



THE HENRY CROWN INSTITUTE OF BUSINESS RESEARCH IN ISRAEL

RESEARCH CATALOG

PUBLICATIONS
(Including Abstracts)

January-December 2017

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HC-IBRI SERIES IN FINANCE AND ACCOUNTING

WORKING PAPERS

11/2017 E. Einhorn
Competing information sources

This study analyzes corporate voluntary disclosures to the capital market in the presence of competing information sources, from which traders can subsequently obtain additional public and private information. The analysis demonstrates that the anticipated access of traders to additional information sources may significantly alter the voluntary disclosure strategy of firms. It may explain a deviation from the conventional full disclosure equilibrium to equilibrium with partial and selective disclosure. It may also lead to an untypical equilibrium shape, where any information content can be disclosed and can be withheld with a positive probability, and where the stock price reflects a pricing discount upon disclosure rather than in its absence.

7/2017 Y. Arbel, D. Ben-Shahar, S. Horsky and N. Versano
Green versus conventional housing: Time-to-sell and willingness to pay, 34 pp.

This research is the first to explore the time-to-sell (TTS) and willingness to pay (WTP) in the context of green real estate. We employ unique data on transactions and household characteristics of owner-occupiers in newly developed green and conventionally built condominiums. We find that, after addressing the potential endogeneity between unit TTS and price, the average TTS of units in green, as compared to conventional, structures is significantly shorter. Considering developers' financing cost, this shorter TTS is equivalent to an indirect price premium of 1.8%-5.3%. We further find that whenever the indirect green premium associated with TTS decreases, the green quality-adjusted price premium increases. Finally, we find an insignificant difference between the green and conventional structures in the correlation between household characteristics and the WTP. Our findings

may serve both developers and policymakers in promoting green real estate construction.

6/2017 E. Amir, S. Levi and T. Livne
Do firms underreport information on cyber-attacks? Evidence from capital markets, 47 pp.

Firms should disclose information on material cyber-attacks. However, because managers have incentives to withhold negative information, and investors cannot independently discover most cyber-attacks, firms may underreport cyber-attacks. Using data on cyber-attacks that were voluntarily disclosed by firms and those that were withheld and later discovered by sources outside the firm, we estimate the extent to which firms withhold information on cyber-attacks. We find withheld cyber-attacks are associated with a decline of approximately 3.6% in equity values in the month the attack is discovered, and disclosed attacks, with a substantially lower decline of 0.7%. The evidence is consistent with managers not disclosing negative information below a certain threshold, and withholding information on the more severe attacks. Using the market reactions to withheld and disclosed attacks, we estimate that managers disclose information on cyber-attacks when investors already suspect a high likelihood (40%) that an attack has occurred. Overall, our analyses suggest firms underreport cyber-attacks.

14/2016/R E. Amir, S. Levi and R. Zuckerman
The differential information precision of positive and negative daily stock returns, 37 pp.

We show that positive daily stock returns contain more precise information on the long-term changes in share prices, while negative daily stock returns are noisier and less indicative of value changes. This difference between the information precision of negative and positive returns is large on non-news days, and decreases significantly on earnings news days. We hypothesize and find that an asymmetric leakage of positive and negative information from firms during the quarter is driving the phenomenon. Specifically, the information precision of positive returns on non-news days has decreased after Regulation Fair Disclosure disallowed selective

disclosure, whereas the precision of negative returns has not diminished. Our findings suggest that managers withhold bad news, but leak good news; as a result, investors obtain and incorporate less negative information than positive information into prices during the quarter.

10/2015/R E. Einhorn, N. Langberg and T. Versano
Cross-firm real earnings management, 46 pp.

Our analysis is rooted in the notion that stockholders can learn about the fundamental value of any particular firm from observing the earnings reports of its rivals. We argue that such intra-industry information transfers, which have been broadly documented in the empirical literature, may motivate managers to alter stockholders' beliefs about the value of their firm not only by manipulating their own earnings report but also by influencing the earnings reports of rival firms. Managers obviously do not have access to the accounting system of peer firms, but they can nevertheless influence the earnings reports of rival firms by distorting real transactions that relate to the product market competition. We demonstrate such managerial behavior, which we refer to as cross-firm real earnings management, and explore its potential consequences and its interrelation with the practice of accounting-based earnings management within an industry setting with imperfect (non-proprietary) accounting information.

3/2017 D. Gilo and Y. Spiegel
The antitrust prohibition of excessive pricing, 39 pp.

We examine the implications of prohibiting excessive pricing by a dominant firm in a model where an incumbent is a monopoly in period 1 but may compete with an entrant in period 2. The pre-entry price may retrospectively be deemed excessive if it exceeds the post-entry price, in which case the incumbent may pay a fine proportional to its pre-entry excess revenue. We show that using this retrospective benchmark induces the incumbent to expand output in period 1, but cut it in period 2 if entry takes place. The latter effect facilitates entry. Overall, the prohibition of excessive pricing benefits consumers, especially when the probability of entry is high.

2/2017

T. Versano and B. Trueman
Expectations management, 47 pp.

This paper analyzes a manager's optimal expectations management strategy in a setting in which the manager provides forecast guidance to an analyst both privately and publicly. Conventional wisdom suggests that managers use private communications with analysts and public earnings forecasts interchangeably to guide analysts' earnings forecasts downward toward lower earnings targets. Our analysis shows that in markets with rational investors, private and public guidance play very different roles in managing expectations and that managers benefit from downward guidance only in their private communication with analysts. In their public forecasts they benefit from introducing an upward bias. We explore how the effectiveness of the private and public channels in communicating information to analysts affects managers' incentives to engage in expectations management and provide a number of empirical predictions. Among other results, we show how reducing private communication between managers and analysts (through means such as Regulation Fair Disclosure) can increase price efficiency, weaken managers' motivation to engage in private, as well as public, expectations management, and increase managers' motivation to provide public disclosures.

REPRINTS

324

S. Levi and X.-J. Zhang
Do temporary increases in information asymmetry affect the cost of equity? *Management Science*, 61(2), 354-371, 2015.

Prior literature finds that long-lasting changes in firms' disclosure policies and information environment affect the cost of equity. Information asymmetry, however, also changes during the fiscal quarter. Firms disclose information periodically, and in between disclosure dates, traders can obtain private information, and adverse-selection risk increases. Such temporary increases in information asymmetry are usually considered to be diversifiable or too small to impact expected stock returns. In addition, investors

may postpone trades or sell other assets in their portfolio on high information asymmetry days. We, however, find that returns increase significantly on days during the fiscal quarter when adverse-selection risk is high and liquidity low. Consistent with theory, we show that temporary asymmetry affects returns when investors demand liquidity and market makers bear risk for carrying capacity and providing it.

323

S. Levi and X.-J. Zhang

Asymmetric decrease in liquidity trading before earnings announcements and the announcement return premium, *Journal of Financial Economics*, 118, 383-398, 2015.

Investors are reluctant to trade in the high-information-asymmetry days before earnings announcements. We show that the decrease in liquidity trading before announcements is asymmetric. We analyze buy and sell orders of investors with passive investment strategies, and find they do not reduce their sales as much as their purchases in the days before announcements. Investors needing liquidity sell stocks at a discount relative to the post-announcement price, and these pre-announcement liquidity sales are a significant driver of the average positive returns, or return premium, known to characterize announcement days.

HC-IBRI SERIES IN MANAGERIAL ECONOMICS

WORKING PAPERS

12/2017 Arad and A. Rubinstein
Multi-dimensional reasoning in games: Framework, equilibrium and applications, 31 pp.

We develop a framework for analyzing multi-dimensional reasoning in strategic interactions, motivated by the following experimental findings: (a) in games with a large and complex space of strategies, players tend to think in terms of strategy characteristics rather than the strategies themselves, and (b) in choosing between strategies with a number of characteristics, players consider one characteristic at a time. The solution concept captures Nash-like stability of a choice of features of strategies rather than of strategies. The concept is applied to a number of economic interactions, where stable modes of behavior are identified.

4/2017 I. Ater and O. Rigbi
The effects of mandatory disclosure of supermarket prices, 45 pp.

We study how mandatory online disclosure of supermarket prices affects prices and price dispersion in brick-and-mortar stores. Using data collected before and after a transparency regulation went into effect in the Israeli food retail market, multiple complementary control groups and relying on a differences-in-differences research design, we document a sharp decline in price dispersion and a 4% to 5% drop in prices following the transparency regulation. The price drop varied across stores and products; it was smaller among branded products than among private-label products, and it was smaller among stores and products that were likely to have been associated with more intense search patterns even before prices became transparent (e.g., products in heavy-discount chains; popular products; products that meet stringent kosher requirements). Finally, we show that prices declined as more consumers used price-comparison websites, and we highlight the role of media coverage in encouraging retailers to set lower prices.

REPRINTS

- 338 M. P. Schinkel and Y. Spiegel
Can collusion promote sustainable consumption and production? *International Journal of Industrial Organization*, 53, 371-398, 2017

Several competition authorities consider the exemption of horizontal agreements among firms from antitrust liability if the agreements sufficiently promote public interest objectives such as sustainable consumption and production. We show that when consumers value sustainable products and firms choose investments in sustainability before choosing output or prices, coordination of output choices or prices boosts investments in sustainability and may even enhance consumer surplus when products are sufficiently close substitutes and the marginal cost of investment in sustainability is relatively low. By contrast, coordination of investments in sustainability leads to lower investments and harms consumers.

HC-IBRI SERIES IN MARKETING

REPRINTS

336

Y. Shani

When sharing is not caring: Does (un)certainity about bill payment method lead diners to consume more and spend more money? *Journal of Behavioral Decision Making*, 30(2), 453-461, 2017

Previous work has demonstrated that unacquainted participants in an experimental, restaurant-like setting consume more when they know in advance that the bill will be split evenly rather than paid according to individual consumption. Real life, however, often differs from these experimental settings in two important ways. First, unlike random groups of participants, diners who eat together are frequently friends or colleagues. Second, payment method (even vs. individual payment) is usually unknown (i.e. uncertain) at the time people place their orders, and is determined when the check arrives. The current research tests the ecological validity of the association between consumption amount and payment method. Study 1 was conducted in a natural setting with organic groups of diners. Some were asked to state their desired payment method before ordering (Certain condition); others did so only after asking for the check (Uncertain condition). In both conditions, even payment (as opposed to individual payment) was associated with greater consumption amount. However, overall, consumption amount was lower among diners in the Uncertain condition than among those in the Certain condition. Study 2 presents a controlled follow-up experiment showing that eliminating diners' prior expectations regarding the payment method—by informing them that the payment method will be randomly determined after the consumption decision—eliminates the relationship between payment method and consumption amount. This study further indicates that when diners are uncertain what the payment method will be, even bill-splitting has negative implications for their subsequent social interactions, expressed in retribution tendencies.

326

S. Danziger, D. Disatnik and Y. Shani

Remembering friends as not so friendly in competitive and bargaining social interactions, *Journal of Behavioral Decision Making*, 30(4), 987-998, 2017.

From children's schoolyard play to executives' boardroom negotiations, competitive and bargaining interactions are common to everyday life. Sometimes, the interacting parties are socially close and sometimes not. In this research, we examine how friendship influences memory for actions in such interactions. Dyads consisting of either friends or strangers played a competitive card game (Study 1) or the ultimatum game (Studies 2 and 4) and then recalled the interaction. We find that participants remembered friends' play as more competitive (Study 1) and less generous (Studies 2 and 4) than strangers' play, even when friends' actual play was more generous than that of strangers (Studies 2 and 4). Friendship did not affect recall for one's own play. In a workplace setting, Study 3 reveals people expect more of work colleagues who are friends than of work colleagues who are acquaintances. Study 4 tests our complete model and shows that people expect more of friends than of strangers and that this difference in expectations explains the less favorable memory of friends' actions. Our findings are consistent with a negative disconfirmation account whereby people expect their friends to be less competitive and more generous, and when these expectations are violated, people remember friends' actions more negatively than they actually were. Much research shows positive effects of friendship norms on actual behavior. We demonstrate a negative effect on people's memory of friends' behavior in competitive and bargaining social interactions.

325

K. Saporta-Sorozon, S. Danziger and S. Sloman

Causal models drive preference between drugs that treat a focal versus multiple symptoms, *Journal of Behavioral Decision Making*, 30(4), 794-806, 2017

This research examines the effects of causal beliefs on drug preference. In three studies, 374 undergraduate participants imagined that they suffered from a focal symptom and then

indicated their preference between a drug claiming to treat only the focal symptom (single treatment) and a drug claiming to treat the focal symptom and a nonfocal symptom (dual treatment) they thought resulted from a common cause or from a different cause. Participants who thought that the symptoms resulted from different causes significantly preferred the single treatment drug more and the dual treatment drug less than participants who thought the symptoms resulted from a common-cause. Process analysis yielded a significant mediation effect. Specifically, an individual's causal model determines preference by affecting the estimates of the potential gain and loss associated with using each drug. Participants who held a common-cause model concerning the source of the symptoms thought they would be more likely to need the nonfocal treatment provided by the dual treatment drug and less likely to suffer from side effects when taking this drug, than those with a different-cause model. The results demonstrate the influence of causal structure on judgment and choice.

HC-IBRI SERIES IN ORGANIZATIONAL BEHAVIOR AND HUMAN RESOURCES

WORKING PAPERS

- 8/2017 Y. Ganzach
Cognitive ability and party affiliation: The role of the formative years of political socialization, 29 pp.

We study the effect of time on the relationship between intelligence and party affiliation in the United States. Our results indicate that time affects this relationship, and that this effect is due to the formative years in which political preferences were developed rather than the time in which the survey was conducted. For people who were born in the 20th century, the later their formative years, the more positive the relationship between intelligence and Democratic, as opposed to Republican, affiliation. The current results shed light on recent conflicting findings about the relationship between intelligence and party affiliation in the US, and suggest that the effect of intelligence on party affiliation changes with time.

REPRINTS

- 340 P. Bamberger, D. Geller and E. Doveh
Assisting upon entry: Helping type and approach as moderators of how role conflict affects newcomer resource drain, *Journal of Applied Psychology*, 102 (12), 1719-1732, 2017

NO ABSTRACT

- 339 P. Bamberger and E. Belogolovsky
The dark side of transparency: How and when pay administration practices affect employee helping, *Journal of Applied Psychology*, 102 (4), 658-671, 2017

NO ABSTRACT

337

E. Stephan, D. Shidlovski and D. Heller

Distant determination and near determinism: The role of temporal distance in prospective attributions to will, *Journal of Experimental Social Psychology*, 113-121, 2017

People hold different beliefs about the causal role of will in shaping future life outcomes. We examine how temporal distance from a predicted event influences such beliefs, or attributions to will. Laypersons conceptualize will as acting according to one's goals, being free from constraints. We reasoned that construal of a future event or action in terms of individual's superordinate goals (rather than in terms of concrete aspects of the situation) would be associated with enhanced attributions to will. Drawing from Construal Level Theory, we proposed that predictions about temporally distant events rely more on high-level aspects (e.g., superordinate goals) than low-level aspects (e.g., contextual factors) and thus will result in greater attributions to will compared to predictions about near events. We show that an increase in temporal distance enhances beliefs in the causal impact of will in shaping outcomes of the self (Study 1) and others (Study 3). We also show that the individual tendency to construe actions in terms of goals (as assessed by the Behavior Identification Form) is associated with greater attributions to will (Study 2). We conclude that construal of an event in terms of superordinate goals (due to the manipulation of psychological distance or to individual differences) enhances attributions to will.

332

M.A. Shaffer, B.S. Reiche, M. Dimitrova, M. Lazarova, S. Chen, M. Westman and O. Wurtz

Work- and family-role adjustment of different types of global professionals: Scale development and validation, *Journal of International Business Studies*, 47, 113-139, 2016

Although the original model of expatriate adjustment proposed by Black and colleagues has received substantial empirical support, it has come under increased academic scrutiny, due to both the conceptual overlap among its dimensions and its limited applicability for global professionals who interact with individuals from diverse cultures. Drawing on role theory, we conceptualize and

develop a multidimensional scale of the work- and family-role adjustment of global professionals. We assess this scale through five interlocking studies using data from a total of 1231 corporate and self-initiated expatriates, international business travelers, and global domestics. After confirming the scale's dimensionality, we provide evidence for convergent, discriminant, nomological, and predictive validity. We also demonstrate differences in levels of adjustment and in relationships between work and family demands and resources and their respective forms of adjustment across various types of global professionals. We contribute to international business research, and the organizational behavior and work-family literatures, by offering a theoretically based scale that assesses adjustment to both work and family roles for a wide range of global employees. Our scale further lends itself as a diagnostic tool during the selection, training, and support of global professionals and their families. *Journal of International Business Studies* (2016) 47, 113–139. doi:10.1057/jibs.2015.26

- 331 L. Eldor, Y. Fried, M. Westman, A. S. Levi, A. J. Shipp and L. H. Slowik
The experience of work stress and the context of time: Analyzing the role of subjective time, *Organizational Psychology Review*, 7(3), 227-249, 2017

Scholars have generally neglected the importance of the subjective aspects of time in the field of work stress. In this paper we analyze the joint effects of employee perceptions of subjective time and cultural, organizational, individual, and situational factors on employee experiences of stress. By explicitly considering the role of subjective time in stress research, we develop several propositions and discuss recommendations for future research. We discuss implications for organizational practice in reducing stress, revolving around the manipulation and experience of time.

- 330 D. Van Dijk, T. Seger-Guttmann and D. Heller
Life-threatening event reduces subjective well-being through activating avoidance motivation: A longitudinal study, *Emotion*, 13(2), 216-225, 2013

Drawing on the approach-avoidance theory, we have examined the role of avoidance motivation in explaining the negative effects of a life-threatening event on subjective well-being (SWB). Residents of the south of Israel were surveyed during heavy missile attacks in January 2009 (T1; n = 283), and again after 6 months (T2; n = 212) and 1 year (T3; n = 154). During the missile attacks, we also surveyed a group from the center of the country (T1; n = 102), not exposed to the attacks. The results indicate that avoidance motivation was activated by the life threat and further mediated its detrimental influence on SWB measures (positive/negative affects, anxiety, and subjective health). Moreover, within the southern sample, the drop in avoidance motivation over time mediated the parallel drop in SWB. In contrast to avoidance motivation, approach motivation remained stable over time and was related to positive emotions. The role of avoidance and approach motivations in life-threatening situations is further discussed.

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C.T. Tadmor, R. Berger, A. Brenick, H. Abu-Raiya, and J. Benatov

The intergenerational effect of maternal multicultural experience on children's tolerance: An example from Palestinians and Jews in Israel, *Journal of Cross-Cultural Psychology*, 48(9), 1342-1348, 2017

Although recent research has demonstrated the benefits of multicultural experience for reducing personal levels of intergroup bias, the potential for an intergenerational effect has yet to be explored. Using samples of Jewish-Israeli (Study 1a) and Palestinian-Israeli (Study 1b) mother-child dyads, we found that maternal multicultural experience was indirectly related to greater social tolerance among children via lower levels of maternal need for cognitive closure which, in turn, triggered higher levels of maternal social tolerance. These results show that when it comes to multicultural experience, its impact can extend beyond the self to also affect the next generation. Implications for developmental theories of prejudice acquisition and prejudice interventions are discussed.

HC-IBRI SERIES IN STRATEGY, INNOVATION AND ENTREPRENEURSHIP

REPRINTS

- 335 S. Ellis, B.S. Aharonson, I. Drori and Z. Shapira
Imprinting through inheritance: A multi-genealogical study of entrepreneurial proclivity, *Academy of Management Journal*, 60(2), 500-522, 2017

We offer an organizational lineage inheritance theoretical framework for understanding the longevity of imprinting effects of two consecutive eras with distinct environmental conditions, values, and norms. Adopting a genealogical approach, we find that era-based imprinting is contingent on lineage-based transmissions. Era-based initial conditions strongly influence the entrepreneurial proclivity of the first generation of firms but have no influence on subsequent generations, and each generation is influenced by the entrepreneurial proclivity of the former. We show two mediation effects and one moderation effect, supporting our theoretical argument that the longevity of imprinting effects is due to heredity processes. First, the effect of era-based initial conditions on the entrepreneurial proclivity of the second generation is mediated by the entrepreneurial proclivity of the first generation. The effect of the entrepreneurial proclivity of the first generation on the third-generation's entrepreneurial proclivity is mediated by the entrepreneurial proclivity of the second generation. Second, a mismatch between the mental models of the knowledge-transmitting agents (the founders) and the knowledge-receiving agents (organization members—prospective entrepreneurs) moderates the effect of the entrepreneurial proclivity of one generation on the entrepreneurial proclivity of the next.

- 334 B. S. Aharonson, D. Tzabbar and T.L. Amburgey
Do they know something we don't? Endorsements from foreign MNCs and domestic network advantages for start-ups, *Global Strategy Journal*, 6, 31-49, 2016

Plain language summary: This article examines the effects of alliances with foreign multinational corporations (MNCs) on a local start-up's attractiveness as a partner in its domestic research networks. We argue that such international strategic alliances enhance a start-up's subsequent alliance activity and its status in its domestic R&D network. The analysis shows that, indeed, alliances with foreign MNCs significantly enhance the start-up's attractiveness and its future alliance activity, especially when the start-up is young (up to the age of five). Furthermore, alliances with foreign MNCs from a variety of different countries of origin (e.g., U.K., Germany, and France) have stronger effects on a start-up's subsequent alliance activity, supporting the argument that even in the age of globalization, location still matters.

Technical summary: This article examines the effects of endorsements from foreign multinational corporations (MNCs) on the centrality of biotech start-ups within their domestic research networks. We argue that international strategic alliances enhance a start-up's subsequent movement toward a more central position in its domestic R&D network. Analyzing U.S. biotech start-ups over time, our findings show that endorsements from foreign MNCs significantly enhance the subsequent network centrality of U.S. biotech start-ups. This endorsement effect is magnified in the early stages of the start-up's life cycle. Furthermore, endorsements by foreign MNCs from a variety of different countries of origin have stronger effects on a start-up's subsequent network centrality, supporting the contention that even in the age of globalization, location still matters.

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B. S. Aharonson and M.A. Schilling

Mapping the technological landscape: Measuring technology distance, technological footprints, and technology evolution, *Research Policy*, 45 81-96, 2016

We develop and apply a set of measures that enable a fine-grained characterization of technological capabilities based on the USPTO database. These measures can capture the distance between any two patents, and help to identify outlier patents. They also provide a rich characterization of a firm's technological footprint, including its depth and breadth. The

measures also enable researchers to assess the technological overlap, similarity, and proximity of the technological footprints of two or more firms. At the level of the macro technology landscape, the measures can be used to explore such dynamics as technology agglomeration, knowledge spillovers, and technology landscape evolution. We show applications of each of the measures and compare the results obtained with those that would be obtained with previously existing measures of firm diversity, similarity and proximity, highlighting the advantages of the measures used here.

HC-IBRI SERIES IN MANAGEMENT OF TECHNOLOGY AND INFORMATION

WORKING PAPERS

- 9/2017 A. Goldstein, O. Raphaeli and S. Reichman
Engagement, search goals and conversion – The different m-commerce path to conversion; Research-in-Progress, 10 pp.

While the use of smartphones is increasing, conversion rates for mobile platforms are still significantly lower than those for traditional e-commerce channels, suggesting that these platforms are characterized by distinct consumption patterns. In this research, using detailed event log-files of an online jewelry retailer, we analyze user engagement and navigation behaviors on both platforms, model search goals and their effect on purchase decisions, and develop a conversion prediction model. Our initial results show that while user engagement is significantly higher in PC sessions compared to mobile sessions, in buying sessions, mobile sessions reflect a higher level of user engagement than PC sessions. These results indicate that m-commerce involves more than ensuring mobile-compatibility of websites, and that mobile consumers follow a distinct path to purchase involving distinct search and browsing behaviors. Therefore, analysis of the different types of consumption behaviors is necessary to understand the factors that lead to conversion on mobile e-commerce platforms.

- 5/2017 H. Geva, O. Barzilay and G. Oestreicher-Singer
A potato salad with a lemon twist: Using a supply-side shock to study the impact of opportunistic behavior on crowdfunding platforms, 53 pp.

Crowdfunding platforms are peer-to-peer two-sided markets that enable amateur entrepreneurs to raise money for their ventures over the Internet. However, in allowing practically anyone to enter, such markets risk being flooded with low-quality offerings, a situation often referred to as a “market of lemons”. To empirically study the implications of this phenomenon for crowdfunding performance, we use a quasi-

natural experiment in the form of an exogenous media shock that occurred on Kickstarter.com. The shock was followed by a sharp increase in the number of campaigns, particularly low-quality ones, offered on the supply side of the market; no such increase was observed on the demand side of the market. These unique conditions enable us to estimate how crowdfunding platforms are affected by the presence of an atypically large number of low-quality campaigns, while controlling for fluctuations in demand. We use two identification strategies, which enable us to control for changes in quality, to show that an increase in low-quality supply significantly decreases the performance of the average crowdfunding campaign, manifested in a lower likelihood of success (reaching funding goals) and less money raised per campaign. We also offer a new method to estimate campaign quality and study the moderating role of campaign quality in the observed effects. We find that high-quality campaigns are less affected by the “market of lemons” than low-quality campaigns are. We discuss theoretical implications as well as managerial implications for entrepreneurs and platform designers.

1/2017

O. Mendelson and D. Te'eni

A generativity factory for innovation, 35 pp.

How can IT be used to enhance the capacity of innovators to innovate? This study concentrates on the design of a generativity factory that utilizes extant knowledge on supporting creativity to design tools tailored to the specific context of innovation. We build a prototype of the generativity factory according to a new design science methodology of building abstract factories, which are artifacts that create artifacts. We then evaluate the prototype factory by examining the use of two of its products: a generativity tool used in the context of designing cars and a generativity tool used in the context of camping. We conducted two in-depth field experiments with nine teams and found that users are generally more creative in conditions supported by the generativity-factory products. Additionally, we implemented generativity tools using several technologies, including wooden boards for camping and stage arts, internet-based apps for car engineering, and an application based on IBM's

Watson platform. Our main contribution lies in introducing the concept of a generativity factory as a means of bringing generativity to diverse fields of practice and research. In a world of IT enabled work, tying the generativity factory and, in future, other types of factories to the work support systems already in place may be particularly productive.

HC-IBRI SERIES IN HEALTHCARE MANAGEMENT

REPRINTS

- 341 A. Riskin, A. Erez, T. Foulk, K.S. Riskin-Guez, A. Ziv, R. Sela, L. Pessach-Gelblum and P. Bamberger
Rudeness and medical team performance, *Pediatrics*, 139 (2), e20162305, 2017

NO ABSTRACT

- 329 Y. Maor, S.D.H. Malnick, E. Melzer and M. Leshno
Treatment of chronic Hepatitis C in the aged: Does it impact life expectancy? A decision analysis, *PLoS ONE*, 11(7): e0157832. doi:10.1371/journal.pone.0157832

NO ABSTRACT

- 328 V. Schechner, Y. Carmeli and M. Leshno
A mathematical model of *Clostridium difficile* transmission in medical wards and a cost-effectiveness analysis comparing different strategies for laboratory diagnosis and patient isolation, *PLoS ONE*, 12(2): e0171327. doi:10.1371/journal.pone.0171327

NO ABSTRACT

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Mr. Leon Recanati	CEO, GlenRock Israel Ltd.
Prof. Orly Yeheskel	Associate Dean for Academic Affairs, Coller School of Management, Tel Aviv University
Representative not yet appointed	The First International Bank of Israel