Obituary René Jorna

On September 27, 2013, Professor René Jorna died at the age of 60. He was a part-time professor of Knowledge Management and Cognition at the Faculty of Economics and Business and also Head of the Social Sciences Department at the Fryske Akademy in Leeuwarden.

René Jorna started his academic career in 1987 within the former Faculty of Management & Organization, first as assistant professor and later as professor. He had a background in both philosophy and psychology, and obtained his PhD degree in 1989 also at the university of Groningen for his PhD thesis “Knowledge Representation and Symbols in the Mind”. From the early years onwards, he has contributed substantially to the research culture of the former Faculty of Management & Organization. He also played an important role in the accreditation process and the subsequent successful development of the research school SOM, being the leader of one the research themes, last known as “Primary processes within firms”. During his career, he supervised more than 20 PhD students and was one of the first professors to supervise international PhD students, thus taking a leading role in terms of “internationalization”. During his career he wrote numerous journal articles and books.

We will remember René Jorna as an independent thinker and a figure head of interdisciplinary research.

Our thoughts are with his wife and daughter:

Professor Harry Garretsen, Dean of FEB
Professor Tammo Bijmolt, Scientific Director of SOM

On the cover: Marijke Leliveld and Astrid van der Veen
FEB’s graduate school SOM has been recently awarded 800,000 euro by NWO, the Netherlands Organisation for Scientific Research to train young researchers. The grant will be used for research in health economics and management. In the Netherlands 18 research schools were granted EUR 14 million in total for young researchers.

SOM will use the NWO funding for four PhD projects around the central topic “The role and effect of incentives in the delivery of health care”. As intended by NWO the PhD students will play a significant role in the development of the individual projects. The idea is that they each address the topic from different perspectives (economic, behavioral, operational, medical). The overall objective is to contribute to innovative payment and delivery models that help to reduce costs and improve the quality of care. We see it as a reward for the quality of both our research master and PhD programme and our continuous efforts to improve these programmes. We chose to focus on health care management and economics because it connects very clearly to the debate in society on the effect of incentives. See for instance recent publications by the Council for Public Health and Health Care (Raad voor de Volksgezondheid en Zorg). The envisaged PhD projects also fit very nicely in one of the central themes of the university (Healthy Ageing) and the recently established research centre Healthwise. Moreover, FEB has plenty of relevant expertise to enable high quality research from a variety of disciplines.

Central topic

Governments and insurance companies face serious challenges in their efforts to reduce the cost of the health care system and to improve the service delivered to patients. In both aspects, cost reduction and service delivery improvements, incentives play a significant role. For instance, the predominant fee-for-service system leads to increased costs by rewarding providers for the volume and complexity of services they provide. In many countries, alternative systems are considered like the pay-for-performance system. In this system health care providers typically receive a bonus if they meet or exceed agreed-upon quality or performance measures. Another example relates to the fragmented delivery of health services being an acknowledged problem in many health systems. Many of the difficulties health care providers experience to achieve integrated care within hospitals and within supply chain are due to the lack of incentives. The role and effect of incentives in health care offer many interesting and relevant research opportunities for excellent young researcher with diverse backgrounds.

Taco van der Vaart
Director of Graduate Studies
Grants for the taking

Marijke Leliveld and Astrid van der Veen
Research grants, and in particular the prestigious career grants awarded by the Dutch and European research councils, are taking on an ever greater importance in establishing the reputation of academics and universities alike. So what does it take to get such grants? We talk to Marijke Leliveld, who was recently awarded a Veni grant by the Dutch Organization for Scientific Research, NWO, for a proposal on charitable buying, and Astrid van der Veen, FEB’s Funding Coordinator on her role in stimulating and facilitating the acquisition of external funds for research.

Marijke, can you tell us about the research you will do with your Veni grant?

“In my project, called ‘Buying for Charity’, I will study consumer’s behavior regarding so-called Cause-related Marketing (CM) campaigns: for each purchase of a certain product, the company selling the product makes a financial donation to a charity. Especially in the current tough financial times, charities face difficulties raising money as people donate less and governments cut their support. For example, in 2009, the biggest charities in the USA saw a decline in individual donations of 11 percent. CM campaigns can be a good way for charities to raise money. However, recently non-monetary donations (e.g., a tetanus vaccine when buying diapers) were introduced in CM campaigns. Understanding how monetary and non-monetary donations can have very different effects is the basis for this research project.”

“Although the general idea behind monetary and non-monetary CM campaigns is identical, I argue that there are two important differences: on a cognitive and on an affective level. While in both cases consumers have to buy the product using money, the donation is either stated in money as well or in different, non-monetary terms. For monetary donations, the consumers' attitude is formed relative to the price of the product, like the well-known anchor effect. Consumers are less likely to make this relative comparison in the case of non-monetary donations, because the price and the promotion are stated in different value metrics. Therefore, consumers are likely to overestimate the value of the donation (e.g., overestimate the value of a vaccine). Besides this difference on a cognitive level, there is also reason to believe that consumers experience affective differences: Vivid CM messages, i.e., messages which are emotionally interesting, concrete and imaginary provoking, lead to better attitudes towards the firm and the product. Donating a vaccine rather than money is clearly more vivid and concrete. Greater transparency in what a company donates has also been shown to have a positive effect on attitudes towards the firm and the campaign. In sum, via the affective and cognitive route, I expect that consumers will have a more positive affective response to non-monetary CM campaigns then to monetary CM campaigns.”
“But there are also potential negative consequences of non-monetary CM campaigns and these may show up in seemingly unrelated domains. More specific, I argue that participating in CM campaigns can decrease consumer’s general willingness to behave pro-socially (e.g., to help other people). This is based on the idea that people balance their moral behavior in order to preserve a positive moral self-image. After doing something good, people license themselves to be immoral (or less moral) in a next situation, and vice versa. Buying a CM product can be perceived as doing good and therefore decreases people’s willingness to be moral in other domains. And since I expect that the ‘feel-good factor’ of a non-monetary CM product is more pronounced, I also expect greater negative consequences than for monetary CM products.”

And how does this planned research fit into your broader research agenda?

“My research mainly focuses on ethics in economic decision-making. More specifically, for my dissertation research I focused on the role of self-interest and fairness in bargaining situations and on which situational factors influence these motives. This research was mainly on behavior and underlying motives, but more recently I have also studied this topic within the field of neuroeconomics using event-related potential measures.”

“In 2008, I moved from the social psychology department in Leiden University to the marketing department at FEB and since then I have been working here as an assistant professor. The main reason for this move was to broaden my horizon: the department has much variety in the background of researchers, research methods we use, and the questions we study. Moreover, the Customer Insights Center (CIC) offers the opportunity to work closely with companies, and to translate scientific findings to the practitioners. In the final evaluation of my Veni proposal, the CIC was mentioned as quite valuable for bringing the eventual research under the attention of a much broader group than just academic peers.”

“Since coming here, the faculty has been enriched with many great researchers with a focus on ethics, morality, and/or consumer behavior: Jan-Willem Bolderdijk, Bob Fennis, Koert van Ittersum, Jennifer Jordan, Laetitia Mulder, for example. For my research, I use experimental designs, and the FEB Research Lab, coordinated by Reinder Dallinga, provides exactly what I need for this. All in all, this a very inspirational environment to work in.”

“Being in the marketing department, I take a consumer perspective on the role of ethics. For example, is the message ‘save money’ different from ‘save the environment’ when handing in old garments? When do consumers perceive advertisements as deceptive, and can their evaluations influence subsequent (im) moral behavior? As of January, the Veni project will be added to my research. For this project I will work together with Nina Mazar (University of Toronto), who is an expert on moral behavior.”

How were you supported by the FEB in the Veni proposal process?

“The most important support I received on the scientific content of my proposal was during the CORE (Consumer Research) meetings within the Marketing department, and the meetings of the FEB Research Lab in which I presented my initial ideas, hypotheses, and designs. The insights and suggestions I received during these meetings helped me a lot to structure the research topic and to highlight the most interesting parts of the research.”

“That last part is definitely very important as having just a good idea is not enough. I was lucky to already know Ritsert Jansen, the university’s Dean of Talent Development (see inset). I took his tips and tricks into account while writing my proposal. I also attended the Veni course organized by the university, which specifically focuses on this selling aspect. In writing my rebuttal, and preparing my interview, I was happy to receive valuable feedback from the CORE members, Laura Spijerdijk and Sjoerd Beugelsdijk (previous Vidi laureates), Boudewijn de Bruin, and Margot Edens and colleagues from the university’s training and coaching department. Finally, Astrid van der Veen was very helpful during the entire process, sending me information about available courses and meetings and who to contact for help and training. In other words, I benefited from the efforts of many people and I would recommend anyone to look for similar support!”

Astrid, why does FEB have a funding coordinator?

“Being a successful academic nowadays is not just a matter of having good ideas or publishing your research in good academic journals, but also of convincing your peers that your research could lead to path-breaking new insights and that it is not just of interest to a specialist few but also to society at large. Add to this that university budgets are tight and increas- singly determined based on research (and teaching) performance and the case for supporting researchers in attracting external funding becomes pretty strong. This is doubly important because the maze of submission deadlines, electronic systems, specific eligibility rules and budget formats that accompany each grant are hard to navigate for researchers who may apply for a particular grant only once or twice. Especially when it comes to European Union funding, strict adherence to particular rules can make or break a proposal, regardless of its academic merit.”

“At the central level of our university the Talent Funding Team, headed by the earlier-mentioned Ritsert Jansen, has taken up this supporting role. But while their activities are extremely useful, the distance between a university-wide team and individual researchers is almost inevitably quite large. As the funding coordinator of FEB, I am much closer to the researchers who have to do the actual applying for external funds. I have an office near to everyone, making it easy to just drop by or chat over a coffee. Furthermore, many of the funding agencies and support efforts are devoted to where the bulk of the researchers and funding is, namely in ‘hard’ science, rather than the social sciences like economics and business. So it requires extra effort and focus to chart a path for social scientists and help them to a position from where their qualities and research ideas can be valued and rewarded.”
So what does a funding coordinator do?

“Well, it is really to serve as the interface between individual researchers and the outside world of funding agencies and to be a guide along the way. That means having detailed knowledge about all the major funding opportunities, to begin with the large career grant programs of the European Research Council – the Starting, Consolidator and Advanced grants – and the Dutch research organization NWO – principally the Innovational Research Incentives Scheme with their Veni, Vidi and Vice grants. These are highly competitive programs where even the best researchers fail without a carefully honed proposal that is able to quickly convince the members of an evaluation panel of the intellectual and (increasingly) societal merit of a research idea. This also means that potential applicants need to start thinking and writing well before a submission deadline, up to a year in advance is not uncommon. Raising awareness with new and existing faculty members is an important part of the job. The university’s Grant Week is an excellent tool for this, but as funding coordinator I am in a good position to follow-up on such broad-brush efforts with more fine-grained activities. This means actively engaging and stimulating those researchers who may be in a good position to be successful in such programs. And all this is but the first stage of the job. In the second stage, the goal is to help a specific researcher in writing the best possible proposal for a specific grant. This partly involves steering researchers towards helpful courses. At the university and faculty level, there are a number of courses and I help in setting up individual mentoring between past and current applicants. Finally, I help navigate the bureaucratic back-end: proposals typically need letters of support by the university or faculty board. The support and help of FEB’s project administrators in drawing up budgets and administering successful grants is also of great importance here. All this is of course very time-intensive, but when I see researchers actively trying and, in numerous cases, succeeding in their applications, that really confirms this is a job well worth doing.”

Ritsert Jansen: Talent Development Helps

The University of Groningen provides support for academics at all stages of their careers via the university’s Dean of Talent Development Ritsert Jansen and his team. Ritsert Jansen: “Specialists, varying from senior researchers to experts in human resources and communications, help researchers to fully develop their talents. The team annually organizes the Grants Week to inform researchers about NWO’s Veni, Vidi and Vice grant opportunities, EU’s ERC Starting and Consolidator opportunities, and more. Once informed about a researcher’s interest to apply for a specific grant, the Faculty Funding Coordinator - Astrid van der Veen for FEB - will open the door to a range of support opportunities offered by the university’s Talent Development team. Researchers can get indispensable advice by a grant laureate from the same or another faculty who can act as a mentor. They may participate in a grant proposal writing course for peer feedback on their draft proposal. They are offered high level feedback and advice on their draft proposal or rebuttal letter by an experienced scientific editor. And they can enjoy a training course and mock session preparing them for the ‘all decisive’ interview by the funding agency’s panel: they learn how to sell their proposal and are well prepared for any kind of questions. Last but not least, researchers at the University of Groningen can get a free copy of my book Funding Your Career in Science publishes by Cambridge University Press and benefit from the many useful tips, tricks and guidelines to optimize funding opportunities. A reviewer of this book on Amazon stated, “I recommend leisurely reading it before starting a proposal, consulting it after you start, and again when you think you are done.” How did Marijke Leliveld optimize her funding chances? She read a draft version of the book and, as the main text nicely highlights, she took all the support she could get and won her Veni grant!”
Adriaan Soetevent returned to Groningen in August as the newly appointed Professor of Microeconomics. He is considered an expert in the field of behavioural economics and market forces. Time for FEB Research to hear more about his research, his reasons for coming back and plans for the future.

Back in Groningen
Adriaan Soetevent
Why did you return to your alma mater? “Groningen and the university, is the place where I studied Econometrics and received my PhD. Looking back, the faculty and my PhD supervisors Peter Kooreman and Bert Schoonbeek provided me with the right training, coaching and opportunities to pursue an academic career. Returning to Groningen lets me make my contribution to the educational program, and to play a role in the training of new generations of researchers.

Another reason is that I already worked on some joint projects with Marco Haan and Pim Heijnen. It is great that I can just simply drop by their office to discuss ideas and progress. I sincerely believe that at the Departement of Economics, Econometrics and Finance (EEF) the whole is greater than the sum of its parts. I also found that, the research orientation and the student body of the faculty has become much more international in the last ten years. This, together with the renovation of the campus, makes the faculty a vibrant place.”

What can you tell us more about your previous career? “After my PhD, I continued my career at the University of Amsterdam (UvA), first as assistant professor and later as full professor of Empirical Microeconomics. At the UvA, I was program leader of the research program of Industrial Organisation, Competition Policy and Regulation (recently renamed Markets & Organizations). Besides my appointment at the UvA, I was Director of Graduate Studies at the Tinbergen Institute from 2010 till this summer.”

Your chair is in microeconomics. What is your research on? “Most of my research is characterized by an empirical orientation and fits into one of the following research themes: charitable giving, social interactions and industrial economics. In many cases, I collect my own field data or design and conduct a lab or field experiment to answer a specific research question. With Sander Onderstal and Arthur Schram, I have run a field experiment in Amstelveen to identify the optimal mechanism to raise money for charity: voluntary contributions, a lottery or an auction. The voluntary contributions mechanism led to the highest revenues. Currently, I work on a project to estimate what has been the effect on prices and competition from the rise of the number of automated gasoline stations with one of my PhD students, Tadas Bruzikas. It gives me a lot of satisfaction when I succeed in discovering and collecting particular new data that can help me to answer specific research questions.”

How does your research relate to society? “For eight years now, Marco Haan and Pim Heijnen and I manage a vast and daily expanding data set on Dutch retail gasoline markets that enables us to give quantitative answers to a number of important policy questions. Did the auctions of highway gasoline stations organized by the government lead to lower prices? Are there areas in the Netherlands where we might infer local price coordination from observed prices and price changes? This project has been picked up by The Economist and features in a recent best-selling book on big data. I am always happy to notice that my work finds its way to a more general audience. Of course societal relevance is about more than being read. I believe that researchers at universities add value because they have a longer time horizon. This is what gives us the possibility to do long-time data collection projects such as the one on gasoline prices. On the day that Shell and BP announce their merger plans, the antitrust authority will probably be happy that we have made this effort.”

What can we expect of you in the future? “Traditionally, the microeconomics group within the FEB is very strong in the field of industrial economics. I hope to expand the research scope of the group towards research that combines industrial economics with marketing or behavioral economics. I also hope and expect that the group will be a more active user of the FEB Research Lab in the near future. With Te Bao, who also arrived from the UvA this summer, the faculty has hired an experienced experimental economist. Currently, Te and I are making some plans together with the other lab users to accommodate running economic experiments in the lab.”

Key publications


**Key publications**


It is the standard deviations that make it interesting

As part of my VIDI program I am spending several months in Columbia, South Carolina in the USA. The department of International Business at the University of South Carolina (USC) is generally considered the best in the USA. It is a privilege to spend some time here, work together on joint projects, and get inspired by new developments in my field of research and teaching.

My VIDI grant was awarded for a simple yet powerful idea: with few exceptions, culture research in economics and business assumes that national cultures are homogeneous. As a consequence empirical work linking national cultural values and norms to economic, organizational and strategic outcomes at country and firm level relies on means. But we all know that national cultures are far from homogeneous. The average Dutch, Thai, Chinese person may exist, but he or she may not be representative for a country’s national culture, and increasingly less so due to globalization. Relaxing this homogeneity assumption of national cultures is what I do.

The International Business department at USC is famous for its research on institutions, culture, identity formation, and what this means for (internationalizing) firms. The relatively small group consists of faculty with backgrounds as diverse as economics, management, political science, and anthropology. No such group can be found in Europe at this scale and of such quality. Fascinating joint projects have started and by involving PhD students from both Groningen and South Carolina, we make sure the knowledge spills over to the future generation of young scholars.

It is also a wonderful opportunity to compare this top department with business schools in the Netherlands. Often the USA serves as a source of inspiration and sometimes as an outright example how to make Dutch business schools and universities fit for the future. Sure, we all know about the major institutional differences. We do not have private universities as they do here. And even for public universities, the years of economic downturn have had an impact. State support in the total budget of a public university such as the University of South Carolina has gone down to less than 20 percent.

So how do they fund their research and support staff? Well, student fees, alumni and the regional business community. On all these dimensions, Dutch universities
perform less well. Fees are not 30,000 to 40,000 US dollars but approximately 2000 euros. Alumni management is virtually absent, and with few exceptions there is a serious lack of involvement of the (business) community. One other important if not crucial difference with the USA is that the number of students in undergraduate and graduate programs is substantially higher in the Netherlands. But trying to copy US strategies is not likely to work. A crucial condition to integrate the aspects I just mentioned into our own system is to limit student numbers, for example by changing the fee structure. As long as students flock into classrooms with more than 300 individuals, they will never feel committed to the place where they got their degree. This will never generate the community feeling required for well-functioning alumni involvement. At such a scale it is also impossible to include regional (business) communities in the curriculum in a way that serves both students and these organizations. The low number of students in good programs in the USA fits with how the rest of the system functions.

A successful integration of aspects we like from the US educational system goes hand in hand with accepting the downsides of that same system. Copying that implies increased differences between programs and departments. The average level may go down, because only few schools will be able to attract the best faculty and students. Research wise, we will have a far more explicit distinction between top, good and not so good departments. Salaries between departments will start to differentiate, even within departments of the same school.

Such a systematic change is not what many of us envision. Differences between programs in the Netherlands are relatively small, no real positive and negative exceptions exist, yet a decent average level can be observed. Picking the things we like from the US system (cherry picking) is not realistic either simply because of lack of fit. By being embedded in and exposed to the US system, I come to realize more and more we are a country of averages. Solid averages, but no exceptional deviations from this otherwise decent standard. But just like my VIDI research shows, it is unfortunately not always the means that make it interesting, it is the standard deviations.
In June 2013, Koert van Ittersum was appointed Professor of Marketing and Consumer Well-Being at the Faculty of Economics and Business, to better understand how marketing impacts sustainable and healthy behavior of consumers and their well-being. We talk to Van Ittersum and how his research aimed at improving consumer well-being fits this profile.
**Why did you choose for Groningen?**

“In one word: quality. First, I have always been impressed with the quality of the University, FEB, and the Marketing Department – the quality of the staff, the strong research-orientation, and the extensive research facilities and support available. Second, given my substantive research orientation on topics relevant for society as a whole, such as consumer health and consumer prosperity, I was excited about the research themes of healthy aging and sustainability.

Next to the quality of the professional environment, Groningen offers great quality of life, for my wife, two daughters, and myself. My wife grew up in Groningen and her family still lives in this area. After having lived in the US for 13 years, it is a true blessing to be able to live close to our family again. Furthermore, we love the city of Groningen. It is such a vibrant city with many beautiful, historic, and unique sites.”

**Could you tell us more about your career so far?**

“I received my PhD from Wageningen University in 2001. My dissertation focused on consumer decision making related to regional products. Before finalizing my dissertation, I had an opportunity to spend one year at the University of Illinois at Urbana-Champaign in the US to work with Brian Wansink. My wife and I left the Netherlands with five duffel bags in 2000 to spend about 12 months in the US. Last June, we came back with two beautiful daughters and one 40 foot sea container... We spent about three years in Urbana-Champaign, during which time Brian Wansink and I became close friends and collaborators. In 2009, I moved to the Georgia Institute of Technology where I held positions as an assistant and then as an associate professor of marketing.”

**Your chair is in marketing and consumer well-being. What issues do you deal with in your research?**

“My research focuses predominantly on consumer well-being. A significant amount of my work deals with consumer health, and specifically the effect of environmental cues on food consumption and obesity. For instance, my research has shown that the shape of glasses influences how much consumers pour and consume. As a result of the vertical-horizontal illusion, consumers pour more into short glasses than tall glasses of identical capacity. This in turn can increase the consumption of sugary sodas and alcohol.

A second line of research focuses on consumer prosperity. Specifically, I examine how consumers living in poverty control their in-store spending while shopping for groceries. In a recent study, I demonstrate that consumers shopping on a budget spend less than their budget to reduce the likelihood of overspending on their budget. Smart shopping carts – shopping carts that offer shoppers real-time feedback about the total price of the items in their shopping basket – help these shoppers by eliminating the risk of over-spending. Without this risk of overspending, budget shoppers end up spending more of their budget, which increases their satisfaction with the shopping trip.”

**And how about societal relevance?**

“Although I tend to approach consumer well-being as an individual-level outcome, improving individual well-being often results in societal benefits as well. For instance, US research has shown that an obese person adds about $2,375 in annual health care expenses. Reducing individual obesity will help reduce society’s health-care bill, which is about $190 billion a year in the US. While some might argue that it will be more effective to deal with obesity and poverty at the societal level, I personally believe that empowering consumers to help themselves is critical. “Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.” With this in mind, I believe it is important to generate and disseminate knowledge to help consumers help themselves.”

**What can we expect of you in the future?**

“My objective is to expand my research on consumer well-being related topics. I am interested in expanding research among children – allowing us to educate them so that they can benefit a lifetime. I would also like to expand a more recent line of research that examines obesity among consumers living in poverty. To accomplish this, I intend to participate in existing research networks, build a group to do research on the broader research theme of consumer well-being, and to actively communicate relevant research findings to the general public.”

**Key publications**


**Van Ittersum, K., and F. Feinberg (2010), Cumulative timed intent: A new predictive tool for technology adoption. Journal of Marketing Research, XLVII (October), 808-822.**

In the spotlight

Haibo Zhou: All in the family
What is the article about?
“This article investigates job satisfaction and wages of family employees. Family employees represent a sizeable occupational group for family business. Neither the labor market nor the family business literature has extensively researched this group, especially the group of paid family employees. Paid family employees share characteristics with both self-employed individual and regular paid employees. Similar to self-employed individuals, paid family employees have a substantial overlap between personal and firm goals, and they have strong feelings of identity that are connected to their family firms. Nevertheless, the work situation of family employees is similar to that of regular paid employees because they are not their own bosses and because they have work contracts and regular wages. Based on utility theory and the theory of compensating wage differentials, we hypothesize that paid family employees have a higher level of job satisfaction and are willing to accept lower wages compared to regular employees. To test our hypotheses, we applied different regression models using the European Community Household Panel (ECHP) dataset. Various models and specifications lead to the same conclusion that paid family employees are more satisfied (about 4.1% more satisfied) with their jobs while they accept lower wages (wage discount of 4.5%) relative to regular employees. These results are explained by the additional utility that family employees derive from working for their own family’s businesses.”

What is the scientific contribution?
“First of all, our research contributes to the literature on socioemotional wealth in family firms. In their article in Administrative Science Quarterly, Gomez-Mejia et al (2007) described socio-emotional wealth as the non-financial aspects of the firm that meet the family’s affective needs, such as identity, the ability to exercise family influence and the perpetuation of the family dynasty. Whereas previous studies primarily focus on the socio-emotional wealth of an individual owning a family firm, our results provide insight into the socioemotional wealth of family members who work for their own family business. Our research shows that the dual role of family employees in pursuing both family goals and firm goals does not lead to conflict or create disharmony within families and their firms. Instead, working for their family firms yields a positive emotional value for family members and such family members are willing to sacrifice wages in exchange for the additional utility that they derive from working in their own family’s firm.”

“Our study also contributes to labor market research regarding the determinants of job satisfaction and wages. We show that there is another source of utility that influences labor market outcomes. Working for one’s own family creates a strong sense of identity that links the goals of the employer with the goals of the employee. Family employees identify strongly with their work, and this identification leads to high levels of job satisfaction. As a trade-off, family employees are willing to sacrifice wages in exchange for the additional utility that they derive from working in their own family firms. Our results are consistent with the predictions of the theory of compensating wage differentials and utility theory.”

What is the societal relevance of this research?
“Family firms play an important role in modern economies. About one third of the Fortune 500 companies are family-owned companies. In addition, family businesses make up more than 90% of the economies worldwide; the continuity of such businesses thus has major implications to the society. It is important to understand the characteristics of family business. Family employees constitute an important source of labour for family firms, particularly for small-to-medium-sized family firms. Many of family employees are likely to be the successors of their own family businesses. Our study contributes to the knowledge on this particular group which has been neglected in the literature. The insight on the subjective well-beings of family employees leads to a better understanding of the characteristics of family business.”

Who is Haibo Zhou?
“I am currently an assistant professor at the department of Innovation Management and Strategy. I obtained my PhD degree from the Erasmus school of Economics and Erasmus University Rotterdam (EUR) in 2010. My research areas are high-lighted by the keywords of entrepreneurship, small business, knowledge and innovation. I have built strong collaboration networks within the Netherlands with organizations like Panteia/EIM, former colleagues at EUR and Professor Alfred Kleinnecht at Delft University of Technology. At the international level I work together with Professor Joern Block from the University of Trier, Professor Lorraine Uhlaner from the EDHEC business school and Dr. Masatoshi Kato from Kwansei Gakuin University. My current research interests relate to family business & innovation, emotional intelligence and entrepreneurs’ perceptions, financial gap for the first growth of an entrepreneurial venture, the risk of fast-growing firms and the trade-offs of entrepreneurs’ spouses.”
Zhihai Zhang (1963) graduated on February 15, 2001 at the former Faculty of Management & Organization of the RUG. He wrote his PhD thesis “Implementation of total quality management - An empirical study of Chinese manufacturing firms” under the supervision of Professors Jacob Wijngaard and Ab Waszink. After obtaining his PhD, Zhang worked for Philips in various positions, both in the Netherlands and in China. At the moment he is the Director of the Philips Global Supplier Sustain-ability Office in Shanghai and also leads the China Corporate Sustain-ability Office at Philips. FEB Research met with Zhang while visiting China.
What are you doing at this moment?

“Since 2009, I have been working in the Philips Supplier Sustainability Office to lead its global supplier sustainability audit programme. More and more, Philips’s products are being created and manufactured in close cooperation with a wide range of business partners. Philips needs suppliers that share its commitment to sustainability, and not just in the development and manufacturing of products but also in the way they conduct their business. We require suppliers to provide a safe working environment for their workers, to treat workers with respect, and to work in an environmentally sound way. Between 2005 and 2012, 1962 suppliers have been audited. Although suppliers were located in different countries, the majority of the audits were done in China. The most frequently observed cases of non-conformance were excessive overtime working, insufficient payment, inadequate fire detection and suppression systems, blocked or insufficient emergency exits, worker exposure to safety hazards, and lack of adequate management systems. After the audit, we required our suppliers to solve the non-conformance problems to ensure that Philips’s supply chain is sustainable. On top of my global supplier sustainability responsibility, I am also in charge of Philips China Corporate Sustainability. This means that I implement the Philips global sustainability policies and the relevant local Chinese laws and regulations to our internal factories, R&D organizations and commercial organizations. Every year we organize peer EHS (Environment, Health and Safety) reviews of our internal sites and provide EHS training to employees, guide environmental improvement and energy saving projects, and try to enhance health and safety at our sites. This contributes to Philips’s leadership position in sustainability.”

What was your motivation to do a PhD at SOM?

“In 1995, I came to the Faculty of Management & Organization at the University of Groningen as a visiting scholar through a one-year cultural exchange programme between the Chinese and Dutch governments. During this period, I felt that the Faculty had a very good learning and working environment. For example, I had my first experience with email at the Faculty. In addition, the people were very knowledgeable, friendly, and supportive. I learned a lot from my colleagues. In order to further gain more knowledge and improve my insights into quality management, I got the chance to do a PhD at SOM, which was strongly supported by my supervisor Jacob Wijngaard. Hereby I would like to take this opportunity to express my profound gratitude to Jacob for opening the door to become a PhD candidate. Without him, I would never have had such an opportunity.”

How do you look back at this period?

“Looking back, I have to say that what I have learned during my PhD period has already been very profitable for my further career and will also be beneficial for the rest of my life. Both supervisors, Ab Waszink and Jacob Wijngaard, provided the freedom to explore research directions and to choose the routes that I wanted to investigate. Their encouragement, excellent guidance, creative suggestions, and critical comments have greatly contributed to my research project. I really enjoyed the discussions with them. The other colleagues in the department provided strong support during this period. Without their help, my life in Groningen would have been more difficult. On a personal level: During my time in Groningen, I met my wife Ying Wu who also did her PhD in Groningen, at the Faculty of Medical Sciences. After I came back to Philips China in 2005, I encouraged her to also join Philips Research China and she is now a Principal Scientist, doing research in oncology.”

What are your plans for the future?

“In my life, I made three very important decisions. First, I decided to do my PhD study at the University of Groningen, which provided a solid foundation for my career. Second, I decided to work for Philips where I have learned a lot over the past 12 years. Third, I decided to focus on the area of sustainability, an area that contributes to a better society. In the future, I would like to continue working for Philips in sustainability related areas. At the same time, I want to cooperate with relevant NGOs (Non-Governmental Organizations) to further develop the Philips sustainable supply chain. If there is an opportunity, I would like to do joint research with the University of Groningen. Just to share with you, as a first step I will work together with Taco van der Vaart, in supporting his PhD student Xiao Chengyong to do field work in China in the area of supplier sustainability. I hope we can expand our cooperation in the years to come.”
Publications

Please find below an overview of publications in SOM’s top and very good journals, PhD theses, books and research reports in the period May - November 2013

Journals


Dissertations

Fred van Blommestein
Structured communication for dynamic business. An architecture for flexible B2B communication
Supervisors: Prof. J.C. Wortmann & Dr. H. Balsters
Defended on September 26, 2013

 Harmen Bouma
The routed inventory pooling problem
Supervisor: Prof. R.H. Teunter
Defended on December 12, 2013

Serra Caner
Closing the loop: Optimal strategies for hybrid manufacturing/ remanufacturing systems
Supervisors: Prof. R.H. Teunter & Dr. X. Zhu
Defended on October 24, 2013

Rianne van Dalen
Competition in two-sided markets. Tuning in to Dutch radio broadcasting industry
Supervisors: Prof. R.I.M. Alessie & Dr. M.A. Haan
Defended on September 19, 2013

Justin Drupsteen
Treating planning flaws in patient flows
Supervisors: Prof. D.P. van Donk & Dr. T. van der Vaart
Defended on November 28, 2013

Peter van Eck
The invisible force that shapes our world. Insights into complex, dynamic social influence processes, a marketing perspective
Supervisors: Prof. P.S.H. Leeflang & Dr. W. Jager
Defended on September 12, 2013

Janko Gorter
Incentives in the insurance industry
Supervisors: Prof. K.H.W. Knot & Prof. I.A. Bikker
Defended on October 24, 2013
**Books**


**Research Reports**

- **13001-EEF: Kuper, G.H. and M. Mulder**, Cross-border infrastructure constraints, regulatory measures and economic integration of the Dutch - German gas market

- **13002-EEF: Klein Goldewijk, G.M. and J.P.A.M. Jacobs**, The relation between stature and long bone length in the Roman Empire

- **13003-EEF: Mulder, M. and L. Schoonbeek**, Decomposing changes in competition in the Dutch electricity market through the Residual Supply Index

- **13004-EEF: Kuper, G.H. and M. Mulder**, Cross-border constraints, institutional changes and integration of the Dutch - German gas market

- **13005-EEF: Wiese, R.**, Do political or economic factors drive healthcare financing privatisations? Empirical evidence from OECD countries

- **13006-EEF: Elhorst, J.P., P. Heijnen, A. Samarina and J.P.A.M. Jacobs**, State transfers at different moments in time: A spatial probit approach

- **13007-EEF: Mierau, J.O.**, The activity and lethality of militant groups: Ideology, capacity, and environment

- **13008-EEF: Dijkstra, P.T., M.A. Haan and M. Mulder**, The effect of industry structure and yardstick design on strategic behavior with yardstick competition: an experimental study

- **13009-GEM: Hoorn, A.A.J. van**, Values of financial services professionals and the global financial crisis as a crisis of ethics


- **13012-GEM: Hoorn, A.A.J. van**, Generational shifts in managerial values and the coming of a global business culture

- **13013-EEF: Samarina, A.** and **J.E. Sturm**, Factors leading to inflation targeting - The impact of adoption

- **13014-EEF: Allers, M.A.** and **E. Merkus**, Soft budget constraint but no moral hazard? The Dutch local government bailout puzzle

- **13015-GEM: Hoorn, A.A.J. van**, Trust and management: Explaining cross-national differences in work autonomy

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**Hanneke Grutterink**

Meta-perceptions in work teams: A multi-level model of antecedents and consequences of perceived expertise affirmation

Supervisors: Prof. G.S. van der Vegt, Prof. E. Molleman & Prof K.A. Jehn

Defended on September 26, 2013

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**Arjan Knol**

Decision enhancement for sourcing & sharing in the Dutch government

Supervisor: Prof. H.G. Sol

Defended on November 11, 2013

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**Suzanne Kok**

Tasks, jobs and cities

Supervisors: Prof. S. Brakman, Prof. J.H. Garretsen & Prof. B. ter Weel

Defended on October 31, 2013

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**Boyana Petkova**

Power and supply chain integration

Supervisors: Prof. E. Molleman & Dr. T. van der Vaart

Defended on November 18, 2013

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**Roy Sijbom**

Leaders’ reactions to employee creativity: An achievement goal approach

Supervisors: Prof. O. Janssen & Prof. N.W. van Yperen

Defended on September 05, 2013

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**Bertus Talsma**

Performance analysis in elite sports. Statistical comparison, development, ranking, and selection in speed skating and soccer

Supervisors: Prof. G. Sierksma & Prof. R.H. Teunter

Defended on November 28, 2013

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**Zaghum Umar**

Empirical studies on long-term investing

Supervisor: Dr. L. Spierdijk

Defended on October 03, 2013

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**Eline de Vries**

Consumed with consumption: The impact of friendship on consumer self-control

Supervisors: Prof. B.M. Fennis, Prof. T.H.A. Bijmolt & Dr. D. Trampe

Defended on September 19, 2013

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**Jop Woltjer**

The roaring thirties. Productivity growth and technological change in Great Britain and the United States during the early twentieth century

Supervisors: Prof. H.J. de Jong & Prof. M.P. Timmer

Defended on October 10, 2013

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In the past months, several FEB researchers have been appointed to various positions and grants were obtained.

Appointments

Machiel Mulder appointed professor of Regulation of Energy Markets

As of June 1st 2013, Machiel Mulder has been appointed endowed professor of Regulation of Energy Markets at the Department of Economics, Econometrics and Finance of FEB. Prof. Mulder has been affiliated with the FEB since 2011, as a visiting researcher. He is considered a specialist in the field of energy and environmental economics and regulating network industries. The endowed chair addresses the question of how well energy markets function and which (regulatory) measures governments could take in order to realize improvements. This involves the complete energy chain, so not only wholesale markets but also transport and distribution, as well as retail markets. With this new chair FEB supports one of the key topics of the University of Groningen, namely, that of energy. The chair is supported by the Netherlands Authority for Markets and Consumers (ACM).

Honorary doctorate FEB for professor Rodrik, on 400th anniversary University of Groningen

On Friday 13 June 2014 Dani Rodrik, professor of Economics (Princeton University) will receive an honorary doctorate of the University of Groningen, on the occasion of “University of Groningen 400 years”. He will come to Groningen to receive the doctorate and give the Angus Maddison lecture, a workshop and a seminar. Prof. Rodrik is receiving an honorary doctorate in recognition of his exceptional performance as a scholar in the field of International Political Economy, and in particular his research on the interface of international economics, economic growth and development, and institutional and political economics.

Adriaan Soetevent appointed Professor of Microeconomics

Prof. Adriaan Soetevent has been appointed Professor of Microeconomics at FEB as of August 2013. Soetevent is an expert in the field of behavioural economics and market forces. You can read more about him on page 8.
Koert van Ittersum appointed Professor in Marketing and Consumer Well-Being

Per June 15 2013, Prof. Koert van Ittersum has been appointed Professor in Marketing and Consumer Well-Being. His chair has been established with the objective of understanding how marketing impacts sustainable and/or healthy behaviour of consumers and how that subsequently affects consumer well-being. Van Ittersum specializes in research aimed at improving consumer welfare and increasing new product introduction success rates. You can read more about him on page 12.

Veni grant for Marijke Leliveld

Dr Marijke Leliveld of FEB received a Veni grant, as part of the Innovation Program of NWO, KNAW and the universities. Leliveld will investigate the difference between marketing campaigns that use monetary and non-monetary donations. At the same time, she will investigate possible negative effects of such campaigns. It is known that people balance their moral behaviour: after doing something good, we license ourselves to be immoral and vice versa. You can read more about her and FEB’s funding policy on page 4.

Scientific award for Jan Oosterhaven

Prof. Jan Oosterhaven has been conferred with an honour for his services to science in the field of input-output analysis. Prof. Erik Dietzenbacher, president of the International Input-Output Association, presented Oosterhaven with the Fellowship Award medal during the 21st international input-output conference in Kitakyushu, Japan.

Oosterhaven, retired professor of spatial economics at the University of Groningen, earned the award for the innovative and leading role he played in constructing and implementing regional, inter-regional and international input-output tables.

Grants

EUR 800,000 for young researchers graduate school SOM

The graduate school SOM of FEB has been awarded 800,000 euro by NWO to train young researchers. The grant will be used for research in health economics and management. In the Netherlands 18 research schools were granted 14 million euro in total for young researchers. See for more information page 3.

Canadian grant for Jennifer Jordan

Dr Jennifer Jordan of FEB has received a grant of 70,000 dollars from the Social Sciences and Humanities Research Council of the Canadian government. Jordan received her grant to study what she and her collaborator term “moralization,” that is how much people view the world through a “moral lens”, and how this then affects their environmental conservation behavior. She will conduct her research together with her colleague from the University of Toronto, Dr Nina Mazar.

Awards

Sustainalytics Academic Award for FEB researchers

Researchers Prof. Bert Scholtens, Dr Auke Plantinga and student Emiel van Duuren of FEB have won the Sustainalytics Academic Award. This prize worth € 3,500 is sponsored by Sustainalytics and awarded by the academic network of the PRI (Principles for Responsible Investment) of the United Nations and presented at their annual conference in November in Paris.

Responsible Investment involves taking into account sustainability and good governance issues. In their prizewinning article ‘ESG integration by asset managers ‘Scholtens, Plantinga and Van Duuren investigated why and how mainstream asset managers accounted for information about Environmental, Social and Governance (ESG) factors and how this impacts on their conduct and performance.

Marketing prize for article on “churn” customers

Dr Hans Risselada, Prof. Peter Verhoef en Prof. Tammo Bijmolt have won the 2013 Research Prize awarded by MOA, Center for Information Based Decision Making & Marketing Research. They received the prize for their article on the shelf life of prediction models of churn customers.

See our new SOM AR film here: www.rug.nl/feb/somarpromo

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**Colophon**

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