

## Industrial Robots and Finance



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We examine empirically and theoretically the effects of industrial robot adoption on corporate financing. Empirically, using firm-level panel data on robot deployment in China, staggered across both provinces and industries, we find that robot adoption reduces the cost of debt and increases leverage. We hypothesize that the underlying reason is that being a substitute for labor, robots provide a hedge against fluctuations in labor costs. A model based on this hedging argument delivers additional testable predictions concerning determinants of the relation between robot adoption and corporate financing, which are borne out in the data, providing support for the proposed mechanism. Our evidence is inconsistent with alternative channels behind the observed relations.

## Management and Leadership in Chaotic Turbulence



Orly Yehezkel and Saul Ron

The October 7, 2023 massacre of Israelis by Hamas terrorists, led to the outbreak of the “Iron Swords” war between Israel and Hamas, plunging the entire system into a prolonged period of turmoil and uncertainty. This article presents the VUCA and BANI methodologies for analyzing and preparing organizations in the face of the changing and unpredictable nature of the modern world and the concept of an “Antifragile Organization,” that describes how organizations can not only be resilient in a chaotic world but also thrive in it. The then discusses the application of these three concepts to organizational analysis and developing capabilities required to function in a chaotic environment and further demonstrates their application in analyzing the events of the Iron Swords War.