

14 **Editorial: A New Platform for Integrating and Improving Management Research and Practice.**

Wallace Hopp, Christopher Ittner, and Kalyan Singhal.

Three editors in chief offer a bold vision for their journal: *Management and Business Review* (MBR). MBR is not just a new journal, it is a new *kind* of journal, one that seeks to empower business to transform the world for the good of all by facilitating more and deeper communication between management professionals, scholars, and students.

16 **A Message from the Deans of MBR's Sponsors.**

Antonio Bernardo, Frank Chen, Murray M. Dalziel, Robert M. Dammon, Scott DeRue, Kevin F. Hallock, Dipak Jain, M. Eric Johnson, Ilian Mihov, Li Mingjun, Matthew J. Slaughter, and Rajendra Srivastava

The deans of its twelve sponsoring schools illuminate the intention that MBR's diversity of sponsors and leaders should attract articles expressing a wide range of perspectives which it will then make widely available to business managers, scholars, and students. They go on to describe how, in order to further this mission of broad cooperation and sharing between businesses and educational organizations, MBR is offering a range of customization options.

18 **Reimagining Capitalism.**

Rebecca Henderson

What is capitalism? Is it the greatest source of prosperity and freedom the world has ever seen or a menace on the verge of destroying the planet and our society? The author argues that capitalism is the only solution to the massive problems that we face and explores the ways in which the private sector can help to reimagine capitalism so that it works for everyone.

25 **Making Strategy Execution Work.**

Christoph Loch, Stylianos Kavadias, and B. C. Yang

How do companies translate their strategy into operational actions that support it? Strategists use a different language than operational workers, and often the statements of the CEO have little connection with what the employees do. The authors suggest a tool that can help companies to align their employees' actions with strategies, clearly explain that alignment, and encourage innovation from the bottom up and collaboration between departments, all in a way that can be completely customized.

41 **What Is Organization? The Evolving Answer.**

Dave Ulrich

Consider how much the organizations where you live, work, and play affect your lives! In this short article, the author reviews the evolution of organizational logic, helping each of us to better appreciate our organizations and help them to deliver value.

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AT A GLANCE

45 **Pay for Performance: When Does it Fail?**

Nirmalya Kumar and Madan Pillutla

The consensus in social psychology is that monetary incentives for performance have a detrimental impact on individual performance. Yes, under certain specific and limited conditions, rewards can reduce performance. Yet pay for performance schemes are ubiquitous. How can we resolve this divergence between theoretical recommendations and observed practices? The authors recommend solving the problem by designing smarter incentives that avoid these detrimental effects.

53 **Seizing the Moment: Having Difficult Conversations about Race in the Workplace.**

Stephanie J. Creary

Conversations about race in the workplace have long been silenced. Recently, though, leaders have begun to fervently embrace such conversations. Drawing upon academic research, the author provides a framework for having difficult conversations about race in US workplaces.

59 **Leadership as Craft - Crafting New Leaders.**

Philip Mirvis, Karen Ayas, Jason Grenfell-Gardner

Leadership: Science, Art, or Craft? What is the best way to develop leaders? These questions are vital to the way leaders see themselves, enact their roles, and run their organizations. They present a range of choices to a CEO who needs to develop young leaders in order to grow a business. The authors address this question by describing a novel approach to developing effective leaders.

71 **Leadership Development: A Psychologically-Informed Process That Spawned a Generation of CEOs.**

Karol M. Wasylyshyn and Raj Gupta

The authors provide an in-depth look at a long-term leadership development process at Rohm and Haas that was dubbed “one of the best CEO universities” in the world. On a deeper level, they provoke reflection on the value of connecting holistically with high potential employees and on how, in doing so, we can maximize both human potential and business growth.

79 **A Manager's Dilemma: Sow or Harvest.**

Vijay Govindarajan, Ashish Sood, Anup Srivastava, Luminita Enache, and Barry Mishra.

The authors have found that companies must focus relentlessly on building long-term competencies, even if doing so reduces immediate profits. Nonetheless, it is vital to shift focus when your product or idea becomes unexpectedly successful, so that you can milk that opportunity's profits before it vanishes in the face of competition and technological progress.

85 **Adaptive Space: Shifting from Structural to Social Design.**

Michael J. Arena

One of the biggest challenges facing organizations today is the need to be agile. To achieve this goal, leaders must seek a deeper understanding of the power of social interaction in furthering the flow of ideas, information, and insight. The author explains how building relational structures that foster 4D connections - discovery, development, diffusion, and disruption - can usher in the new, innovative ideas and concepts necessary to positively disrupt.

92 **Learning from the COVID-19 Pandemic to Address Climate Change.**

Howard Kunreuther and Paul Slovic

The COVID-19 pandemic has taught us lessons that can guide key decision makers in both the private and public sectors toward slowing climate change by reducing CO₂ emissions now. The authors explain how decision makers can design a risk management strategy that heeds the advice of experts and addresses the cognitive biases which currently obstruct effective action.

101 **Boards and Sustainability: From Aspirations to Action.**

N. Craig Smith and Ron Soonieus

Boards of directors can play a critical role in determining how much attention their firms pay to sustainability. The authors explain how boards can turn their aspirations for sustainability into meaningful action, particularly in light of the fundamental questions boards should be asking in the wake of the COVID-19 pandemic.

111 **Don't Turn a Blind Eye to Environmental Violations.**

Chris K. Y. Lo, Christopher S. Tang, Paul Zhou, Andy C. L. Yeung, and Di Fan

Many firms believe that the way to cope with environmental violations by their contract manufacturers is through greenwashing initiatives which they hope will protect them from collateral damage. The authors disagree, arguing that turning a blind eye to polluters in their supply chains can cause major problems for firms.

116 **Climate Change: The Real Inconvenient Truth.**

Yossi Sheffi

Consumers choose economic development over serious climate initiatives. Corporations don't invest in meaningful change because consumers won't pay for it. And governments cannot lead if citizens won't follow. The battle to prevent climate change through behavior modification, regulation, or personal deprivation has already been lost. The author explains why the solution is collaborative investment in developing the carbon sequestration technologies that can reverse climate change.

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AT A GLANCE

125 **The Case for Climate Optimism: A Response.**

Kieren Mayers and Jonathan G. Koomey.

In response to Yossi Sheffi's article, "The Real Inconvenient Truth," the authors argue for the use of a variety of urgent measures to address climate change, rather than focusing primarily on long-term development and dependency on carbon capture and storage. Citing the now competitive cost of renewable power and the success of several countries in enacting programs that address climate change, they urge the need for optimism.

130 **Response to a Response.**

Yossi Sheffi

In a rejoinder to Mayers and Koomey, the author argues that, beyond sustainability theater, companies will never produce something that their customers will not buy or that they have to sell at a loss. Similarly, legislators will not enact substantial regulations contrary to the desires of their citizens, lest they be voted out of office. However, the author admits that carbon sequestration is expensive and unproven at scale.

133 **Service Industrialization, Convergence, and Digital Transformation – I.**

Uday Karmarkar

Digital technologies have significantly changed service industries, the largest segment of the US economy. The convergence of the creation, consumption, and delivery processes of services across a range of sectors, followed by rapid industrialization, has had a powerful effect on revenues, job shares, wages, and sector structure. The author explains why companies must respond to these challenges rapidly or risk being perpetual laggards.

144 **Navigating Digital Turbulence.**

George S. Day and Paul J. H. Schoemaker

When navigating the uncertainties of digital technologies, vigilant firms gain an edge by paying close attention to what is happening on their periphery and fostering organizational agility, so they are ready to act when the time is right. The authors examine three key principles that underpin organizational vigilance and show how Adobe's leaders used them to great effect.

152 **What Evolutionary Biology Can Teach Us About Corporate Reputation.**

Paul A. Argenti and Ryan Calsbeek

The authors explain that corporations should focus not on their rankings, but on the attributes that influence those rankings. They combine evolutionary biology and corporate reputation research to determine what makes a company the best that it can be, arguing that a more scientific approach to corporate success is needed.

157 **Leonard Kleinrock, Internet Pioneer.**

Dr. Morten Bay

The emergence of the Internet has profoundly affected our existence and the world we live in. Rooted in the efforts of a small group of people who had a vision and performed the intense labor necessary to realize it, the Internet has grown into a technological movement born of the collaborations of its contributors. One of the essential early figures in the Internet's history is Leonard Kleinrock. The author describes Kleinrock's remarkable life and career as a co-creator of one of the greatest inventions in human history.

161 **George Bernard Dantzig: The Pioneer of Linear Optimization.**

John R. Birge

George Dantzig introduced the world to the power of optimization, creating trillions of dollars of value and saving countless years of life across the globe. In this laudation, the author describes the fascinating life and incredible accomplishments of a scholar whose footprints led the way to almost everything the global economy produces.

165 **Enterprise Adoption and Management of Artificial Intelligence.**

Thomas H. Davenport

Artificial intelligence is the most important new technology of the age, but it comes in many varieties, and businesses face a range of challenges in effectively deploying it throughout their organizations. The author takes a pragmatic but positive approach to AI's long-term potential, describing effective approaches to creating and implementing a strategy for this transformative technology.

173 **The New AAA Supply Chain.**

Hau L. Lee

Agility, adaptability, and alignment (AAA) have long been key factors in the success of world-class supply chains. In recent years, changes in environments and natural forces pose new challenges. For those who wish to remain competitive, the author suggests that it is time to revisit these AAA capabilities to understand what they mean today.

177 **Digital Operations: Autonomous Automation and the Smart Execution of Work.**

Robert N. Boute and Jan A. Van Mieghem

By digitizing operations, companies may replace manual work with increased automation, but they may also augment human work through smarter execution. The authors present a conceptual framework that distinguishes the different levels of digitization, automation, and intelligence. This framework can serve as an audit, helping companies to assess where they are now and where they could be in the future.

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AT A GLANCE

187 **The Cost of Capital: If Not the CAPM, Then What?** Ivo Welch

Twenty years ago, it would have been considered heresy to doubt the usefulness of the capital asset pricing model (CAPM) in assessing the cost of capital. The author argues that today, the CAPM should not just be doubted—it should be discarded.

195 **Give Yourself a Nudge to Make Smarter Business Decisions.** Ralph L. Keeney

The author offers innovative concepts and practical guidelines for making smarter business decisions. They will help you to determine and define the decision you need to make, identify the complete set of objectives which your decision should achieve, and create a range of high-quality alternatives. Learn these skills to obtain the ultimate business advantage: making smarter decisions.

206 **How Analytics Allowed the FCC to Save \$7.3 Billion by Auctioning Underused Television Spectrum.** Subodha Kumar

Using an auction informed by analytics, the US Federal Communications Commission reallocated underutilized portions of the television spectrum. The revenue from this auction exceeded its cost by \$7.3 billion, which went toward US deficit reduction. The author summarizes the Kiddoo et al. report on this groundbreaking work which won the 2018 INFORMS Franz Edelman Competition.

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