

SMARTER THAN WE ARE?

In a study of nearly 1,400 households, those with smart thermostats—widely touted for efficiency—used just as much energy as similar households with analog thermostats did. Users programmed the devices wisely but overrode the settings on a daily basis. “Smart Tech, Dumb Humans: The Perils of Scaling Household Technologies,” by Alec Brandon et al.

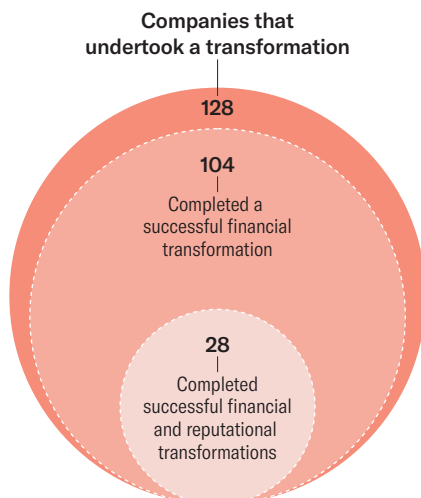
out,” the researchers write. “Prompting consumers to consider how many days one can forgo working out could actually be more effective.”

ABOUT THE RESEARCH “Do Versus Don’t: The Impact of Framing on Goal-Level Setting,” by Mirjam A. Tuk, Sonja Prokopec, and Bram Van den Bergh (*Journal of Consumer Research*, 2021)

ORGANIZATIONAL CHANGE

The Secrets of Successful Corporate Transformations

Researchers studied 128 companies that underwent some degree of transformation from 2016 to 2020. Most achieved financial change, but few also achieved reputational change. Those that did outperformed in six areas: employee pay, bonuses, and satisfaction; diversity and inclusion; and the shares of female employees in the company and of women in management.



Source: “The Secret Behind Successful Corporate Transformations,” by Paul A. Argenti et al. (HBR.org, 2021)

EMERGING-MARKET MULTINATIONALS

The Cost of Being a Bad Corporate Citizen

Emerging-market multinationals increasingly seek to expand abroad, but they face stiff headwinds because stakeholders in their target markets often fear they will be poor corporate citizens. A researcher wondered: Does media coverage of their corporate social responsibility (CSR) activities affect their chances of success? And what about coverage of corporate social irresponsibility (CSI), such as the use of child labor and polluting facilities?

The researcher gathered data on 4,087 cross-border acquisition announcements by firms in Brazil, Russia, India, China, and South Africa from 1990 to 2011. Focusing on the public takeover period—the interval between the public announcement of a deal and its completion or cancellation, when local stakeholders typically weigh in—she examined media coverage of each potential deal, coding articles as either endorsing a firm’s CSR activities or revealing CSI. Articles touting CSR generally had no effect on whether and how quickly a deal went through, but ones exposing CSI greatly reduced the odds of success. For two otherwise similar companies, the chances of completing a deal were 12 percentage points lower for one with some press coverage of CSI activities than for one without any. And if the firm with negative press was able to complete the deal, it took 36 to 41 days longer than average.

“Because negative events/news have a greater capacity to arouse the firm’s observers, negative perceptions of social irresponsibility have a greater impact on stakeholders and, thus, on the outcomes of their review of the deal,” the researcher explains. She adds: “Even though media coverage of CSR does not seem to matter, by investing in CSR practices that can help avoid incidents of CSI and their media coverage, firms may have better chances of success in cross-border acquisitions.”

ABOUT THE RESEARCH “How Media Coverage of Corporate Social Responsibility and Irresponsibility Influences Cross-Border Acquisitions,” by Olga Hawn (*Strategic Management Journal*, 2021)

