Editorial

Günter Fandel

This issue contains four research papers which contribute to the fields of strategic management, finance and production.

Application of the VRIO-framework

In their paper *Bresser and Powalla* assess the predictive power of the VRIO-framework, a strategic decision-making tool derived from the resource-based view. Within an experimental research project they compare the effectiveness of this approach with the recognition heuristic and the analyst ratings when forecasting the stock-market performance of about 30 HDAX-firms over the time of four periods. Whereas the VRIO-approach assesses the firm resources and capabilities with respect to value, rarity, imitability and organization, the recognition heuristic integrates intuition and “gut feeling” into the process of decision-making and the analyst ratings impact stock prices by recommendations of research reports. The results of the empirical investigation suggest that the predictions received by the VRIO-framework are superior to those of the recognition heuristic and the analyst ratings. Hence, the authors argue that these results demonstrate the practical usefulness of the resource-based theory to strategic decision-making. Surprisingly the analyst ratings turn out to be the worst among the three approaches in spite of using sophisticated forecast models.

Information production and bidding in IPOs

In an experimental study on auctions and fixed-price offerings in the event of Initial Public Offerings (IPOs) *Langer and Trauten* show that auctions may not always be the best procedures in these cases. Their results are in line with theoretical arguments found in the literature that investors cannot recover high information costs through auctions, because

Published online: 10.03.2012
© Gabler-Verlag 2012

Prof. Dr. Dr. h.c. G. Fandel (✉)
Editor in Chief

Lehrstuhl für Betriebswirtschaftslehre, insb. Produktions- und Investitionstheorie,
FernUniversität in Hagen, Universitätsstr. 41, 58084 Hagen, Deutschland
e-mail: zfb@fernuni-hagen.de

the behaviour in this process is too competitive. On the contrary, with bookbuilding or fixed-price offerings the issuer has the possibility to keep the propensity of the investors on a high level to produce information for the secondary market price by adjusting the offering price correspondingly to increasing costs of information production. Especially for young and risky IPO firms auctions may not be the preferred offering mechanisms. The findings of the empirical analysis derived by an IPO game with students tally with the observations in the reality that options were more and more substituted by fixed-price offerings or bookbuilding offerings in most countries in the last ten to fifteen years. The results of the experiment show in detail that in fixed-price offerings the propensity of investors to participate can be hold constant, if higher information costs are compensated by lower prices and that this propensity decreases with increasing information costs. The two statements that the average profit of investors will be zero in auctions and will not depend on the level of information costs, cannot be confirmed by the statistical computations.

Venture capital and risk perception

Antonczyk and *Salzmann* contribute by their empirical study to the research on venture capital determinants and apply behavioural models in order to explain country-specific differences in venture capital activities. They argue that the risk perception of an individual may depend on the cultural dimensions individualism and uncertainty avoidance, which can lead to overoptimism or overcaution with respect to those activities. In order to find out how these cultural dimensions are connected with venture capital activities, the authors investigate the behaviour of individuals in a cross-country empirical analysis over 49 countries proceeding from the comprehension that individuals in some countries generally tend to overestimate risk and in others tend to underestimate risk, depending on cultural conditions. By using multivariate and as an alternative logistic regression models the two formulated hypotheses can be confirmed that venture capital activities in countries are positively (or negatively) correlated to their levels of individualism (or uncertainty avoidance). This means that projects are more likely to be realised when the level of overoptimism is higher and they are more likely to be neglected when the level of overcaution is higher. Interestingly, uncertainty avoidance scores are highest in Greece and lowest in Singapore.

Flow shop scheduling and personnel allocation

Zäpfel, *Wasner* and *Braune* formulate in their paper a simultaneous flow shop scheduling and personnel assignment model described by a mixed integer nonlinear optimization approach. The problem is based on a case study of a flow shop assembly line in the automotive industry with parallel lines, on which each job can be executed. Jobs are to be assigned to lines and workers are to be assigned to workstations so that the make span is minimized. For this NP-hard problem the authors develop in addition a heuristic solution concept which consists of two interconnected parts. A partial model solves the assignment of jobs to the lines by CPLEX, after which the workers are assigned to the workstations. A metaheuristic applying a genetic algorithm and a procedure of constructive scheduling

generates feasible timetables of the real-life problem. An illustrative example is given and the limits of the heuristic concept are demonstrated.

The May-Issue

The next issue comprises four research papers dealing with problems in the fields of finance, information management and international joint venture.

Engel, Braun and Achleitner investigate in their paper the effects of debt usage on equity returns in private equity-backed buyout transactions. For this purpose they analyse a dataset of about 700 realised buyouts between 1990 and 2006 in Europe and North America.

Using a field experiment *Rieger and Hens* try to explain the demand for structured investment products. The paper indicates that the supply of capital protected products might be demand-driven, other product categories need marketing or similar sales practices.

Röglinger and Kamprath undertake an analysis of economic relationships in order to research how business process improvements could be achieved with maturity models. The authors formulate a mathematical optimization model which builds on insights received by approaches of the value-based management.

In a meta-analysis of 106 studies *Isidor, Schwens, Kabst and Hornung* largely investigate factors for success of international joint ventures. The results of their study show that characteristics of the partners, as well as of the international joint venture itself, determine the success of the international joint ventures.