be attributed to market factors rather than to the stock index futures introduction.

The basic econometric model

The GARCH framework is used in order to investigate any possible effect of futures trading on the volatility of the spot market for the Mexican Stock Exchange. According to Gujarati, the conditional variance on disturbance *u* at time *t* is dependent not only on past squared disturbances but also on past conditional variances. According Bollersev (1987) among others, the GARCH (1,1) framework has been extensively found to be the most parsimonious representation of conditional variance that best fits many financial times series.

Impact of futures trading on volatility

Following this model, Bologna (2002) support the hypothesis that the introduction of stock index futures had an effect on the volatility of the sport market and there seem to be indications that such an effect is a beneficial one. These results are on line with another research from Bologna (1999) for the Italian Stock Exchange too, but are in contrast with the finding of Antoniou and Holmes (1995) for the London Stock Exchange.

Impact of stock index futures on the cash market volatility considering the market factors.

In presence of stock index futures trading “old news” have less impact in determining the volatility of the stock market. This argument seems to confirm the expectation of increased market efficiency as consequence of the activity in stock market futures (London and Italy). In the case of México, these results are not consistent with the theoretical arguments of Ross (1989) and the view that futures trading increase the flow of information to the spot market.

Another important result of this estimation is that in México was not obtained a change in the nature of the volatility, since for pre and post periods of the introduction of futures contracts, all coefficients of GARCH (1,1) model are significant.

Respect to dummy variable, in the case of México and Italy, the sign of coefficient obtained was negative, the significance was at 5% and 10%

respectively, that's suggest that the introduction of futures contracts contributed to diminish the market volatility per se, although for the case of México was much less registering a -0.319E-05 in the coefficient value and Italy a -0.01.

Conclusions

The results obtained shows that after futures market introduction, the volatility of IPC was diminishing. This argument is also supported by the finding that unconditional volatility in the post-futures period was lower than that in the pre-future period considered. If there exists some effect of futures contract on the volatility, it was not immediate. Given the significance of dummy variable is not enough to support that futures contract was only factor that had effect on the IPC spot price, but is a fact that contribute to reducing the impact of external factors in Mexican market.

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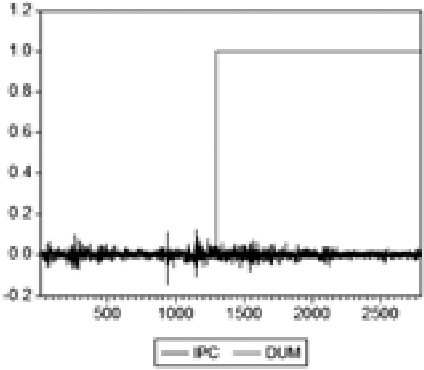
Annexes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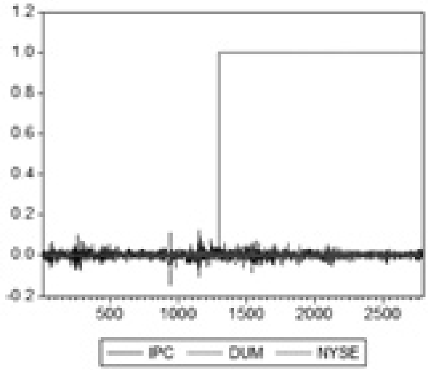
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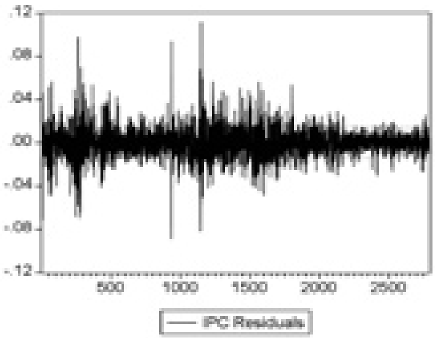
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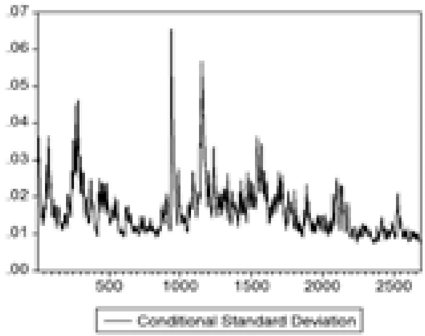
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THE INFORMATION CONTENT OF EARNINGS, CASH-FLOW AND EARNINGS MANAGEMENT: AN EMPIRICAL ANALYSIS FOR MEXICAN COMPANIES

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Abstract

This study will examine whether the components of operating, financing, and investing cash flow are differentially associated with annual security returns, as predicted by theoretical models in finance and economics. In addition, this study will analyze the importance of the net income's components and will separate accruals into discretionary and nondiscretionary accruals, to test for the presence of earnings management. The relevance of this study resides on its applications to Mexican public companies.

Literature review

Supporting Theories for Earnings Management

Mechanistic Hypothesis: Wilson and Bowen (1987) and Rayburn (1986) analyze the incremental information content of cash flows given earnings and given accruals, respectively. Bernard and Stober (1989): Disaggregating net income into cash from operations and accruals does not provide additional content beyond net income. Jennings (1990): Only weak and inconsistent evidence that accrual components of income are valued differently from cash flow components by investors. Lipe (1986) and Ou and Penman (1989): Accounting statements provide more than historical perspective, they are also prospecting.

Criticisms to Mechanistic Hypothesis and EMH: Kaplan and Roll (1972): CAR on firms that change depreciation methods was no significant around the time of earnings announcement. Hand (1990): Investors are homogeneous in their abilities to obtain and process accounting. Market anomalies that challenge the validity of the EMH: Rozeff and Kinney (1976): January Effect, Cross (1973): Monday Effect, Bernard and Thomas (1989): Post Announcement Drift.

Positive Theory *(Developed by Watts and Zimmerman, 1978.* Three mayor hypothesis:

- *Bonus Plan Hypothesis:* Healy (1985): Failures due to lack of bounds in bonus plans. If there's no bounds: Income-increasing accruals, and vice versa. Dechow and Sloan (1991): CEOs increase their compensation in the final years in office by cutting R&D expenditure.
- *Debt Covenants Hypothesis:* DeFond and Jiambalvo (1994) Income-increasing accruals in the year prior to covenant violation.
- *Political Cost Hypothesis (Advantage of public and excessive profits):* Han and Wang (1998): Oil firms that expected to profit from crisis reduced earnings by managing discretionary accounting accruals during the 1990 Gulf War. Jones (1991): Firms defer income-increasing accruals for import relief. Teoh (1998a, 1998b): Managers influence equity offers by overstating earnings. Collins (1995): Banks manage their loan loss provisions and Adiel (1996) insurers manage claim loss reserves to meet regulatory requirements. Burgstahler and Eames (1998) & Kasznik (1999): Firms influence their short-term stock performance by managing

earnings. Healy and Wahlen (1991) Managers use judgment in financial reporting with the intention to obscure a firm's fundamental value or to affect resource allocation. Heninger (2001): Earnings management appears to be a common practice among firms. Levitt (1998): Earnings management has recently been made a top priority for the SEC.

Fundamental hypotheses in finance and economics to test and expected results for public Mexican companies.

1. **Irrelevance of financing cash flows:** Miller and Modigliani (1961) postulate the irrelevancy of capital structure or dividend policy for security valuation. Under their assumptions, a firm's value is unaffected by its decision to finance its cash needs through issuance of debt, common or preferred stock. Similarly, security values are unaffected by a firm's dividend policy.

   Hypothesis 1: $\beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$

2. **Signaling effects of financing cash flows**

   a. *Debt issuance.* Assumptions about asymmetric information between owners and investors lead Ross (1977) and Leland and Pyle (1977) to suggest that debt issuance may be perceived as a good signal about future cash flows, because owners retain a large proportion of equity than when stock is issued. On the other hand, Miller and Rock (1985) suggest negative market reactions to announcements of any external financing, because such announcements imply that future operating cash flow will be lower than previously expected. The empirical evidence of Mikkelson and Partch (1986) and Eckbo (1986) documents small (statistically insignificant) negative reactions to announcements of debt financing. **Hypothesis 2:** *Debt issuance,* $\beta_1 > 0$

   b. *Common-stock issuance.* Smith (1986), managers, who are assumed to have private information about their firms, engage in stock issuances (repurchases) when they believe that security prices are too high (low) relative to fundamental (intrinsic) value. Anticipating this behavior, investors react negatively (positively) to announcements of stock issuances (repurchases). Mikkelson and Partch (1986), Masulis and Korwar (1986), and Asquith and Mullins (1986) provide evidence of negative reactions to announcements of stock issuances. Dann (1981) and Vermaelen (1981) provide evidence of positive market reactions to announcements of stock repurchases. **Hypothesis 2:** *Common-stock issuance,* $\beta_2 < 0$

c. *Preferred-stock issuance.* Smith (1986), when a security is less sensitive to the underlying value of the firm, because it has senior claims (e.g., debt or preferred stock) or because it cannot be converted into common stock, then announcements of its issuance are expected to be accompanied by smaller market reactions than announcements about issuance of common stock. **Hypothesis 2:** Preferred-stock issuance, $\beta_2 < \beta_3 < 0$

d. *Dividends.* The theoretical model of Miller and Rock (1985) predicts that dividend changes are associated with security returns. Increased dividends signal greater future cash flows which are expected to be associated with positive market reactions. The empirical evidence of Asquith and Mullins (1983), Charest (1978), Aharony and Swary (1980), and Brickley (1983) are consistent with these expectations. **Hypothesis 2:** Dividend, $\beta_4 > 0$

3. **Irrelevance of investing cash flows:** Miller and Rock (1985) model also can aid in predicting the effects of investments on security returns. Generally, increases in investments are associated with higher future cash flows, and, therefore, positive associations with security returns are expected for announcements of new investments. McConnell and Muscarella (1986) are consistent with it. **Hypothesis 3:** $\delta_1 > 0$, $\delta_2 > 0$, $\delta_3 > 0$, $\delta_4 > 0$, and $\delta_5 < 0$

4. **Differential effects of investing cash flow:** Amihud and Lev (1981) tested negative market reactions to announcements of investments in other firms. Jensen and Ruback (1983) summarize evidence that documents small and negative market reaction to bidders' announcements of takeover attempts. Leland and Pyle (1977) and Ross (1977), conclude that it is expected that increases in the proportion of ownership through purchases

of minority interests will be positively associated with security returns, due to the increase of owners' share of the firm. Miller and Rock (1985), affirm that new investments in unconsolidated subsidiaries should have positive implications above future cash flows, and, hence, for returns. **Hypothesis 4:** $\delta_1 > 0$, $\delta_2 > 0$, $\delta_3 > 0$, $\delta_4 > 0$, and $\delta_5 \neq 0$

5. **Irrelevance of operating cash flow:** Most valuation models suggest that unexpected cash inflow or outflows from operations in the current period should affect security prices through their effects on current and future cash flows. **Hypothesis 5: g** $\alpha_1 \neq 0$, $\alpha_2 \neq 0$, $\alpha_3 \neq 0$, $\alpha_4 \neq 0$, and $\alpha_5 \neq 0$
6. **Recurring and nonrecurring events:** Gonedes (1979) documents different market reactions to the disclosure of ordinary and extraordinary income. Barnea, Ronen and Sadan (1979) provide evidence that the market reacts more to the permanent component of earnings that to transitory component of earnings. Lipe (1986) shows that whether a component or earnings is expected to recur in the future is important for security valuation. The "other" operating cash flows might be less likely to recur than collections from customers, because they represent items like settlements of law suits, receipt of payments for insured damages, etc. **Hypothesis 6:** $\alpha_1 > \alpha_5$
7. **Cash from operations and accruals:** There are a lot of contradictory findings about the decomposition of earnings into cash from operations and accruals. Wilson (1986, 1987) shows that cash from operations has information content beyond earnings, while Bernard and Stober (1989) show that Wilson's results are not obtained beyond his sample period. Bowen et al. (1987) show that cash from operations has incremental association with security return beyond earnings, both his results seem to be driven by data from two years, and are not robust to treatment of statistical outliers. Rayburn's (1986) results indicate that associations of security returns with cash from operations and total accruals are of about the same magnitude. **Hypothesis 7:** $\phi_1 \neq \chi$
8. **Components of operating cash flows:** If all components of operating cash flows have equal associations with annual security returns, then disaggregation of total cash from operations into its components would not

provide incremental association beyond that of total cash flow operations. **Hypothesis 8:** $\alpha_1 \neq \alpha_2$, $\alpha_1 \neq \alpha_3$, $\alpha_1 \neq \alpha_4$, $\alpha_1 \neq \alpha_5$, $\alpha_2 \neq \alpha_3$, $\alpha_2 \neq \alpha_4$, $\alpha_2 \neq \alpha_5$, $\alpha_3 \neq \alpha_4$, $\alpha_3 \neq \alpha_5$, and $\alpha_4 \neq \alpha_5$

Earnings management: Healy and Wahlen (1999) define it as: "Earnings management occurs when managers use judgment in financial reporting and in structuring transaction to alter financial reports to either mislead some stakeholders about the underlying economic performance of the company, or to influence contractual outcomes that depend on reported accounting numbers". Focusing on managers' reporting choices, they can smooth reported operating earnings using accruals. This study will decompose accruals into nondiscretionary accruals (NDA) and discretionary accruals (DA) where NDA is the expected accruals given firms' operations and conditions and DA can be used to manipulate earnings. **Hypothesis 9:** $b \neq 0$

The Models

To test hypotheses concerning financing, investing and operating events (all hypothesis except one part of 7 and hypothesis 9), this study will use following regression model:

$$\begin{aligned} CAR = {} & \alpha_0 + \alpha_1\, Customers + \alpha_2\, Suppliers + \alpha_3\, Taxpay + \alpha_4\, Interestpay + \\ & \alpha_5\, Other + \beta_1\, Debt + \beta_2\, Common + \beta_3\, \mathrm{Pr}eferred + \beta_4\, Dividend + \delta_1 \\ & InvPlantEq + \delta_2 AcqBusiness ++ \delta_3 AcqMinority ++ \delta_4 InvNewSubsid \\ & ++ \delta_5\, DesinvPlanEq + \chi Accruals + \varepsilon \end{aligned} \tag{1}$$

Where CAR (cumulative abnormal return) is a measure of annual abnormal return (dependent variable) and the independent variables are:

$Customers$:Cash collections from customers, $Suppliers$: Cash payments to suppliers, employees, etc., $Taxpay$: Cash payments to tax authorities, $Interestpay$: Net interest paid, $Other$: Other operating cash flows, $Debt$: Cash received in net debt issuance, $Common$: Cash received in net common-stock issuance, $\mathrm{Pr}eferred$: Cash received in net preferred-stock issuance, $Dividend$: Cash dividends paid, $InvPlantEq$: Cash used for new investments in property, plant and equipment, $AcqBusiness$: Cash used for acquisitions of new businesses, $AcqMinority$: Cash used to acquire additional interest from minority shareholders, *InvNewSubsid*: Cash invested in new unconsolidated subsidiaries, *DesinvPlanEq*: Cash obtained through the retirement of property, plant and equipment, and *Accruals*: Net income minus total operating cash flow.

To test whether disaggregation of net income into cash from operations and accruals improves the association with security returns. This study will estimate the following regression model:

$$CAR = \phi_0 + \phi_1 CFO + \chi Accruals + \nu \qquad (2)$$

Where CAR, CFO, and $Accruals$, represent the cumulative abnormal return, unexpected total cash from operations, and unexpected total accruals, respectively. This study will use the modified Jones model as the means of decomposing total accruals into their unmanaged and managed components.

To test earnings management (hypothesis 9) and to have consistency with previous studies of earnings management (Healy 1985, Jones 1991, Dechow, Sloan and Sweeney 1995), total accrual (TA), will be computed as:

$$TA_t = (\Delta CA_t - \Delta CL_t - \Delta Cash_t + \Delta STD_t - Dep_t) / A_{t-1} \qquad (3)$$

Where ΔCA: Change in total current assets, ΔCL: Change in total current liabilities, $\Delta Cash$: Change in cash and cash equivalents, ΔSTD: Change in short-term debt included in current liabilities, Dep: Depreciation and amortization expense, and A: Total assets.

During this study will use net income before extraordinary items and discontinued operations and is also standardized by lagged total assets. Cash from operations will be computed as:

$$\text{Cash from operations} = \text{Net income} - TA \qquad (4)$$

Discretionary accruals are then estimated by subtracting the level of nondiscretionary accruals (NDA) from total accruals (TA) standardized by lagged total assets. To compute NDA, this study will use Modified Jones Model, it was tested in the paper of Dechow, Sloan and Sweeney 1995 and they concluded, that modified version of the model developed by Jones (1991) exhibits the most power in detecting earnings management.

$$NDA_t = \alpha_6 (1/ A_{t-1}) + \alpha_7 (\Delta REV_t - \Delta REC_t) + \alpha_8 PPE_t \qquad (5)$$

ΔREV: Revenues in year t less revenues in year t-1 scaled by total assets at t-1

ΔREC: Net receivables in t less net receivables in year t-1 scaled by total assets at t-1

PPE: Gross property plant and equipment in year t scales by total assets at t-1.

Using equation (3) and (5) we can compute discretionary accruals by difference:

$$DA_{it} = TA_{it} - NDA_{it} \tag{6}$$

Finally, to test for earnings management (hypothesis 9), discretionary accruals are regressed on the partitioning variable, PART with the next equation:

$$DA_{it} = a_{it} - b_{it} PART_{it} - e_{it} \tag{7}$$

$PART$=1, in firm-years during which systematic earnings management is hypothesized in to the stimulus identified by the researcher (the "event period"). $PART$ = 0, in firm-years in which no systematic earnings management is hypothesized (the "estimation period"). The coefficient on $PART$, b_i, will provide a point estimate of the magnitude of the earnings management attributable to the stimulus represented by PART. Discretionary accruals are the most effective proxies for earnings management (Teoh et al. 1999).

DRAWING A NEW GEOPOLITICAL MAP FOR THE WORLD

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Narrative Summary

Petróleos Mexicanos (PEMEX), a Mexican state-owned company, is the only authorized by law to extract and produce oil and gas in Mexico. PEMEX can neither issue equity nor borrow money by selling bonds; however, it finances one-third of the Federal Government expenses, leaving scarce money for drilling activities and, thus, restricting its ability to develop new reserves. PEMEX requires huge flows of investment in order to avoid its financial bankruptcy and secure the energy supply for Mexico's sustainable development. This triggers the debate that encompasses political, economic, financial, and ethical decisions, in a geopolitical changing scenario where the "global warming" issue is presenting a new challenge for doing business in the future.

Mexico has been milking PEMEX by taking its profits and starving this 'cash cow' to death through insufficient investment in technology and exploration.

The feared ghosts of the past are a reality now in a new geopolitical scenario where the threat of global warming is endangering PEMEX's role in Mexico's future development. What will happen if the Federal Government continues to bleed PEMEX to make up for insufficient tax revenues? How long will PEMEX be able to survive without sufficient funds for development and exploration? Will national energy independence be lost to the private sector? Will PEMEX be alive and financially able ten years from now to provide the energy for Mexico's sustainable development? These are just some of the energy dilemmas.

Mexico needs to reframe and develop an integral energy policy to take advantage of investment opportunities and to guarantee sustainable development. The lack of such an initiative could cause the loss of investment opportunities and delay the application of an environmentally friendly strategy of sustainable development. Mexico is the only Latin American country that has yet to approve an energy reform. Now is also the perfect time to re-evaluate and to create a diversified portfolio of renewable energy alternatives. The government must design an energy policy, propose specific goals, and define incentives to attract investment for "clean energy", for which a reform in the subject is required.

It is a paradox that most of the energy reforms in the region had led to the increase in the carbon emissions, instead of reducing them, because they kept stimulating the consumption of non-renewable energy indiscriminately. There are funds from banks and international organizations that could be advantageously used, but there are not enough projects in the country oriented toward hydrocarbon substitution by non-polluting energy sources.

There is a lack of a complete public policy framework oriented to attract the private and public investments and make them viable by granting clearer incentives. The Senate is pending an initiative of The Law of Approval for Renewable Energy Sources, whose endorsement would open the possibility of new investment flows and would constitute "a very positive signal" towards a possible integral reform.

The approval would place us on the right track because it would determine, among other things, that in the term of six years after its approval, the country will have to replace 8% of the non-renewable energy by alternative renewable sources. This goal is totally attainable with an aggressive policy that prompts the establishment of energy sources like eolic, hydroelectric, biogas, and biomass. There is a consensus that in order to prompt the region's sustainable development, it will be necessary to make rational use of our resources which will also guarantee the protection of the environment; either Mexico walks in this direction or, it will be left behind.

Pemex: facing a horrible and imminent death

PEMEX's fiscal regime and reform

PEMEX's Fiscal Reform is basically to search for a decrease in the tax burden that the Ministry of Finance—Secretaría de Hacienda y Crédito Público (SHCP)—imposes on PEMEX. The energy sector is definitely the one that needs urgent attention because the supply of energy in quantity, quality, and price impacts mostly on the competitiveness of key sectors in our industry.

The taxes paid by PEMEX have been very high: PEMEX has been paying taxes, based on sales, around the order of 60%. The Federal Government used these resources to finance its annual expense budget. The assumed parental guardian of this company (Federal Government) has abused PEMEX for more than 20 years without healing the wounds caused by a financial malnourishment. This sick relationship between PEMEX and the Federal Government shoved the company towards the path of a "Dead-Firm Walking".

The high tax burden that overwhelms PEMEX has caused an increase in refined product imports in the past years. In order to stop having deficits in products such as gasoline, Mexico needs to construct two additional refineries.

In November 2005, two experts in energy topics published a book in which they stressed that the immense gap between the paid taxes by PEMEX and the amount of investment returned to it by the Federal Government were still a 'hot potato'.[2] While this issue is not resolved, PEMEX will continue being,

2. Moroney, J. and Dieck-Assad, F. (2005).

metaphorically speaking, “a starving and tired cash cow”. This was one of the most important reasons that, according to these experts, explained the historical delay registered in the required investments by PEMEX, from drilling up to refineries. They concluded that PEMEX received from the Federal Budget, half of the amount needed to finance its drilling activities during the last 20 years. This caused a dramatic decrease in the amount of oil and natural gas reserves and endangered future production. This contributed to the already serious decrease in production of oil and natural gas in some basins in Mexico which has already become a reality. Unfortunately, the Cantarell basin (the third largest in the world and the primary source of oil and gas in Mexico), is dying. Mexico is trapped in a dramatic energy dilemma: in 2006 its oil reserves were 55.9% of the peak registered in 1983 (from 57,096 million barrels in 1983 to 31,909 million barrels in 2006), and its natural gas reserves were 41.5% of the peak registered in 1986 (from 123,291 billion cubic feet in 1986 to 51,143 billion cubic feet in 2006).

In December 2005 a new fiscal regime was approved for PEMEX with the purpose to ameliorate the financial situation of the company, avoid its decapitalization, and reduce its indebtedness. However, PEMEX fiscal reform would not be enough to satisfy the needs of the oil sector in the mid-run which amount to 15,000 million dollars per year aside from the fact that PEMEX is approximating the zero capital in their financial statements.[3] This investment could not be fulfilled by the public sector and could not be financed with debt. The fiscal regime was a potential part of the solution, but not a complete one. PEMEX needs flexibility in order to carry out strategic contracts with other oil companies. *If PEMEX cannot continue investing, in the year 2014 the firm is at great risk of becoming an oil-importing company.*

Tax collection improvement is urgent for Mexico because resources destined for social development would be diverted if the public budget is used for investing in energy. It is imperative to note that oil income in public finances elevates the economy’s vulnerability. Therefore, it is necessary to look for an adequate substitution of a part of the fiscal income coming from PEMEX in order to trigger economic growth and investment in deep waters in PEMEX.[4]

3. The same recommendation appears in Dieck-Assad, F. (2005).
4. Dieck-Assad, F. (2006d).

PEMEX's bleeding financial statements

It was a total adventure to plunge into the analysis of PEMEX's Consolidated Income Statement in which the company's dangerous red lights were identified. For example, it was interesting to see the financial cost reported in 2007 to have increased 25.5% with respect to the year 2006 mainly due to the PIDIREGAS investment scheme. PEMEX's Net Loss amounted to 1.7 billion dollars in 2007 that could guide it to a complete patrimonial loss for PEMEX and for every single Mexican in the near future.[5]

PEMEX's patrimonial loss can be explained as if you have a certain operating income and the taxes are greater than them, then you have to report that difference as a loss and that will start chewing the patrimony, which in a private company would be capital stock. PEMEX is part of Mexico's identity, but it is worth nil.[6]

As a result of a fiscal regime that leaves PEMEX without any resources to reinvest, PEMEX had to indebt itself in order to finance new investments making it bear a structural problem that constitutes long-term financial risks. That was how PEMEX revealed that its patrimony plummeted 52% in 2007 with respect to 2002, according to financial results of the company. The drop in the company's value was so immense that the labor liabilities (reserves for retirement funds and seniority premiums) represented almost eleven times its own patrimony in 2007. The company recognized that the labor liabilities in 2007 increased 99.2% with respect to the figure registered at the end of the year 2002. With the present trends, it would be inevitable for PEMEX to avoid a patrimonial loss in the future.

A gift from nature that is drying up: The Cantarell complex.[7]

Cantarell is the largest and most prosperous oil basin in Mexico's oil resource history and a major asset in the PEMEX portfolio. In December 2005, total production of Cantarell was 2.008 million barrels per day, representing 59%

5. This important issue was also debated in Dieck-Assad, F. (2006a).
6. PEMEX's financial statements can be reviewed at www.pemex.com in the Investor Relations (the English version).
7. The decay of oil and gas basins and its negative impact for those countries that own them are debated in: Campbell, C. (2001), and Sachs, J. and Warner, A. (2001).

of national production. This volume clearly showed the significance of the Cantarell complex in PEMEX's investment portfolios.[8] The basin decay began in 2005. The oil production decreased 15.7% in 2006. When Cantarell reaches the maturity phase, its production would decrease up to the levels of 875,000 and 520,000 oil barrels per day towards the end of 2008 and 2009.

A short-term need for complementary drilling actions and production alternatives such as the repair of existent wells, new well locations, the optimizing of pneumatic pumping, and the reinforcement of information acquisition to monitor the behavior of the basin, arose. All these required elevated investment amounts. Mexico, as compared to the rest of the world, does not have a legal framework that lets PEMEX carry out strategic alliances with foreign oil companies in order to explore in deep waters. Mexico has high possibilities of finding oil in zones of the Gulf of Mexico, but these basins are found in the deepest of waters for which PEMEX has no technology and the legal framework impedes it to associate with foreign companies that do have it. In every country, there is practically a variety of possibilities from service contracts up to concessions and shared-production contracts. Basically, Mexico is the only country which only applies service contracts.

The Energy Reform

The Energy Reform could be defined as the change in the legal framework that allows the participation of public and private (foreign and/or domestic) companies in the extraction and processing of oil and in the production of other forms of energy.

It is common knowledge that the energy reform has encountered a tortuous path for a long time. During President Ernesto Zedillo's administration (1995-2000), he did not succeed in modifying the law due to the so-called sovereignty loss that assumed the opening of a neuralgic point in natural resources.

Mexican Congress has had problems agreeing on an energy reform. Political parties still cannot be conceived as institutions which have the obligation of

8. The story of Cantarell appears in: Dieck-Assad, F. (2006b).

approaching the voters with candidates who present clear proposals in favor of Mexicans and not in favor of personal, group, or ideological party interests.[9]

Mexico cannot continue to be subdued to an obsolete energy law: only through an integral energy reform may the sector be renewed and PEMEX urgently requires these resources in order to stop being an obsolete and unproductive company.

The turning point

Energy availability is not an option that could be voted for. Daily life in a society would be unimaginable without energy. The debate does not come from the discussion if greater investments in the energy sector are necessary or not, but with what resources could we finance them.

What would happen if PEMEX continues being used to fill the insufficient fiscal incomes from the government?; What will be the deterioration rate of PEMEX with a short supply of financial leftovers for investment?; Is the Energy reform really a key factor for Mexico's development?; Will national sovereignty be lost by letting the private enterprises finance Mexico's energy projects?; Will a political consensus to trigger a constitutional reform for pouring fresh resources to the energy sector be fulfilled someday?; Are energy dilemmas really changing the face of doing business in the world?; How could Public Firms' growth be financed, especially those producers of energy?; Which Policy Errors could help explain the failure of World's major producers to provide investment in capacity required to meet the world's growing demand of oil and gas? Would it be possible for Mexico to reach a political consensus in order to approve the constitutional reform needed to increase fresh economic resources to the energy sector? What are the obstacles that hinder the energy reform? How will Mexico finance the development of its energy sector?

Mexico is at a turning point: the options for attracting the required investments to the Mexican energy sector are closing in on us; at the same time, Mexico lacks the political capacity to generate the consensus that will permit legal reforms on these topics. The essential matter is still undone. What will be

9. Dieck-Assad, F. (2007).

the Mexico that awaits us? While the adequate decisions are not taken, the energy future for Mexico presents itself like a lost boat on the high seas with the risk of drowning due to an eventual mid-run energy scarcity.

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FAMILY TIES, DO THEY MATTER? FAMILY OWNERSHIP AND FIRM PERFORMANCE IN PERU

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The agency theory provides an explanation of how ownership affects firm performance. Under conditions of separation of ownership and control, more managerial ownership reduces managerial private benefits by inducing a shareholder alike behavior in the manager, which increases the firm value (Jensen and Meckling, 1976). However, an excess in managerial ownership (Stulz, 1988) can produce managerial entrenchment, which reduces firm value; the result is an inverse U-shape curve of firm value as function of ownership concentration. However, high ownership concentration seems to be a major firm characteristic in most countries (La Porta *et al.*, 1999), including emerging countries; naturally a research question arises: Is this a non-optimal situation? Or there are other forces at work? Different authors (Bebchuck, 1999; La Porta *et al.*, 2000) have hypothesized that this characteristic is the result of low investor protection, which has been endemic in this countries.

1. Corresponding author

In their path breaking research, La Porta *et al*. (1998) find that, relative to Common Law countries, countries with Roman legal traditions (most emerging countries included) are characterized by low investor protection. Under the danger of being expropriated by managers, not punished, nor well controlled by the law, shareholders should maintain controlling (majority) holdings in order to reduce the manager's independence and his/her capacity to extract private benefits. Indeed, managerial ownership is almost absent, except when the firm is controlled by a family and the manager is a family member.

We study the effect of family ownership on firm performance for 59 industrial firms listed in the "Bolsa de Valores de Lima" (LSE) from 1999 to 2005. By reviewing reports from the LSE (Vademecum Bursatil), Comisión Nacional Supervisora de Valores y Empresas (CONASEV) and Economática, we measure ownership concentration and classify firms as family firms or non family firms. Then, we link ownership concentration, ownership nature and family involvement with accounting and market performance. Our results agree with the effect hypothesized by Stulz (1988), with market performance increasing with ownership concentration according to the alignment effect, until additional and opposing forces, such us the entrenchment effect, excessive risk aversion or intervention, reduces performance. The effect is more acute when the owner is a family. Our results depart from previous findings where just positive effects of ownership concentration on performance were found: La Porta *et al*. (2002), using data from 27 wealthy economies find weak evidence of positive effects of ownership concentration on performance; Claessens *et al*. (2002), working with East Asian economies, also find a positive effect. For accounting performance we are also able to distinguish the effect of family ownership for the operating return on equity, with family ownership having a negative impact on an overall positive relationship with performance. We also test the effect of family involvement in management finding again a negative impact on performance. Family CEOs and Chairmans reduce market performance in an important way, as well as the percentage of family members in the board of directors, some of these effects are also present for accounting performance.

From our sample of 59 firms, we classified 26 as family firms, which met our a priori definition. 23 of these firms had a Family Chairman, 10 a Family

CEO in at least one year; however, almost 100% of these positions lasted for the entire period. We also classified 17 of the firms as being part of a family business group. To the best of our knowledge there weren´t any changes in the ownership type during the sample period. During that period different firms in the beer business were acquired by Bavaria, a Colombian firm, because none of these firms were previously defined as family firms no changes in ownership type were made.

Family ownership and excess of control

We study the effect of excess of control (EXCCONTROL), family ownership (EMPFAM) and family business group (GEMPFAM) ownership on market valuation (M/B). The results show that all the alternative control mechanisms hurt market performance in an important way. The results provide evidence against the conventional view of families focusing in the long term performance of the firm, as long as market performance is a proxy for future cash flows.

Ownership Concentration

We also explore the effects of ownership concentration on firm performance. We find that ownership concentration produces an inverse U-shaped effect on M/B. The result is consistent with the ambiguous effect of ownership concentration on firm value posit by Mork, Shleifer and Vishny (1988) and Stulz (1988). At low levels of ownership, higher stakes increase market valuation by aligning the interests of controlling shareholders with the rest of shareholders; however, at high levels of ownership a further increment reduces market valuation because the controlling shareholders are less constrained by market forces and become entrenched. Our analysis includes an additional element because we differentiate the effect of ownership concentration when a family is in control. Here we find that at high levels of family ownership a further increment in ownership hurts market performance more seriously than a similar increment for a nonfamily firm.

Family ownership is slightly better for firm valuation than non family ownership for low levels of ownership; however, at 48% ownership the slope becomes negative. The corresponding figure for non family firms is 66%. Two explanations seem plausible for these differential effects, family firms become more risk averse than other types of ownership at high levels of ownership concentration or they extract more private benefits than their counterparts.

For return on equity, REBITPAT, the relationship between ownership and performance is positive, but family firms again do worst than nonfamily firms: while an additional 1% of family ownership increases REBITPAT in 0.035%, the same change for nonfamily firms increases REBITPAT in 0.057%.

We consider that our research provides evidence of the negative side of family ownership for high levels of concentration. Indeed, family ownership just matches nonfamily ownership under one regression, while in the other two cases the result is clearly against family ownership.

Definition of Variables

Financial	
Performance	
M/B	(Number of ordinary shares * Market value of ord. shares + Number of investment shares * Market value of inv. Shares)/ Book value of equity
REBITPAT	Ratio of operating income (EBIT) on book equity

Governance	
EXCCONTROL	Ratio of percentage of votes on percentage of ownership, for the controlling shareholder or group
GEMPFAM	Dummy, 1 if the firm is part of a family business group, 0 otherwise
EMPFAM	Dummy, 1 if the firm is a family firm, 0 otherwise

PROGRAM
THE LATIN AMERICAN RESEARCH CONSORTIUM
DEANS' WORKSHOP

Curriculum Innovation, Technology, and Program Development
April 3-4, 2008
EGADE-ITESM
Fundadores y Rufino Tamayo
Co. Valle Oriente, San Pedro Garza García
Monterrey, Mexico 66269

April 3, 2008
(8:00 A.M. – 2:00 P.M.)
EGADE Auditorium
(Open Session for All Program Participants)

8:00 a.m.	Welcome Angelo DeNisi, Tulane University (Moderator) Osmar Zavaleta, ITESM-DACS (Moderator)
8:15 - 9:00 a.m.	"Currículum Innovation at Universidad de los Andes" Maria Lorena Gutiérrez, Universidad de los Andes
9:00 - 9:45 a.m.	"Leveraging Technology for Distance Learning at ITESM" Tony Dieck, ITESM-EGADE
9:45 - 10:00 a.m.	Coffee break
10:00 - 10:45 a.m.	"E-Learning at Universidad Francisco Marroquin" Juan Carlos Cachanosky, Universidad Francisco Marroquín
10:45 - 11:30 a.m.	"Business Engineering Programs at ITAM: A Joint Venture with the Division of Engineering" Carlos Alcerreca, ITAM
11:30 - 12:15 a.m.	"IESA San Bernardino Project" Francisco Sananez and Henry Gomez, IESA

12:15 - 2:00 p.m. Lunch and Panel Discussion (Salvador Trevino, Moderator)
"Challenges and Opportunities for Management Education"
Panelists: Beatrice Avolio (Centrum), Eduardo Guzmán (ITESM-Monterrey Campus), Carlos Maquieira (U. Chile), Daniel Moska (ITESM-Guadalajara), Héctor Ochoa (ICESI), Alexandra Portalanza (ESPAE-ESPOL), Luís Sánchez (U. del Norte), Carlos Steiger (Belgrano), Carlos Villanueva (ITESM-Monterrey Campus), Osmar Zavaleta (ITESM-Monterrey Campus)

(Afternoon Tour and Tulane Session is for the Dean's Workshop Participants)

2:00 - 3:30 p.m. Tulane Faculty Development PhD Program[1], AACSB Bridge to Business Program[2], and Burkenroad Reports for Latin America[3] (Room EG 230 EGADE)

1. **Tulane's Faculty Development PhD Program** was initiated in 1994. Tulane will offer its 6th Faculty Development PhD program beginning in June of 2009. PhD candidates may choose an area of concentration in accounting, finance, or management. The degree awarded is the Doctor of Philosophy degree in Business Administration from Tulane University.
   The Tulane faculty development PhD programs have grown to include over 100 faculty participants currently enrolled or graduated. Over 65 participants have received their PhD degree from Tulane. The PhD program is a special faculty development arrangement between Tulane University and selected top business schools in Latin America to provide doctoral degree programs for working faculty. Past partners have included ITESM, Monterrey, México; ITESM, Guadalajara, Mexico; IESA, Caracas, Venezuela; Universidad de los Andes, Bogotá, Colombia; ESPOL, Guayaquil, Ecuador, ITAM, México City, México, Universidad Francisco Marroquín, Guatemala City, Guatemala, and; ICESI, Cali Colombia. Graduates of the Tulane faculty development PhD program now hold key administrative positions at many prestigious business schools in Latin America and others have distinguished themselves as outstanding scholars and teachers in their fields. The Latin American Research Consortium was founded to support the faculty development PhD program's research goals.
2. **Tulane's Post-Doctoral Bridge Program for Latin American Faculty** is one of four post-doctoral programs approved by the AACSB. Tulane University will offer a post-doctoral program starting in June 2008 to allow non-business PhD holders to transition into related fields of research in business. This "bridge to business" program is endorsed by AACSB International. Graduates of Tulane's post-doctoral program will receive the same initial qualification status by the AACSB as do graduates of a business doctoral program. This program is available to faculty in Latin America through our partner institutions ITAM in Mexico City and Universidad de los Andes in Bogota, Colombia. The graduates of Tulane's program will be considered academically qualified by AACSB-accredited business schools for a period of five years from program completion.
3. **The Burkenroad Reports for Latin America** is an educational program initiated at Tulane in 1997 in a partnership with UniAndes, ITESM Monterrey, and IESA. It is a program that teaches students to prepare professional quality investment research reports on SME's located in the region. These reports are

3:30 - 5:00 p.m.	Tour of ITESM Monterrey Campus Distance Learning Facilities
5:15 p.m.	Bus Transportation to Hotel
7:00 p.m.	Dinner at Club Industrial Monterrey, Mexico

FINANCE PROGRAM
April 3, 2008
(2:00 P.M. – 7:00 P.M.)
Room EG 219, EGADE

2:00 p.m.	"Mutual Funds in Mexico" Miguel Moreno Tripp, ITESM-Campus Monterrey
2:45 p.m.	Coffee Break
3:00 p.m.	"Liquidity and Credit Risk in Emerging Markets" David Lesmond, Tulane University
3:45 p.m.	"Impact of Futures Contracts on Volatility of IPC Stock Index: The Case of Mexico" Maria Concepción del Alto, (ITESM))
4:30 p.m.	Open Discussion
5:30 p.m.	Session Closes
7:00 p.m.	Dinner at the Club Industrial Monterrey, Mexico

April 4, 2008
(8:00 A.M. – 7:00 P.M.)
Room EG 219, EGADE

8:30 a.m.	"Corporate Governance and Political Connections in Mexico?" Luis DeGarate (ITESM) and Robert S Hansen (Tulane)

supervised by faculty, involve local company participation, and are distributed internationally by Tulane. Burkenroad reports are now prepared at seven top business schools in Latin America, which we refer to as the BRLA Consortium. The seven schools are: ITESM-Monterrey, ITESM-Guadalajara, Universidad de los Andes, IESA, Universidad Francisco Marroquin, ICESI, and ESPAE-ESPOL.

9:30 a.m.	"The Information Content of Earnings, Cash-Flow and Earnings Management: An Empirical Analysis for Mexican Companies" Luis Santacruz (ITESM)
10:15 a.m.	Coffee Break
10:30 a.m.	"Testing Capital Structure: Evidence from Mexico" Miguel Calzada (ITESM) and Robert S Hansen (Tulane)
11:30 a.m.	"Gains from Trade: Going Electronic in Mexico" Osmar Zavaleta (ITESM) and Robert S Hansen (Tulane)
12:30 p.m.	Lunch
1:30 p.m.	"Finance Psychology, and Venezuela's Bond Market: Do they mix?" Cándido Pérez (IESA), Juan Carlos Azuaje, (IESA), and Ana Cristina Maldonado (IESA)
2:30 p.m.	"Oil Resources: Drawing a New Geopolitical Map for the World" Flory Dieck-Assad (ITESM)
3:30 p.m.	Coffee Break
3:45 p.m.	"Cross-Country Diversification through M&A Transactions in Latin America" Eduardo Pablo (IESA)
4:45 p.m.	Open Discussion
5:30 p.m.	Closing Remarks
7:00 p.m.	Dinner

BEHAVIORAL SCIENCE PROGRAM
April 3, 2008
(2:00 P.M. – 7:00 P.M.)
Room EG 220, EGADE

2:00 p.m.	Team Learning and Regulation: Evidence from an Aviation Disaster Michael Burke, Tulane University

2:45 p.m.	Coffee Break
3:00 p.m.	**Symposium I:** Cultural Influences on Management and Organizational Behavior Strong Social Ties, Culture, and Employment Practices in Mexico Anabella Davila and Jorge Rocha, ITESM The Meaning of Job Performance within Latin American Cultures Otmar Varela, Nicholls State University Title to be determined Olivia Villalba and Leticia Ramos, ITESM.
5:00 p.m.	Session Ends
7:00 p.m.	Dinner at Club Industrial

April 4, 2008
(8:00 A.M. – 7:00 P.M.)
Room EG 220, EGADE

8:30 a.m.	**Roundtable/Open Discussion:** Publishing in Peer-Reviewed Journals Adrienne Colella (Host), Tulane University
10:30 a.m.	Coffee Break
10:45 a.m.	**Symposium II:** Research on International Aspects of Consumer Behavior Impact of Country of Origin on Consumer Purchase Decisions Jose Roberto Concha, ICESI Factors Influencing the Performance of Own Label within Food Categories: A Case of the Columbian Food Retail Sector Octavio Ibarra, Universidad del Norte Shopping Across the Border: Family Narratives Raquel Castaño, ITESM
12:30 p.m.	Lunch

2:00 p.m.	**Symposium III:** Advances in Consumer and Organizational Behavior Research
	The Planning Fallacy: The Cognitive Process Ernesto Blanco, IESA
	Identifying Customers "At Risk" in a Social Milieu: The Interactive Influence of Attachment Style and Intrinsic Motivation on Loyalty Aldo Torres, ITESM
3:00 p.m.	Coffee Break
	Enabling Partnerships: The Interactive Influence of Practical Intelligence and Self-reliance on the Effectiveness of Achieving these Partnerships Raul Ruiz, ITESM
	Protecting Client – Sales Person Relationships Jaime Garcia, ITESM
4:00 p.m.	Wrap-up Discussion
7:00 p.m.	Behavioral Science Group Dinner: El Gaucho