Innovation in Economics and Business

A new research programme, Innovation and Organization, combines knowledge from several disciplines.

More focus on Graduate Programme

Introducing the new director of the Graduate School, Taco van der Vaart.

Conferences in Groningen

Young academics organize two conferences in 2011.

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SOM Awards 2009

On June 4, SOM, the research institute and graduate school of the Faculty of Economics and Business, presented the SOM awards 2009.

The winners are:

- Best Research Master Graduate 2009: Jochen Reiner
- Best PhD thesis 2009: Tigran Poghosyan
- Outstanding Junior Researcher: Frank Walter
- Outstanding Researcher: Jakob de Haan

Jochen Reiner graduated as Research Master student in the marketing profile in 2009 and is currently a PhD student at Goethe University Frankfurt, Germany. He obtained excellent grades, with an average well above 8.0 and wrote his master thesis “Assessing Differences in Marketing Department’s Influence across countries – How much do Firm Characteristics matter?”, under the supervision of Prof Peter Verhoef and Prof Peter Leeflang.

On September 10, 2009 Tigran Poghosyan defended his thesis “Essays on foreign ownership in transition banking”. He was supervised by Prof Jakob de Haan, Prof Elmer Sterken, and Dr Michael Koetter. To the opinion of the jury the quality of his thesis is very good. It has also been taken into account that he has finished his dissertation in three years and that already two chapters have been published in the Journal of Banking & Finance (which has a very good status on the SOM journals list). He is now working as an Economist for the International Monetary Fund.

Frank Walter obtained his PhD degree in 2008, Summa Cum Laude, at the University of St. Gallen, Switzerland. In the short period since his defense he has been able to develop an interesting line of research on among others leadership, within the Research Institute HRM&OB and to publish four publications in top journals.

Jakob de Haan has numerous publications in top and very good journals and books published by international top publishers. He is a highly cited researcher with a so-called H-index of 11 and editor of the European Journal of Political Economy. During his career he has supervised 20 PhD dissertations, three of which were defended in 2009. He was director of the Research School SOM for more than 10 years. Currently he is Head of Research of De Nederlandsche Bank and professor of political economy at FEB.

On the cover: Peter Verhoef and Jelle Bouma
New in Groningen

Renewal is a popular theme in Economics and Business and in this issue of FEB Research. With a new research programme, several new faculty members and new initiatives in the form of international conferences by (comparatively) new FEB members, there is much newness to be celebrated. Newness is also a central topic in both Economics and Business and in particular at one of its intersections, innovation.

Innovation refers to bringing new products to the market or doing things in a new way. Innovation plays a crucial role for the growth of dynamic economies and firms alike. Popular examples would include firms such as Apple and Google that do not just bring new products to the market, but open up whole new markets. It is no wonder that both firms are valued more highly by the stock market than, for instance, the oil giant Shell.

Innovation is also a crucial ingredient of economic growth in advanced economies. Much has been made of the relatively rapid growth of productivity in the United States compared to Europe, leading to an EU strategy for becoming the most competitive knowledge-based economy in the world (by 2010). While not wholly successful, this strategy at least is looking in the right direction, as most of the growth advantage of the United States can be traced to more rapid growth of innovative firms.

Innovation is also occurring in places that many economists have not traditionally focused on. Research laboratories and development of new goods are important, but so are strong brands. Patents are important, but so are trademarks and new designs. A new gadget can be useful, but so can a new service such as Internet banking or a new organizational model. Quantifying and understanding the importance of all these ‘intangible’ assets will be an important research challenge for years to come and a chance for cooperation between researchers who have long argued for the importance of brands, designs and organizations and those that are relative newcomers to this area.

It is therefore all the more appropriate that the new research programme within the FEB is Innovation & Organization, but this challenge also extends to the FEB itself. In many ways, the ‘new’ aspects covered in this issue are ‘inputs’: a new research programme, new faculty members, new ideas presented at conferences in Groningen. The challenge will be to convert these to new ‘outputs’: new publications, new collaborations, even new courses and teaching programmes that highlight the ‘intangible’ strengths of the FEB. In all, a welcome innovation!

Robert Inklaar
Customer Insights Center: a powerful link between business and academia
The Customer Insights Center (CIC) began four years ago with “a brochure and a plan”, which has since developed into a powerful centre of expertise which brings together the worlds of academia and business. FEB Research spoke to founder Professor Peter Verhoef and managing director Dr Jelle Bouma. “What CIC does is provide for the transfer of knowledge acquired through academic research to the commercial sector. At the same time, the marketing discipline is fed by the commercial sector by responding to external requests for research, expertise or field data. The processes are intended to reinforce one another.”

The Staatsloterij (National Lottery), KLM, Holland Casino, NS (Dutch Railways), Friesland Bank, KPN and the ANWB (Royal Dutch Touring Club), are among the many well-known organisations that have been associated with the CIC over the past few years. All of them have worked with the research centre on the development and sharing of relevant customer information and insights. Founder Verhoef notes that the CIC has expanded very rapidly in this respect: “It all began four years ago with just a brochure and a plan. With hindsight you see that it was rather a slapdash approach. We drew up reports and just started. The CIC is much more professional now, not least due to Jelle Bouma. What we have now is a good center.”

Societal relevance
One of the main reasons why Verhoef set up the Customer Insights Center in 2006 was to create a way of transferring knowledge to society at large. “As an academic you have three tasks: to develop specialist knowledge, transfer this to students and disseminate it within society,” he explains. “In our case – being in management science – the link with industry is probably the most important of these three.”

He stresses that this is not a one-way process. “The link between the CIC and the commercial sector has two sides to it, of course. On the one hand, knowledge acquired through academic research has to be disseminated to the commercial sector; but, at the same time, our academic research needs to be fed with research questions, insights or data from the business world. They should serve one another.” In this way the university also benefits from the contacts made through the CIC, explains the director. “It is interesting for students to see companies at work and it is interesting, of course, for researchers to get data from the field. This particularly applies in the economics and business management discipline. Information from the commercial world can lead to interesting research; in that respect the synergy is good.”

Verhoef believes that the Customer Insights Center also means that the marketing discipline stands out and is seen as a contributor. “It is important for a discipline to be visible. People in the field need to know that this group is actively involved and investigating relevant issues. Relevance means that we let our research be led by whatever questions are topical in the day-to-day world of management and marketing.” “We are really looking at issues at company level,” explains Bouma. “We want to know what problems they experience there and what issues companies have difficulty in tackling. That is where we come in, we try to help and at the same time learn from the business world.”
Customer Performance Index
One thing which the Customer Insights Centre is known for is the Dutch Customer Performance Index (DCPI) which every year provides a ranking of those companies which delivered the best customer service performance. “We started the DCPI last year,” says Bouma. “We compare the hundred biggest Dutch service providers in terms of their customer service performance. How do companies compare with one another and relative to their competitors?”

The DCPI was developed with two CIC partners: MetrixLab and MIcompany. “Here too, you can see how the academic and private sectors bring their strengths to one another,” says Verhoef. “MetrixLab is good at gathering data, we are good at adding the academic value and MI-company is good at turning it into practical advice for the private sector.” The DCPI has been well received by the business world and is also intended to have an impact at the top of the commercial sector. “What is nice about our index is that we look not only at whether companies create value for the customer, but also at whether that actually yields something for the company.”

Continuously growing database
The best performing companies in the Dutch Customer Performance Index are presented with a prestigious award. The winner in 2010 was IKEA, closely followed by Bol.com, Univé and the Rabobank. “We had gold-coloured awards made, rather like the Oscars – but then in the form of a consumer with two shopping bags,” explains Bouma. “The names of those who perform well should be made public, as there are more than enough TV programmes which focus on those whose customer service falls short. Our own Oscar awards ceremony also generated a lot of feedback from the business world.”

The next one is planned for February 2011. “It will only get better, because we will be following companies over time,” Verhoef adds. “In the banking sector, for example, this is very interesting. How have the banks performed since the crisis? Although our research could also be useful for consumer watchdogs, The Netherlands Bank or the Netherlands Authority for the Financial Markets.”

The DCPI cuts both ways as well. “With this type of research we create our own database,” Verhoef explains. “Last year we inter-

Partners of CIC
- ANWB
- ClickValue
- De Friesland Zorgverzekeraar
- Essent
- Eusta
- Frieslandbank
- KPN
- Metrixlab
- MIcompany
- Nuon
- Ohra
- Paragon Connecting Marketing Resources
- Pon Automotive
- Rood Testhouse N.V.
- Univé
- VODW Marketing
- Wegener nieuwsmedia
- Waternet
viewed 4,000 consumers which provided 10,000 observations. We are going to do that again this year and again the year after. This will result in a longitudinal database for our researchers to work with.” “The aim is that this will feed academic research and produce publications,” says Bouma. “By bringing the different elements together a powerful circle is created.”

Membership
Organisations can support the academic research carried out by the CIC and its practical application. They will benefit from the latest academic research in the area of Customer Insights. This could include the latest ways of improving customer relations, introducing loyalty programmes or predicting customer switching behaviour, for example. “Another example is our 12-day training course in which we introduce professionals from the business world to the latest data analysis methods and techniques,” Bouma continues. “And how they can then use that information to create more impact in their own organisation. The training course has been very successful, this year we even had more applicants than we had places.”

Verhoef believes that, in essence, it all boils down to the same thing. “We need to be good at research, good at information transfer and the link to the private sector has to be strong.” “And we need different types of people for that,” Bouma continues. “Peter is an excellent researcher, I feel more at home in the conceptual world of business and Dr Jaap Wieringa, for example, is one of our top lecturers who is very good at knowledge transfer. In this way the CIC is supported by the entire marketing discipline.”
In 2010, Andreea Kiss and Tudor Bodea joined the Faculty of Economics and Business. Not only do they now share the same front-door, but they also work at the same place. Time for FEB Research to talk to this couple about their previous jobs, the reasons to go to Groningen and their plans for the future.

Can you both tell us something about your background?

Andreea: “I started my first employment in the travel industry back in Romania the same day I started my undergraduate studies in International Business. This early exposure to both practical and theoretical aspects of running a business, has shaped most of my subsequent career decisions, and has instilled a strong work ethic in me. After four years spent in a start-up, I pursued an intense training programme in business administration in the US at Siemens. After returning from the US I obtained my master’s degree and started to more seriously consider the prospect of an academic career. I entered the PhD program in strategic management and entrepreneurship at Georgia State University in Atlanta in 2005. I graduated in the summer of 2010 when I also joined the IB&M department here at the University of Groningen.”

Tudor: “I earned my bachelor’s degree in engineering from the Technical University of Cluj-Napoca, Romania. After I completed these early studies, I decided to expand my academic perspectives and entered the PhD programme in Civil and Environmental engineering at the Georgia Institute of Technology, Atlanta, GA. As a graduate student at Georgia Tech, I got exposed to the cutting edge research in travel demand analysis and my interests shifted slightly towards revenue management and operations. After my graduation in the summer of 2008 I served as an operations research analyst for the InterContinental Hotels Group, a leader in the hospitality industry, and as a senior scientist for Predictix, a software-as-a-service company.”

Why did you choose Groningen?

Tudor: “After almost 10 years spent in the US, my wife and I thought that moving closer to our European roots was a challenge worth taking. While looking into several options, we were lucky enough to come across a few school officials who inspired us to apply for positions with the University of Groningen. The school’s excellent reputation, together with its research driven programmes and big ambitions for the years to come, convinced us that Groningen was the right choice for us.”

Andreea: “I was extremely interested in European schools with not just strong research orientations but also with an eclectic approach to management research in general. It is not too often that schools fit this profile. However, the University of Groningen fits this profile perfectly. Furthermore, I was really attracted by the “big university in a small city” environment with its strong intellectual roots and a safe and healthy living environment.”

Andreea, your research is in International Business & Management, can you tell us what you will be doing?

“There are several projects that I am going to focus on over the next few years. One is
closely related to my dissertation and explores the cognitive underpinnings of new venture growth and adaption, including internationalization. I am mostly looking at technology-intensive new ventures and their growth trajectory once they become public. Another research area I am interested in, is new venture internationalization in emerging economies. In this context, I am mostly focusing on institutional influences on new venture internationalization speed.”

Tudor, as you are doing research in Operations, what subjects will you be dealing with?

“My current research interests focus primarily on dynamic pricing and revenue management. Both are relevant as it has been shown that, companies that are otherwise extremely competitive at managing the supply aspect of their operations, consistently struggle to offer their customers the right products at the right time for the right price and through the right distribution channel. My work is interdisciplinary and builds on knowledge from fields as diverse as operations, marketing, psychology, and information technology.”

What is the societal relevance of both your research?

Andreea: “Of all the new ventures initiated in a given year only about 4% reach a stage in their life where growth is possible. Understanding the firm, individual and industry related factors that lead to new venture growth is thus of utmost importance. New ventures are the engine of growth for all types of economies but are even more important in the context of emerging economies. There is a gap in our understanding of how these firms internationalize and grow, which I hope to partially fill through my research.”

Tudor: “In today’s business environment consumers have become extremely sophisticated in their search and purchase behavior. This means that companies are not able to develop capabilities fast enough to meaningfully interact with them. In such cases both parties lose some: consumers do not get what they want and companies do not perform as per their shareholders’ expectations. In a broad sense, my research attempts to close this gap by helping companies design products and programmes based on what customers value and need.”

What are your plans for the future?

Tudor: “First, I would like to identify opportunities to exploit some of the links between my work and my colleagues’ research interests. Secondly, I would like to develop and strengthen the relationship with our undergraduate and graduate students. Last but not least, I intend to help the department and the faculty achieve the ambitious objectives set for the coming years.”

Andreea: “I’d like to be able to contribute to the portfolio of courses that the IB&M department offers and get more undergraduate and graduate students interested in the topic of international entrepreneurship and in cognitive approaches to firm adaptation. I’d also like to engage in more collaborative research with other colleagues in the faculty interested in similar topics.”
New Research Programme: Innovation & Organization
Since the summer of 2010 the research institute SOM has a new programme. This sixth programme is in the field of Innovation & Organization. In this interview we talk to the director Professor Wilfred Dolfsma.
Why this new programme?

The Innovation & Organization (I&O) programme within SOM covers the following interrelated disciplines: organization theory, strategy, innovation, entrepreneurship, control, information systems and change. These themes are at the center of any business school. The coherence and quality that this recent programme brings will also feed into the various degree programmes, especially in the research master profile I&O.

The programme brings together and stimulates research that focuses on how new organizational forms as well firm capabilities and resources foster innovative performance outcomes. In recent years, scholars have become increasingly aware of the need to determine which resources and capabilities such as information and control systems, and intangible and tangible knowledge assets contribute to firm performance. The way in which agents in a firm actually cooperate, jointly involved in innovation processes, matters crucially to moderate this link between resources and performance. Firms are thus experimenting with new forms of organizing themselves internally. Cooperation between firms has at the same time become increasingly common, despite difficulties and drawbacks involved. Organizational forms are needed to foster cooperation while mitigating possible problems. These forms of organization are studied in the I&O programme as well.

Stretching, or perhaps crossing disciplinary boundaries, I&O currently draws its fellows from three different departments: Innovation Management & Strategy (IMS), Business & ICT, and Accounting. Fellows are established researchers with a proven track record of research as evidenced by their research publications in leading international journals in the domains of business and economics. The I&O group of scholars is quite substantial; the webpage at FEB’s website provides more information about the specific research interests and strengths for each.

What are the ambitions?

I&O, starting Spring of 2010, has roots in established research streams. In the next few years we will be competing with other groups that have a similar focus for the top position, first of all in the Netherlands and very soon after that in Europe. An I&O profile in the Research Master programme of SOM will start per September 2011 aiming at an excellent preparation for doing a PhD in the same field. We are currently further developing this profile, which will consist of a core set of four profile courses. The course Organization Theory provides current cutting edge research in central themes in organization science. Managing Information & Control for Innovation researches key firm resources and capabilities for innovative performance. Organizing Innovation & Change, and Interfirm Cooperation for Innovation focus on organizational forms for innovation, respectively, within and between firms. Leading I&O researchers will lecture and provide research guidance. Despite the seemingly narrow thematic focus, the researchers involved in I&O have extensive theoretical and methodological expertise. A list of highlighted recent publications by members of the group indicates this.

Members of the programme are regularly consulted because of their expertise by public organizations such as national ministries and the EU, private companies in both manufacturing and (financial) services, and not-for-profit organizations. They are also regularly asked to give keynotes at academic and practitioner conferences. The quality of their papers, articles and books is acknowledged through prizes they receive. Organizations seeking advise on the core themes that the programme focuses on, find the knowledge accumulated of great value. Knowledge and information exchange of a formal and informal kind, keeping in mind possible drawbacks and dangers, should be a key interests of just about any organization.

Who is Wilfred Dolfsma and what is his role?

“I joined the faculty in the Spring of 2008 as professor of Innovation, and by the end of the year I also became Head of the IMS department. Since the beginning of the year I have, with others, been developing ideas for the research programme Innovation & Organization and now I am...”
I was trained as both an economist and philosopher, and have a PhD in the former. I have been working at several universities and have done research in the Netherlands and abroad, including in Germany, India, the US and at the United Nations University (MERIT). I have probably had my formative years as academic, however, at Erasmus University, Rotterdam. My research focuses on the perspectives, purview and perils of cooperation for innovation. When and why is cooperation needed to innovate? What kind of cooperation is suitable? How does cooperation stimulate innovation, how might cooperation be organizationally shaped, and when will cooperation break down? I typically like to move between domains in the social sciences, with a firm basis in (institutional) economics, when I cooperate with others on research projects. As editor-in-chief of an academic journal that is similarly interdisciplinary – the Review of Social Economy – I do a first proper selection of submissions which both gives me overview and a sense for what is or could be quality research.

My job as director of a research programme is to make sure that both individually and collectively the research that its fellows do is recognized as relevant and of high quality by both peers and stakeholders. Providing a high-quality programme to train Research Master and PhD students is inseparable from the goal of doing such research, I would suggest. What is studied within the I&O research programme are phenomena of joint innovation activities, and similarly the research that staff, PhD students and master students undertake is a joint responsibility as well.

Selected I&O publications, 2009-2010


More Focus on graduate programme
Taco van der Vaart is the Director of Graduate Studies (DGS) of the research school SOM since May 2010. This position is new and this interview explains why.

Why does SOM need a Director of Graduate Studies?

“Both our Research Master and PhD programme have expanded significantly, for example from 60 PhD students in 2000 to about 160 now, including an increasing number of externally funded PhD students. Until May the Scientific Director of SOM, currently Tammo Bijmolt, was responsible for both the research institute as well as the graduate school SOM. Now, I will, as DGS, be the first responsible for the Research Master and PhD Programme. In this role I will work closely together with Tammo Bijmolt.”

What are your ambitions for the graduate programme?

“Currently SOM offers an integrated graduate training programme covering a two-year RM programme and a four-year PhD programme. Students who have done SOM’s RM do get a four-year appointment, but if they are able to obtain their PhD degree in three years they get a postdoc appointment in the fourth year. For the upcoming years SOM will introduce a five-year programme (two+three year). In the near future students will be obliged to do a RM before their PhD.”

“Furthermore, as a result of the redesign of the master programmes within FEB, the research master programme has to be redesigned as well. In addition to the transformation of ten EC courses into five EC courses we are restructuring the programme to obtain six RM profiles with the same structure. Moreover we are examining the requirements of RM students with respect to research methods courses. Last year almost 30 students entered the RM programme. Most of these students follow the two year program, but still a significant number of students do the research master programme in one year (after a regular MSc). Moreover, only a few students enter the RM programme directly from one of our own bachelor programs. We would like to increase the overall number of students in the RM, in particular the number of students from bachelor programmes that enter the two-year programme. One of the initiatives is to promote the programme in the Honours Bachelor programme of our faculty.”

“And last but not least, within SOM we are considering the introduction of a two-year training programme for external PhD’s. The objective is to provide more structure and courses for the external PhD’s and at the same time to increase success rate and quality of their PhD theses. The programme will include a number of obligatory courses like Research Design.”

Who is Taco van der Vaart?

“I am associate professor of Operations Management at FEB. I obtained my MSc in Mathematics (1989) from the University of Groningen and defended my PhD thesis (2000) at the same university on the subject “Coordination of supply”. In the period May 2006 - May 2010 I was the Director of the SOM research programme OPERA, so I am very familiar with the way things run within SOM. I am actively involved in the research master course Operations: Analysis, Planning and Design and in the PhD course Research Design. Currently, I also supervise three PhD students myself.

My main research interests are supply chain integration and more recently health care operations. In 2008 I co-chaired the Annual EurOMA Conference in 2008 in Groningen and I am also involved in the doctoral seminar of EurOMA and in the international network IMSS. Together with Dirk Pieter van Donk, I won the Chris Voss Best Paper Award 2007 for our paper entitled: Business conditions, integration and performance in supply chains. We also have been awarded the Emerald Award for Highly Commended papers for an article that we published in the International Journal of Operations & Production Management. The title of the paper in question is: Buyer-focused operations as a supply chain strategy; identifying the influence of business characteristics.”

3 key publications


Conferencing in Groningen
One of the features of a research job is the opportunity to visit conferences in far-off locations. However, sometimes the conference is right around the corner in your own city. We talk to two Groningen researchers who are both making this happen by organizing a major international conference: on Human Resource Management (Sanne Ponsioen, PhD student in Human Resource Management) and Economics (Richard Jong-a-Pin, Assistant Professor in Economics).

How did such a conference come to Groningen and what is your role?

Sanne: “Traditionally, the chair of the Dutch HRM Network organizes a conference to mark his two-year term and since Eric Molleman is the current chair, the conference is held in Groningen. As chair, his main focus is putting together the program. As secretary of the Network, my responsibility is the location, accommodation, promotion and other organizational issues. Together with the SOM Research School, I am busy making sure that all this runs smoothly.”

Richard: “In our case, the idea was born out of an earlier workshop I co-organized with Jochen Mierau in June of 2008. We had already been thinking of organizing a bigger event, so when we were at the last Spring Meeting of Young Economists (SMYE) and heard that the Board of the SMYE was looking for volunteers to organize the conference in 2011, we jumped at the chance. We talked to a few colleagues, formed the local organizing committee and before the end of the conference, the plan was approved! As chair of the committee, I keep in touch with all parties, such as speakers, the organizing committee, the faculty, and other interested parties. For our conference too, SOM is a great help in making those arrangements.”

Is Groningen as a conference location a help or hindrance?

Richard: “We have managed to attract three excellent keynote speakers from abroad and we have also received much financial support from outside the university: the European and Dutch central bank, the Dutch Bureau for Economic Policy Analysis and the research network NETSPAR. And in particular for younger people, this conference is a great way to increase their network and share ideas. Also as a student city, Groningen has a lot to offer to young people. Indeed Groningen’s pub closing hours (or lack thereof) are infamous around the world.”

Sanne: “In the Netherlands we tend to see Groningen as far from everything, but this is no bother at all for international visitors: our international keynote speakers were also really enthusiastic about coming to Groningen. I expect other visitors to also love to come: Groningen is a great city with a lot to offer and our conference has an exciting and relevant theme.”

Why did you get involved in the organization?

Sanne: “Eric asked me whether I wanted to help him with this job. I was immediately excited as it is a great opportunity to co-organize such an event! I like the organizational aspects of putting together a great conference. Add to this that I am working to get my PhD in the field of HRM and I am even more committed because of my involvement and interest in the topics of the conference.”

Richard: “I also like the organization as such: working with a group of enthusiastic people to pull off an event like this. In addition, as a regular visitor of the SMYE, I think it is an important venue for young researchers to present and interact so, of course, somebody has to organize it. Which does not mean I am fully altruistic: such a conference provides useful contacts too. Finally, it is usually easier to commit to organizing an event while it is somewhere in the future when the opportunity costs are not fully in focus.”

How much of a time investment is it to organize?

Richard: “So far, things are still fine, but the conference is big enough that it will take much more time in a few months’ time.”

Sanne: “Same here, my own research does not suffer from the current time investment the organization requires. And even when I will need to spend more time on it, I am looking forward to doing so!”

Conference details

- 7th International Conference of the Dutch HRM Network (http://www.hrm-network.nl/conference.html)
  Dates: 10 - 11 November 2011 in Groningen
  Audience: ± 200 researchers in the field of Human Resource Management
  Local organizers: Eric Molleman and Sanne Ponsioen

- 16th Spring Meeting of Young Economists (http://www.smye2011.org/)
  Dates: 14 - 16 April 2011 in Groningen
  Audience: max. 200 economists in their early career stages (PhD candidates, Post-docs, Assistant Professors)
  Local organizers: Richard Jong-a-Pin, Janneke Pieters, Ryanne van Dalen, Viola Angelini and Jochen Mierau

How much of a time investment is it to organize?

Richard: “So far, things are still fine, but the conference is big enough that it will take much more time in a few months’ time.”

Sanne: “Same here, my own research does not suffer from the current time investment the organization requires. And even when I will need to spend more time on it, I am looking forward to doing so!”
East meets West:
In January 2002 Andreas Budihardjo (1958), defended his thesis on “Planners in action: a roadmap for success”. Eight years later he is back in Groningen to attend the thesis defense of a fellow country woman, Nurul Indarti, as a member of the PhD reading committee. He used the visit to catch up with former colleagues and took the time to talk to FEB Research.

What have you been doing since you left Groningen?

“I am currently the director of the MBA programme at Prasetiya Mulya Business School in Jakarta and also a vice-director of the HRM department. As a professor, I conduct research, deliver seminars, teach several courses and supervise PhD students from various universities in Indonesia and outside Indonesia. One of my latest joint-PhD students is doing his thesis at Boston University.”

What made you choose for Groningen?

“I had a dream to further my study either in the Netherlands or Australia. I was offered a scholarship from both countries. However, since I felt more comfortable in the Netherlands and what is more, the scholarship letter of announcement from Groningen came earlier than that of the Australian’s, I undoubtedly chose Groningen. Apart from that, I knew and have been familiar with Dutch culture and language since I was a child.

There were however other reasons which encouraged me to choose Groningen. I knew Groningen very well, especially the university because I participated in a research project under the WGM (Working Group Matching) which was managed by Dr Wim Laseur. It was a joint research project between Indonesia and Dutch researchers. I was in Groningen for 2 months to do research and then went back to Indonesia with a Dutch researcher (Christiaan Koster to finish the project for 4 months. Prof Rene Jorna was our project supervisor. Thanks to WGM, and especially to Dr Wim Lasseur and Prof Jorna, I learned a lot about the University of Groningen, research, the Dutch culture and of course the language. So, when I was looking for a university to do my PhD, Groningen was my obvious choice.

I really enjoy the city, the university is one of the oldest of the Netherlands and has a very good reputation. And the staff at FEB are very friendly and helpful. My promotors were professor Rene Jorna, professor Ad van der Zwaan and professor Jacob Wijngaard. I feel very grateful that I was able to work with them. I am still in touch with most of the people I met during my stay in Groningen.”

What was the subject of your thesis?

“I did research on the relationship between job decision latitude, responsiveness and planning effectiveness in road transport companies. To gather my data, I had to travel all over the country, visiting more than 50 companies, small and large. I remember vividly that one of the villages I had to visit, Staphorst, was quite remarkable. All the houses were painted in the same colors and most of the inhabitants were walking around in costume. It was a great way of getting to know the country better. Most of the people I met were very agreeable and helpful.

To summarize my findings: the influence of human factors on logistic planning systems is substantial, planners need to have in-depth knowledge of planning besides the IT used in the companies.”

What are your plans for the future?

“I will continue to do research in my field and teach; I also want to contribute my knowledge to improve the human capital in Indonesia through education. Furthermore, I would like to keep in touch with universities all over the world, particularly with the University of Groningen in many ways, especially in education i.e. research and teaching. As an alumnus, I will be very proud if the University of Groningen would be the best university in Europe, and of course eventually in the world. I would be very pleased to be involved in the University’s activities related to research and teaching.”

an Indonesian alumnus back in Groningen
Please find below an overview of publications in SOM’s top and very good journals, PhD theses and reports in the SOM Research Report Series in the period May – November 2010.

**Journal Publications**


Many firms stock thousands of different stock keeping units (SKUs). It is impossible to determine a stocking policy and especially a service level for each individual SKU. For this reason, many firms use ABC classification, which divides the SKUs into three classes and fixes the service level per class. The most common classification criterion is “annual dollar volume”, which is defined as the cost price of an SKU multiplied by its annual demand. Class A and C then contain the SKUs with the highest and lowest annual dollar volume, respectively. SKUs in class A usually get the highest service level.

In this paper, I argue that the common classification criterion is not suitable for determining service levels. Both inexpensive fast moving and expensive slow moving SKUs end up in class A, but the former should have a much higher service level than the latter. I propose a new criterion that overcomes this problem, and show empirically that it leads to considerable cost savings.

The new method has also been tested at the Ministry of Defense in the UK. A recent presentation at Dinalog and publication on Logistiek.nl have generated interest from a number of firms and consulting companies.
**PhD theses**

**Menno van Bentheim**  
*Optimizing the structure of the natural gas market using an agent-based modeling framework*  
Prom./coprom.: Prof. C.J. Jepma & Prof. G. Brunekeef  
Defended on: January 14, 2010

**Chris Bojke**  
*Microeconometric essays in health, sports and education economics*  
Prom./coprom.: Prof. R.H. Koning & Prof. P. Kooreman  
Defended on: November 18, 2010

**Timothy Boon von Ochssée**  
*The dynamics of natural gas supply coordination in a new world: Cooperation or competition between gas-exporting countries from a Russian perspective*  
Prom./coprom.: Prof. J.G. van der Linde & Prof. P.M.E. Volten  
Defended on: July 8, 2010

**Marnix Bügel**  
*The application of psychological theories for an improved understanding of customer relationships*  
Prom./coprom.: Prof. A.P. Buunk & Prof. P.C. Verhoef  
Defended on: June 3, 2010

**Misbah Tanveer Choudhry**  
*Demographic transition, economic growth and labor market dynamics*  
Prom./coprom.: Prof. B. van Ark & Dr. J.P. Elhorst  
Defended on: July 5, 2010

**Michael Dutschke**  
*Forestry, risk and climate policy*  
Prom./coprom.: Prof. C.J. Jepma  
Defended on: April 1, 2010

**Nurul Indarti**  
*The effect of knowledge stickiness and interaction on absorptive capacity. Evidence from furniture and software small- and medium-sized enterprises in Indonesia*  
Prom./coprom.: Prof. R.J.J.M. Jorna & Dr. T.J.B.M. Postma  
Defended on: October 4, 2010

**Ernest Kihanga**  
*Trade credit in the Tanzanian rice market*  
Prom./coprom.: Prof. C.L.M. Hermes, Prof. B.W. Lensink & Dr. C.H.M. Lutz  
Defended on: October 14, 2010

**Umut Konus**  
*Essays on multichannel customer management*  
Prom./coprom.: Prof. P.C. Verhoef  
Defended on: June 24, 2010

**Vlasios Oikonomou**  
*Interactions of white certificates for energy efficiency and other energy and climate policy instruments*  
Prom./coprom.: Prof. C.J. Jepma & Dr. M.K. Patel  
Defended on: May 27, 2010

**Tom Smeenk**  
*Russian gas for Europe: Creating access and choice. Underpinning Russia's gas export strategy with Gazprom's infrastructure investments*  
Prom./coprom.: Prof. J.G. van der Linde & Prof. F.M. Tempelaar  
Defended on: July 8, 2010

**Stanislav Stakhovych**  
*Advances in spatial dependence modeling of consumer attitudes with Bayesian factor models*  
Prom./coprom.: Prof. T.H.A. Bijnol & Prof. M. Wedel  
Defended on: June 10, 2010

**Joost Vos**  
*De Münchhausenbeweging: Beweging voor ketensamenwerking. Een onderzoek naar samenwerking tussen maatschappelijke organisaties in Rotterdam*  
Prom./coprom.: Prof. C.T.B. Ahaus & Prof. J.B. Rijsman  
Defended on: September 30, 2010

**Gaaitzen de Vries**  
*Productivity, firm heterogeneity and policy reforms in Latin America*  
Prom./coprom.: Prof. M.P. Timmer  
Defended on: September 16, 2010

**Jim Yonazi**  
*Enhancing adoption of e-government initiatives in Tanzania*  
Prof. H.G. Sol & Prof. A. Boonstra  
Defended on: July 1, 2010

**Yu Huanjun**  
*Ownership type, business groups, and corporate performance: Evidence from Chinese listed firms*  
Prom./coprom.: Prof. B.W. Lensink & Prof. H. van Ees  
Defended on: June 17, 2010

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**Research Reports**

10001:  

10002:  
Dungey, M., J.P.A.M. Jacobs and Lestano, *The internationalisation of financial crises: Banking and currency crises 1883-2008*

10003:  
**Tillema, S.** and **H.J. ter Bogt**, *Politics and performance auditing in Dutch municipalities*

10004:  
**Kadek Dian Sutrisna Artha, I.** and **J. de Haan**, *Legal and actual central bank independence: A case study of Bank of Indonesia*

10005:  
**Foreest, N. van** and **Wijngaard, J.**, *Generating global brand equity through corporate social responsibility to key stakeholders*

10006:  
Paterson, C., **Teunter, R.** and Glazebrook K, *Hybrid lateral transshipments in a multi-location inventory system*

10007:  
Torres Lacomba, A., J. Atribo and T.H.A. Bijmolt, *Generating global brand equity through corporate social responsibility to key stakeholders*

10008:  
Blömeke, E., M. Clement and T.H.A. Bijmolt, *Should they stay or should they go? Reactivation and termination of low-tier customers: Effects on satisfaction, word-of-mouth, and purchases*
Occasionally, we would like to share more news with you than the normal half page you find at the beginning of our magazine. In the past months, several FEB researchers have been appointed to various positions, awards were won and one FEB researcher has been granted over 900,000 euro’s to conduct his research.

Appointments

Jan Luiten van Zanden on new Maddison chair
Jan Luiten van Zanden has been appointed as honorary professor on the new Maddison chair at the Faculty of Economics and Business of the University of Groningen. Van Zanden is winner of the Spinoza Prize, the highest Dutch academic award. The new chair has been founded to commemorate Angus Maddison, professor emeritus at the faculty, as well as to strengthen the discipline of Economic History. Professor Maddison held a worldwide reputation in the field of international comparison of levels of prosperity and economic growth between countries from a long-term point of view. He died on 24 April 2010 at the age of 83.

Jaap van Manen appointed in Supervisory Board of De Nederlandsche Bank
The general shareholders’ meeting of De Nederlandsche Bank NV (Bank of The Netherlands, DNB) has decided to appoint professor J.A. van Manen from the Faculty of Economics and Business as member of DNB’s supervisory board, as of 1 January 2011.

Jan de Vries appointed as professor in Operations Management
Jan de Vries has been appointed as professor in Operations Management, in particular the interrelationship between planning and control systems and their organisational embedding, at the Faculty of Economics and Business. De Vries was already associate professor on the same chair and has been promoted to professor as of 1 July.

Harry Garretsen new dean Faculty of Economics and Business
The board of FEB welcomes professor Harry Garretsen as new dean for the coming five years as of 1 March 2011. Garretsen will succeed Elmer Sterken.
Maarten Bosker appointed research affiliate of leading European economists network

The Centre for Economic Policy Research (CEPR) in London has appointed Maarten Bosker researcher of the FEB as Research Affiliate of their International Trade and Regional Economics Programme. Bosker specializes in economic geography, international economics, conflict studies, and economic history. Central to his research is trying to empirically unravel the importance of geography in urban and economic development. Recent papers focus on the historical evolution of the European urban landscape, and on identifying the possible international consequences of civil war.

Albert Sorge Honorary Member of association for organizational knowledge (EGOS)

FEB professor Arndt Sorge was appointed Honorary Member of the European Group for Organizational Studies (EGOS) last week on the 26th EGOS Colloquium in Lisbon. EGOS is a professional association of researchers and teachers acting as a network for the advancement of organizational knowledge. An Honorary membership is meant to honour and thank scholars who have made pioneering and lasting contributions both to the advancement of knowledge in the social sciences dealing with organization, organized and organizing, and to EGOS as an association. In the Laudatio, Arndt Sorge (Düsseldorf, 1945) is called a cosmopolitan and polyglot scholar of international recognition.

Arndt Boonstra appointed as professor in Information Management

Albert Boonstra has been appointed as professor in Information Management, more specifically in the interrelations between IT, organizations and people, at the Faculty of Economics and Business. Boonstra was already associate professor on the same chair since 2008 and has been promoted to professor as of 1 July.

Hans van Ees appointed as vice-president of the European Academy of Management

Hans van Ees, professor at FEB, has been appointed as vice-president of the European Academy of Management (EURAM) at their annual congress. EURAM has approximately 1200 members from 45 different countries. In addition to for example EGOS (European Group for Organizational Studies, 1400 members), EURAM is one of the main academic organizations in the field of Management Research in Europe.

Erik Dietzenbacher appointed Honorary President Chinese Input Output Association

At their 8th annual conference in Weihai (PR of China) in August 2010, FEB professor Erik Dietzenbacher has been appointed Honorary President of the Chinese Input-Output Association (CIOA). The CIOA has around 300 members and Dietzenbacher is the first foreign honorary president. The two other presidents, Prof. Chen Xikang and Mr Li Qiang originate from China. As long as he is active in the field of Input-Output Studies the appointment will be prolonged.

Albert Boonstra appointed as professor in Information Management

Albert Boonstra has been appointed as professor in Information Management, more specifically in the interrelations between IT, organizations and people, at the Faculty of Economics and Business. Boonstra was already associate professor on the same chair since 2008 and has been promoted to professor as of 1 July.

Bert Scholtens appointed professor Economics of Sustainability

As of 1 June 2010 Bert Scholtens has been appointed professor Economics of Sustainability at the J.L. Bouma Chair. Scholtens is professor by special appointment by the ‘C.R. Rao Stichting’ which aims to advance scientific research in the fields of statistics, econometrics and related fields. The J.L. Bouma chair (0.2 fte) is financed by SNS Reaal and contributes to research and education in sustainability, energy and corporate social responsibility, from a financial economic perspective.

Elmer Sterken next University of Groningen Rector Magnificus

The Supervisory Board of the University of Groningen has decided that FEB dean Elmer Sterken will succeed Professor Frans Zwarts as Rector Magnificus of the University of Groningen on 1 March 2011.
Awards

Journal of Management Award for Gerben van der Vegt
The Journal of Management (JOM) awarded the papers which were the most highly cited in 2005 (JOM chose 2005 to allow time for the top papers to emerge). The paper “Effects of perceived skill dissimilarity and task interdependence on helping in work teams” by FEB professor Gerben van der Vegt and professor emeritus Evert van de Vliert is one of the five winners.

Best Paper Award for Jaap Wieringa
The paper What About Design Newness? Investigating the Relevance of a Neglected Dimension of Product Innovativeness has won the Thomas P. Hustad Award for the best paper published in Journal of Product Innovation Management in 2009. FEB associate professor Jaap Wieringa co-authored this paper with Katrin Talke (University of Hamburg), Søren Salomo (Danish Technical University in Copenhagen), and Antje Lutz.

The award was presented at the research forum of the 34th annual global PDMA conference on Product Innovation Management, which was held in Orlando (USA), from October 16-20, 2010.

Gerwin van der Laan wins award for Best PhD thesis on corporate governance
SOM alumnus Gerwin van der Laan won a Best PhD thesis award. At the 7th EIASM workshop on Corporate Governance, he received the prize for his thesis, which was considered the best on corporate governance among approximately 55 submissions from all over Europe. The prize is sponsored by EIASM and the IFPM Center for Corporate Governance at the University of St. Gallen (Switzerland).

Gerwin van der Laan was awarded his PhD at the Faculty of Economics and Business on 22 January 2009. He conducted his research under supervision of professor Arjen van Witteloostuijn and professor Hans van Ees. The thesis title is ‘Behavioral corporate governance: four empirical studies’. Currently, Van der Laan is teacher and researcher at the Utrecht School of Economics.

Grants

ERC grant of 913,000 euro for Nathan Lillie
The European Research Council (ERC) granted dr. Nathan Lillie of the FEB a starting grant of 913,000 euro’s to conduct research on this subject of migrant work. In recent years, there has been a notable increase in the number of blue collar workers sent abroad by their employers. These employers are usually sub-contractors or work agencies set up for the purpose of sending employees abroad. Under European Union law, these “posted” workers can be treated under conditions determined in their home country rather than the destination country where they work. What is the impact of this on working conditions and the right to trade union representation?

The FEB research team, consisting of Lillie and one post doc and two PhD’s, will study the growth of “posted” migrant work in the European Union, and the impact of this on industrial relations.

Employers can now, to a large extent, apply home country conditions to workers posted abroad. Host country unions and governments are legally constrained in their representation of these workers. Sovereignty has been reconfigured, through EU law and firm practice, so that nations are no longer free to regulate working conditions in their territories. The FEB researchers hypothesize that this “variegation” of national industrial relations sovereignty is leading to segmented labour markets, with posted migrants making up a lower tier of workers, no longer entitled to the rights and protections workers have enjoyed in Europe since the Second World War.
Colophon

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