3ᴿᴰ Internal PhD Workshop in Economics and Management

Session on Finance

09:30 – 09:50:   Time-varying Risk Aversion during the Brexit Referendum

Maria Kosolapova (2nd year unibz PhD student)

Financial markets process information (probability and impact) of potential future events. Given the forward-looking property of options, implied volatilities can be used to estimate the whole future density of the underlying. Broadly speaking, by exploring the dynamics between the underlying and the options written on it, investor's risk attitudes can be recovered. We do so in a model-free manner, i.e., by making use of high-frequency data and without relying on any particular option-pricing model. We apply our methodology to analyze higher moments and risk-aversion in the run-up of the 2016 Brexit referendum using GBP/USD foreign exchange rate as underlying.

Supervisor: Alex Weissensteiner

09:50 – 10:10:   Mean-Semivariance Portfolio Optimization Using Minimum Average Partial

Andrea Rigamonti (4th year unibz PhD student)

Mean-semivariance and minimum semivariance portfolios are a preferable alternative to mean-variance and minimum variance portfolios whenever the asset returns are not symmetrically distributed. However, similarly to other portfolios based on downside risk measures, they typically perform poorly in practice because the estimates of the necessary inputs are less reliable than the estimates of the full covariance matrix. We address this problem by performing PCA using the Minimum Average Partial on the downside correlation matrix in order to reduce the dimension of the problem and, with it, the estimation errors. We apply our strategy to several datasets and show that it consistently outperforms various existing downside risk-based asset allocation rules, largely closing the gap in out-of-sample performance with the strategies based on the covariance matrix.

Supervisor: Alex Weissensteiner

10:10 – 10:30:   Coffee Break

Session on Economics

10:30 – 10:50:   Are Energy Policies Failing to Boost the Energy Transition?
Insights from the Case of the Spanish 'Tax on the Sun' and its Impact on the Uptake of Prosumers, Using a Synthetic Control Approach

Silvia Tomasi (2nd year unibz PhD student)

The impacts of climate change have been becoming increasingly evident in the past few years. The need to shift to more sustainable energy systems is therefore compelling and such an energy transition requires to be underpinned by adequate policy mechanisms. Under this perspective, the Spanish Royal Decree (RD) 900/2015, also so-called 'Tax on the Sun', aiming at regulating energy self-consumption and enhancing the engagement of citizens in the energy transition as prosumers, by the installation of residential photovoltaics, represents a challenging case study. In fact, concerning the 'Tax on the Sun', there is anecdotal evidence that instead of supporting the diffusion of electricity self-consumption, it has had the opposite effect. Thus, this work aims at testing this proposition by using the synthetic control methodology (SCM), which permits to evaluate the effect of a treatment, in absence of a suitable control group, as in the case of the 'Tax on the Sun'. There is a broad literature investigating the process of energy transition and its implications in terms of energy governance, nonetheless, up to now, a limited number of studies have been carried out to investigate the comparative performance of energy policy instruments at national level and very few quantitative studies have offered evidence of the role of new energy governance initiatives to the energy transition. Hence, this work aims at contributing to the scientific discussion about energy transition governance models by estimating the effects of a time limited energy policy on RES expansion. This will be done by applying the SCM to assess the involvement of prosumers in the Spanish energy transition, by comparing it to a counterfactual constructed control group.

Supervisor: Steven Stillman

10:50 – 11:10: **What are you Looking for in a Doctor?**
Shifts in Attribute Valuations on Exposure to Quality Information in Consumers' Choice of a Primary Care Doctor

Michelle Hanson (2nd year unibz PhD student)

Consumers must generally select a primary care doctor in the absence of any objective data. They frequently rely on recommendations from friends and family and few report being aware of or making use of formal quality information. There is a wide array of attributes one may consider when selecting a doctor. Some attributes may be less salient to consumers until presented with novel performance data. Innate decision-making style and skill appear to be important, given the complexity of processing and trading off on these numerous factors. There has been limited opportunity to study consumer valuations of doctor attributes in the presence of quality information, as these data are not widely available at the doctor-level. The SelectMD 2.0 Provider Choice Experiment provides an opportunity to examine how consumers interact with doctor-level performance data, in light of their decision-making styles and skill. The present study examines how consumers rate 10 doctor attributes—in terms of their importance when choosing a doctor—before and after exposure to doctor-level quality information. Difference scores are calculated and a multivariate ordered probit regression is considered to account for correlation among outcomes. Results indicate changes in consumers' valuation of doctor attributes following exposure; however only certain attributes were subject to change and changes appear to be related to decision-making style and skill. These findings may inform future efforts to engage consumers in the use of quality data by targeting information to subsets of consumers.

Supervisor: Steven Stillman

11:10 – 11:30: **Dangerous Games. An Analytical Survey of the Economic Literature on Cybersecurity Investments**

Cristian Roner (3rd year unibz PhD student)

Cybersecurity has gained prominence in the decision-making of countries and firms. As a notable example, the fears over increasing vulnerability to cyberattacks play a decisive role in the case of many Western countries against Chinese company Huawei building the infrastructures for the fifth generation of mobile network. Cybersecurity breaches can in fact result in operational disruption of businesses and institutions with ensuing relevant losses and recovery costs. Therefore, the importance of this topic reaches well beyond the domain of technological sciences and concerns also the field of economics. The purpose of this work is to provide an overview of the economic literature that focuses on the firms' incentives to improve their security in the cyberspace. This survey first presents a taxonomy of the contributions with the aim of encompassing the papers in a common reference scheme. It then develops an analytical framework that synthesizes the findings regarding how the market structure and the presence of positive externalities over a computer network lead to suboptimal equilibrium investments in cyber defences.

Supervisor: Alessandro Fedele

11:30 – 11:50 **Fake News and Cultural Identity:**
Evidence from South Tyrol in 1939

Alexia Lochmann (4th year PhD student from Paris School of Economics)

This research paper aims at finding answers to the question of whether misleading information can provoke an immediate response in the formation or manifestation of cultural preferences of the affected population. For this purpose, we carry out an event study, relying on a regression discontinuity design, to study whether parents changed the naming patterns of their newborn children following the spread of "fake news" around possible forced emigration. In 1939, the so-called "South Tyrol Option Agreement" between Mussolini and Hitler asked all German-speaking heads of households in Northern Italy to decide whether to stay in their homeland and accept the inevitable Italianization, or to emigrate to Germany and preserve their cultural identity. The announcement of the policy was overshadowed by a series of "fake news", historically named "Sicilian Legend", according to which individuals who did not want to emigrate to Germany would be deported to the southernmost regions of Italy. This research paper shows that the "fake news" around the possible implications of the policy shook the affected population to the point of pushing them to strengthen their cultural identity. We analyze possible channels of the observed change in naming patterns and find the channel of strengthened cultural identity to be the most important one, as compared to activated cultural identity and a change in incentives. Furthermore, we look at possible heterogeneity of effects and find similar effects for male and female children, but a more pronounced effect for later born children as compared to first born children.

Host at unibz: Steven Stillman

11:50 – 13:00 **Lunch break**

SESSION ON MANAGEMENT

13:00 – 13:20: **Leadership Competencies for Digital Transformation:**
Skills and Traits Sought by Practitioners

Katharina Gilli (2nd year unibz PhD student)

One of the greatest challenges organizations face today is taking advantage of the opportunities offered by advanced information and communication technology. In order to successfully master this digital transformation, organizations need change leaders capable of envisioning, planning, implementing, and managing new business models. Apart from conceptual and practice-oriented contributions, however, there are no empirical studies that analyze what kind of leadership competencies are considered necessary by practitioners. Hence, in order to draw conclusions for research and practice, job requirements outlined in 274 job advertisements explicitly targeting digital transformation experts were identified and categorized applying the leadership skills strataplex taxonomy. Our results reveal a higher importance of managerial and leadership skills compared to technical skills, and thus are similar to the requirements of earlier strategic change processes. This can be interpreted in different ways. Either practitioners overlook important specific leadership competencies or researchers and other experts wrongly overemphasize the technological novelty of digital transformation.

Supervisor: Michael Nippa

13:20 – 13:40: **The Role of Multiple Intelligences in Talent Selection:**
A Critical Review

Mahboobeh Davaei (2nd year unibz PhD student)

The topic of talent identification has remained rather an unexamined topic in the literature as broader organizational concerns with respect to talent management have been in the focus of previous studies. Multiple intelligences seem to represent a significant criterion for an individual's inclusion in the talent pool of an organization. However, multiple intelligences including social intelligences, have largely been ignored in the existing talent management literature. While, as studies have shown, social intelligences such as emotional or cultural intelligence often play a significant role in influencing individual work performance. I have carried out a systematic literature review on the role of multiple intelligences in talent management. The results are sticking. Very few studies have examined the role of intelligences in talent selection or talent management in general. In this critical review paper, I will discuss how general intelligence, cultural intelligence, and emotional intelligence may play a crucial role in selecting talent.

Supervisor: Marjaana Gunkel

13:40 – 14:00: **A Configurational Analysis of the Effects of Emotional Intelligence and Cultural Intelligence on Performance in Multicultural Teams**

Franziska Eberz (3rd year unibz PhD student)

Prior research has typically explored the role of cultural intelligence (CQ) and emotional intelligence (EQ) in teams separately. The present study examines the combined and unique effects of cultural intelligence (CQ) and emotional intelligence (EQ) on performance in global virtual teams (GVTs). Utilizing a sample of 2,919 individuals from over 100 countries, forming 438 multicultural teams, we evaluate the combined effects of CQ and EQ using regression analysis as well as fuzzy set qualitative comparative analysis (fsQCA). The results show that both individual and team performance are significantly affected only by EQ. However, the configurational analysis reveals that various configurations of the two types of intelligence can stimulate high performance. EQ is more important for individual performance and CQ has a stronger effect when team performance is considered. We discuss the implications of our findings and provide directions for future research.

Supervisor: Marjaana Gunkel

14:15 – 15:00 Informal Q&A Session for 1st year PhD students