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at the Faculty of Economics and Business

Colophon

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On the cover:
Professor Jana Oehmichen.

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SOM Awards 2017

Best Research Master Graduate

SOM recently presented the 2017 Awards for Best Graduate of the Research Master and best PhD Thesis.

Julia Storch won € 1,000

and the title Best Graduate of the Research Master in Economics and Business. Her thesis, *'Mixed feelings, mixed baskets: How shopping emotions drive the relative healthiness of sequential food choices'*, supervised by Prof. Koert van Ittersum and Dr Jing Wan, was awarded a 9. She is now working as a researcher at the Department of Marketing.





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The other two nominees were Manon Eikelenboom and Mitchell van den Adel. Eikelenboom has joined the University Campus Fryslân as a PhD student and Van den Adel works at FEB as a researcher.

Best PhD thesis

Elena Martinescu won € 1,500 and the SOM Award for the best PhD thesis for her thesis *'Why we gossip targets: A functional perspective on the selfrelevance of gossip for senders, receivers and targets'*.



Martinescu's award-winning PhD thesis was super-

vised by Prof. Onne Janssen and Prof. Bernard Nijstad. Her thesis contains high quality chapters, one of which has already been published in the scientific journal *Personality and Social Psychology Bulletin*. Martinescu is now working as a lecturer at the Department of HRM&OB. The other nominees were Alec Minnema and Pieter IJtsma. Minnema now works as an Expert in Data Science at Ordina, and IJtsma works at the Faculty of Economics and Business as a lecturer and researcher.



More healthy years



rug.nl/aletta/



rug.nl/healthwise/

Healthcare has become one of the most vital questions in economics. Also within FEB healthcare is one of the important research themes. Since its launch in 2013, the centre of expertise Healthwise, in collaboration with external partners, has sought academically grounded solutions for practice-driven questions and issues. As such, their integrated approach is closely related to Healthy Ageing, one of University of Groningen's focus areas. In 2016, the signature area Public Health was introduced. In this signature area researchers study how individuals adapt their behaviour to new circumstances.

The newest collaboration is the Aletta Jacobs School of Public Health.

Aletta School of Public Health

The fruition of much hard work, the Aletta Jacobs School of Public Health (AJSPH) opened officially in March. It was founded to bring together medical experts, sociologists, psychologists, and economists who can crunch through big health data sets and pinpoint exactly where poverty impacts health.

It is intended to be an interdisciplinary umbrella, bringing together the diverse expertise of the University of Groningen and the University Medical Center Groningen. The school is named after Aletta Jacobs, the pioneering female doctor from Sappemeer who combined her medical skill with determination to address the social conditions behind ill health.

"Health is not created in hospitals, but maintained and nurtured throughout every aspect of our lives", AJSPH Scientific Director and FEB's Associate Professor Jochen Mierau said at the launch of the school in March. "Rather, it depends on our genetic disposition, our social and economic context, and our access to healthcare. Founded in Groningen but intended for the world our ambitions are without borders", Mierau told the crowd of academics, students, university staff and media. "Together with you and for you, we hope to achieve more healthy years."

UG researchers are looking forward to collaborate within the Aletta Jacobs School of Public Health:

Jochen Mierau, Associate Professor, Faculty of Economics and Business: "The ultimate goal of the Aletta school is more healthy years."

Alex Friedrich, Chair and head of department, Faculty of Medical Sciences: "As a result of this collaboration I hope we finally come back to the original ideas of the university in bringing together all the different creative minds in the various faculties that now do not collaborate."

Brigit Toebes, Associate Professor, Rosalind Franklin Fellow, Chair in International Health Law, Director, Global Health Law Groningen Research Centre: "I hope it will provide an internationally oriented platform where I can connect with other researchers from other health related disciplines to find a common ground and to design research programmes together."

Hinke Haisma Associate professor, Rosalind Franklin Fellow, Faculty of Medical Sciences: "It will be an umbrella for the researchers working in the different faculties and I think it will help us apply for grants because it creates a platform that is much bigger than our individual faculties... I'm actually quite excited about it."

Katherine Stroebe, Associate professor, Faculty of Behavioural and Social Sciences: "I so far have done a lot of research, but haven't really done design interventions or done more applied work. So I've given a diagnosis of what's happened in the gas region for example, but I'm very interested in what kind of treatment if you can call it that, that could develop... There are many different ways in which the Aletta school can contribute, definitely."



Global hunt for optimal use of healthcare budgets

FEB recently welcomed Maarten Postma to the Economics, Econometrics and Finance department as Professor of Global Health Economics. Postma is Director of the SHARE Research Institute in which FEB, the Faculty of Science and Engineering and the UMCG collaborate. He was also involved in the establishment of the Aletta Jacobs School of Public Health. Postma's research focuses on the cost-effectiveness of drugs and vaccines. He has an extensive network of non-profit (WHO and EU) and for-profit (pharma) institutions and companies.

To contribute to the 'greater good' – that was the main reason why Maarten Postma chose a career as an academic in the field of health. 'Healthcare is obviously an important field in our society, with all sorts of possibilities for innovative applications of economic methodologies. After my degree in Econometrics in Groningen I first worked in health insurance, but I found that too focused on finance – which I had also found less attractive during my studies. I then switched to the cost-effectiveness of drugs, which matched my Operations Research track, particularly simulation modelling. I now indirectly help countries determine the best way to allocate the resources that are available for healthcare, in the Netherlands, Europe and elsewhere in the world.'

From Indonesia to Zimbabwe

Postma's efforts have become increasingly international over the last year. He is supervising projects in Indonesia, Vietnam, Ethiopia and Zimbabwe. 'The Markov mathematical model helps us estimate the cost-effectiveness of a new vaccine, for instance. We first develop such a model for the Netherlands, Germany or the United Kingdom, and we then try to adapt it to circumstances in Indonesia, with the aid of research by PhD students from that country.'

Postma and his colleagues in Indonesia are also using this method to research the cost-effectiveness of a vaccine against cervical cancer. 'We now know that this vaccine protects against all sorts of other types of cancer, so types that also occur in boys and men. Some countries have therefore already started also giving boys the cervical cancer vaccine. We are researching whether it would be a good idea to do this in Indonesia too. The results will enable us to advise the government on the efficient use of the available health budget.'

Big international differences

There are big international differences between vaccination programmes, says Postma. He sat on the Health Council of the Netherlands for years and is now on its British counterpart, the Joint Committee on Vaccination and Immunisation. 'Efficiency is an important criterion in both countries, but I can clearly see the different approaches. The British vaccination programme is much more extensive. The Netherlands sticks very strictly to the limit of EUR 20,000 per 'quality-adjusted life year' for new vaccines, taking the price of the vaccine for individual use as a basis. But economies of scale might mean that only a quarter of that price remains if you guarantee a manufacturer that his vaccine will be included in a large national vaccination programme. In the UK they are more likely to base their calculations on this latter reality.'

Realistic medicine prices

Expensive medication is another big societal topic that Postma wants to shed light on through his new post at FEB. Several PhD students will focus on the topic. 'People often claim that drugs are way too expensive and that the pharmaceutical industry exaggerates the development costs and makes too much profit. I want to research this. How high are the profit margins? And what do businesses need, given that they may also run more risks? What does it cost to develop a medicine and what is a fair price?'

Postma notes that there is often a conflict between government and industry. 'I hope that objective scientific analyses can contribute to a joint solution. One promising Dutch initiative in that field is Fair Medicine. This organisation is working with the industry on realistic medicine prices that will make access to safe, effective and affordable medication possible and keep it so.'

Innovation in health economics

Interdisciplinary collaboration is the key to success here, says Postma. 'The majority of the upcoming generation of academics have fairly monodisciplinary training. My aim is to bring together pharmacists, medical researchers and economic experts. I think it would be very useful. Much innovation in health economics occurs when methods from one discipline are applied to another. I would very much like to contribute to this in the coming years through my role at FEB. That would dovetail seamlessly with SHARE and the new Aletta Jacobs School of Public Health.'



'How professionals work and work together – the diversity is fascinating!'

'Look!', Manda Broekhuis enthuses, 'this is exactly what I'm talking about'. At the end of a fascinating conversation about the organisation and coordination of care processes, she points to a lovely glossy roadmap headed 'Living with Us'. The poster depicts part of the care programme that Broekhuis advised on, based on the best practices of the Espria care facility and its partners.

'This roadmap gives a step-by-step description of what happens when a client comes to live at Espria permanently. It is not meant to be a set of rules, or a strict protocol, it just describes the process. And it all centres around the question "What do we need to do in the first six weeks to ensure that the client genuinely feels at home here? And how can we get to know the client well enough to discern correctly what he or she wants?"'

Care modules

Broekhuis was recently appointed Professor of Professional Service Chains within the Faculty of Economics and Business. She is conducting research at Espria into the identification and development of 'care modules'. These modules focus on groups of clients who have the same care needs when they come to live at Espria, although their backgrounds may be different. They may, for example, be elderly, or physically handicapped, or they may have psychiatric problems. 'The aim is to optimise certain aspects of the care processes and to link them to efficacy endpoints such as "feeling safe" and "feeling at home", these being two of Espria's core values. At the end of that six-week period, will people genuinely feel already a bit more at home here? And will they feel safe?'

Shaping their own job

Whilst the scope of Broekhuis's research is diverse, the focus is always the same: professionals, the service sector, cooperation and coordination. It usually has to do with setting up processes, and managing them, both within an organisation and at inter-organisational levels. 'In services – public services, care services or the profit sector – the human aspect is, of course, key. The work of professionals often entails a high degree of uncertainty and ambiguity. They operate in an environment in which they are required to render detailed account of their choices and behaviours, whilst increasingly being expected to cooperate with others, both within their own organisation and outside it. I'm fascinated by how individual professionals choose to interpret their responsibilities, and the differences that emerge as a result – and how these choices are influenced by systems or by technology for example. It's interesting to see how professionals always bring their own nuance to their role.'

Fragmentation and coordination

Broekhuis acknowledges that she has ended up doing research in a field that appeals to her as a person, precisely because of the human aspect. 'The care sector is extremely highly specialised. You only have to look at how providers are organised. Individual patients or clients almost always find themselves dealing with several different parties. That's not always ideal. We start by referring them to a specialist, who decides what needs to happen. The resulting fragmentation necessitates the intervention of coordinators, or case managers, who have to try to coordinate all the various aspects of the care. The care sector tends to try to solve problems by creating new structures and jobs, but that is by no means always the best approach.'

Mental shift

In Broekhuis's opinion, the care sector would benefit greatly from different coordination strategies, such as service modularity. 'We start by trying to identify a group of clients with more or less the same care needs. Then we look to see if it's possible to develop a number of modules for that group. This method of operation is often at odds with the care sector's supply-oriented approach. You can trace that healthcare providers think more in terms of what people want and what they are capable of. First questions they answer are "Which functions or objectives should the care package be making possible?" It's my ambition to do research into that shift in healthcare and services. This mental shift is an important theme for me. What care is needed, and then who are we going to call on to deliver it, and how to coordinate complex services?'

Independent living in Selwerd

In Selwerd, a district just a stone's throw away from the Faculty of Economics and Business, Broekhuis will be conducting research over the next few years into the Healthy Ageing

community renewal project, an initiative of the municipality of Groningen. Here, too, service modularity plays an important role, but also the question of how formal and informal structures can influence each other. She and fellow professor Kees Ahaus, from the University of Groningen's Centre of Expertise Healthwise, have been given a grant by ZonMw, a national organisation that stimulates research into health and healthcare innovation.

'We want to look into how we can work together with the service providers to develop modules for local residents with varying levels of independency; for instance modules that will give these people a little more control over their lives. We are not expecting any one specific service provider to meet all their needs. No, the modules are comprised of different components, such as improving a person's social network, finding them meaningful daytime activities, helping them with financial problems or building their self-confidence through increased physical exercise.'

Stimulating reciprocity

At the heart of Selwerd's community renewal project is the Wijkbedrijf (Community Enterprise). The Wijkbedrijf is a residents' collective devoted to improving the district. Its initiatives include cooking workshops and a legal surgery. 'From a business-based perspective, we want to investigate the role an informal structure like the Wijkbedrijf can play in social participation and network development', Broekhuis explains. 'Can we stimulate reciprocity between informal care and the formal care network? Might the Wijkbedrijf be able to help identify those people who need more care but are not receiving help via the formal channels?'

Innovative and interdisciplinary

This project ties in nicely with Broekhuis's new role within the Aletta Jacobs School of Public Health. 'Together with Maarten Postma, I will be coordinating the theme "Prevention: design and evaluation". So, we're talking about things like sickness prevention, stimulating a healthy lifestyle, reducing the burden of care ... and then in various settings: at home, at work, in the care sector, in the community. Postma brings his expert knowledge of prevention to the table. My focus is more on the organisation and coordination of services and processes. Our main objective is to take an innovative, interdisciplinary approach to tackling the issues linked to this theme.'



Understanding the potential impact of new payment systems on medical specialists

PhD Candidate Rachel Gifford investigates the perceived effects of different organisational models, including payment systems, of medical specialists on intergroup relations and collaborative behaviour. Supervised by Eric Molleman (Organisational Behavior and Human Resource Management) and Taco van de Vaart (Operations), she specifically focuses on medical specialists in Dutch hospitals, and compares across both self-employed and salaried employees. 'Healthcare is a really important field. Everyone needs healthcare. I hope to understand how the organisation of specialists can help us move towards a more value-based system and stimulate collaborative behaviour.'

What are your main findings so far?

'I am just now finishing my first study, which is an exploratory multiple case study investigating the recent changes in the organisation of medical specialists in Dutch hospitals. In this study so far we find that the way in which specialists are organised, including how they are incentivised and paid, is perceived to have a strong effect on intergroup relations and group behaviour, including willingness to collaborate on initiatives to improve healthcare delivery. We also find that this effect is not only on intergroup relations between specialists, but also between specialists and the organisation. Additionally, when new payment systems are introduced, or specialists are pressured to move to new systems, this may constitute a threat to group identities, triggering a response of resistance and reorganisation, which may be counter to the aims of the organisation.'

'We also see how money comes to be valued as a symbolic good, and that the response of specialists to changes in payment and incentive systems is influenced by the symbolic, rather than the monetary value of payment. For example, money was seen to provide group identity validation, status and power, and organisational influence.'

What will be the societal impact?

'With the ageing population, the increasing prevalence of chronic diseases and complex care, healthcare systems worldwide are searching for ways to simultaneously cut costs while also maintaining and increasing the quality of care. This requires a substantial reorganisation of care, for example moving towards a more multidisciplinary approach and away from the more traditional specialty siloes. This reorganisation of care often requires incentivising healthcare providers in a different way, for example moving away from traditional fee for service productions and towards more value based approaches. However, it remains difficult to implement changes and it is unclear what the effects of different systems are on intergroup relations and the willingness of specialists to engage in collaborative behaviours. We investigate how such systems may create barriers to, or facilitate, collaboration which research has shown is an important aspect of quality care for complex patients.'

'Additionally, our research looks at the specific changes within Dutch healthcare. Following the policy changes surrounding physician employment and entrepreneurship in 2015 resulting from increasing pressures to cut healthcare costs and improve quality, several new and innovative models of healthcare delivery were recently introduced into the Dutch system. However, research remains limited on the effects of these models, and more broadly on the effects of different organisational systems on collaborative outcomes. Our research attempts to offer a more in depth understanding of the challenges to implementing, and the potential outcomes, of these new systems.'

What is the importance of your research?

'First, I believe it is important to gain the perspective of the healthcare providers themselves in understanding the potential negative or positive impact of policy changes which try to redesign or implement new payment systems. Also, by taking an identity approach, we show how the move towards more multidisciplinary and value based healthcare may actually trigger identity threats and resistance to change, and can offer insights into how changes in healthcare payment and organisation can best be implemented to avoid such effects.'

New in Groningen

Jana Oehmichen

Intrigued by the high quality of research as well as the multidisciplinary at FEB, Jana Oehmichen decided to move from Germany to Groningen. She is appointed as a Professor of Organisation and Management Studies.

Why did you choose Groningen and FEB?

“During a conference in 2011 I heard of the University of Groningen for the first time. A Groningen research master student presented her first paper there and I was seriously impressed seeing such high-quality research output from a master student. Since then, I met many further researchers from RUG who not only convinced me of the high quality of the research conducted in Groningen but also clearly demonstrated the multidisciplinary in research from Groningen. Getting the chance to collaborate with colleagues from accounting, finance, international management, organisational behaviour, and strategy all interested in a common topic such as corporate governance convinced me to come to Groningen.”

Could you tell us more about your career so far?

“I started my academic career with a master degree in industrial engineering and management and a PhD in management from the Karlsruhe Institute of Technology in Karlsruhe, Germany. During these studies, I lived, studied, and worked for several months in the U.S. and in Malaysia. Until then, I primarily focused my research on particularities of the German corporate governance system such as the two-tier board system. After my PhD, I joined the Center for Corporate Governance at the Copenhagen Business School (Denmark) as a postdoctoral researcher. There, I had the chance to broaden the scope of my research, and I laid the foundation of my interest in international corporate governance. I have spent the last few years as an Assistant and Associate Professor at the University of Göttingen in Germany.”

Your chair is in Organisation and Management Studies. What issues are dealt with in your research?

“My research covers three main areas: First, I am interested in the question what an effective firm-level corporate governance should look like. I am studying effects of specific ownership and board structures, incentive systems, as well as antecedence and consequences of employee stock ownership programmes.

Second, I am interested in the quality of firm-level strategic decision making. My research identifies, for instance antecedents of strategic change and successful M&A decisions, but also evaluates the uniqueness of strategies. Third, in many of my studies I challenge whether the institution context shapes the relationship between corporate governance mechanisms and strategic outcomes. I am studying effects of the formal institutional context such as the regulatory quality but also rather informal aspects such as the structure of country-level elites.”

And how about societal relevance?

“From my point of view, the effectiveness of corporate governance has a significant societal relevance as it matters for several firm stakeholders. Let me give you an example. Having a look at the German car industry, we still see many executive compensation arrangements that are primarily based on short-term sales targets. Compensation focused on sales measures might cause a certain single-mindedness in strategic objectives such as prioritising the number of cars sold over all other important strategic dimensions. One could even say that this focus on sales targets caused a certain blindness when it comes to emission software (a large scandal that just recently struck the entire German car industry). Furthermore, the focus on short-term compensation arrangements is making its contribution to the fact that no car company is willing to seriously invest in battery development and production. In this disruptively changing industry, such strategic decisions might create new strong dependencies, significantly reduce the competitive advantage of German car companies, and thereby compromise one of the major German industries (including the future of its employees).”

What can we expect of you in the future?

“In the coming decades, the relationship between managers’ behaviour (including the question of how we control and incentivise them) and corporate strategic decisions will become increasingly important. I am curious to examine what a firm’s corporate governance should optimally look like to enable the firm to cope with the disruption that the new digital world brings. To answer such research questions

I am also looking forward to working with my innovation colleagues at my department. In a first study, we might focus on the question of what compensation arrangements should look like in order to stimulate the willingness to engage in disruptive innovation.

Furthermore, I would like to further connect my research to the national and regional context of Groningen. I am looking forward to contributing my expertise to new projects with Dutch UG colleagues and thereby learn more about the context and build a network in the region.”

Selected publications



Oehmichen, J., Schrapp, S., & Wolff, M. (2017). Who needs experts most? Board industry expertise and strategic change – a contingency perspective. *Strategic Management Journal*, 38(3), 645–656. <http://doi.org/10.1002/smj.2513>

Oehmichen, J., Braun, D., Wolff, M., & Yoshikawa, T. (2017). When elites forget their duties: The double-edged sword of prestigious directors on boards. *Journal of Management Studies*, 54(7), 1050–1078. <http://doi.org/10.1111/joms.12275>

McGuire, J., **Oehmichen, J.**, Wolff, M., & Hilgers, R. (2017). Do contracts make them care? The impact of CEO compensation design on corporate social performance. *Journal of Business Ethics*, in press. <http://doi.org/10.1007/s10551-017-3601-8>



rug.nl/staff/j.d.r.oehmichen





**The economics
of gender balance**

The Rosalind Franklin Fellowship is an initiative by the University of Groningen to promote the advancement of talented female researchers. Aimed to redress gender imbalances within academia, the fellowship awards tenure-track positions leading to a professorship to outstanding academics. But what is the rationale for such programmes?

Swarnodeep Homroy, Assistant Professor at the Faculty of Economics and Business, studies the economics of gender balance in the labour market. His past research has found that female representation on company boards is in the firm's best interest, as it increases performance.

What does your research say about gender balance in academia and industry?

"My current and ongoing research is about the gender differences in the labour market. More specifically, me and my collaborators focus on the challenges that disadvantage women in the leadership track. What seems to emerge very clearly from the data is that the reason we see indefensibly few female leaders is not because of some hiring bias at the top level. It is because women are disadvantaged very early in the careers which sometimes has a permanent scarring effect. This bias stems from several factors – the obvious disadvantage of child rearing, being nudged into jobs with more predictable working hours, as well as lack of role-models to emulate."

Why is gender balance important for staffing?

"There is of course an argument to be made from the perspective of equity and fairness. But in our recent research we find that firms also benefit from having women in key decision-making roles. Psychologists and neuroscientists have reported overwhelming evidence to show that the workings of the male and the female minds are quite similar, and that leadership style is not gendered. Therefore, it seems that the benefits accrue from replacing mediocre men with talented women who have so far been excluded from leadership roles."

What are the major impediments for carer progression of women?

"I touched upon some of these issues before. Broadly speaking there are two major impediments. First, there is an early career disadvantage due to the family formation decisions, the burden of which falls disproportionately on women. In all honesty, the maternity provisions in most countries are nowhere near enough to offset the disadvantage. Second, there is a lack of role models and mentoring. This is particularly problematic because if young women see no role model in an area, they tend to stop investing in those skills. And the very few who do, may find it hard to get the kind of mentoring that they need to overcome the challenges of a still very masculine work culture."

Can programmes such as the Rosalind Franklin Fellowships help in this?

"I think so, yes. The Rosalind Franklin Fellowships address the second point I mentioned before. It aims to correct the abysmally low proportion of female professors. This will create the role-models for the future generation of bright female academics. I was looking at the Rosalind Franklin cohorts and a very large fraction of the earlier cohorts have already been appointed as full professors. But it will be a shame to have these smart female professors and not to appoint them in leadership roles within the faculties and the university at large. That's the next big challenge."



Research by FEB's new Rosalind Franklin fellows



Milena Nikolova

Milena Nikolova studies the economics of happiness, development, and labour. Here she discusses her work on the spillover effect of unemployment on spouses.

How much will your spouse suffer if you become unemployed?

Unemployment can have damaging consequences for individuals and their families. Job loss often means lower income, increased poverty risk, and worse future employment prospects. Evidence from around the world shows that those who are unemployed have worse life satisfaction, happiness, and mental health than the employed. Happiness research reveals that most of these dramatic declines in happiness and life satisfaction are due to psychological factors related to losing identity and social contacts rather than the loss of income.

In a recent paper, we study how unemployment lowers the life satisfaction of spouses living in the same household. We use German household data from 1991 to 2015 that not only trace individuals and their spouses over time but also have information on job loss due to involuntary and unexpected circumstances. These advantages allow us to study the causal effect of a spouse's unemployment on the other partner's life satisfaction, as measured on a scale from 0 (not at all satisfied) to 10 (very satisfied). We find that spousal job loss lowers the life satisfaction of the indirectly-affected partner and this effect is not driven by income changes or concerns.

Our analysis has several policy implications. First, unemployment programmes should also consider the fact that the negative consequences of unemployment spill over to other household members. Second, we argue that unemployment policies that simply provide monetary assistance are unlikely to restore affected families' well-being. At the same time, programmes that seek to reduce the psychological burden related to the stigma of being unemployed or receiving unemployment benefits could be a double-edged sword if they prolong the unemployment duration. Finally, employers can use these findings when considering how to design severance packages that take into account households. They should be aware that layoffs scar not only workers but also their families and that the negative psychological effects could be long lasting.



By Milena Nikolova and Sinem H. Ayhan. See the full version on <https://www.rug.nl/feb/blog/>.

An earlier version of this article appeared on the Brookings Institution's Future Development blog.



Rieneke Slager

Rieneke Slager studies the governance of corporate responsibility. Here, she discusses her work on how companies can engage with investors on environmental, social and governance issues.

The value of dialogue

There is growing attention to how companies engage with environmental, social and governance issues (ESG). At the same time, institutional investors, such as pension funds, increasingly engage in dialogue with companies on these issues, but it has not been clear how such engagements can add value for both parties.

I, Jean-Pascal Gond of the University of London, Michael Viehs of Hermes Investment Management, Niamh O'Sullivan of Nottingham University Business School, and Szilvia Mosonyi of Cass Business School, conducted a research project to ask how and why ESG engagement can create value, conducting 36 interviews with 52

corporate actors in charge of managing the dialogue with investors on ESG issues. Our study was supported by the United Nations-backed organisation the Principles of Responsible Investment (PRI), and summarised in a report entitled 'How ESG engagement creates value for investors and companies', which contains key recommendations for companies and investors.

Our key recommendations for companies are to enhance communication with investors, increase learning opportunities, and maximise internal coordination before meeting with external investors. For investors, we recommend making clear engagement objectives and expectations, strengthening engagement and feedback, and working together with clients and their beneficiaries.



By Rieneke Slager. See the full version on <https://www.rug.nl/feb/blog/>.



Jessica de Bloom

Jessica de Bloom researches occupational health psychology, recovery from work and positive psychology. Here she explores the relationship between taking a holiday and thinking outside the box.

Vacations: A ticket to creativity?

According to a press release of the U.S. Travel association, two out of three American executives believe that vacationing improves creativity at work. In recent years, several studies have demonstrated that people who have lived abroad show higher levels of creativity. But can considerably shorter periods abroad also improve creativity?

To answer this question we set up a longitudinal field study. We examined creativity with the help of an idea generation task in 46 Dutch workers before and after a three-week summer holiday. Each generated idea was blindly rated by three trained raters independently. Not surprisingly, we found that the ideas after the holiday were as original as before. A trip to Cuba does obviously not make you a Hemingway. However, it also turned out that the range of ideas produced by each person was more diverse after vacation, indicating higher levels of mental flexibility. This means, after returning home from a vacation, workers are slightly more likely to consider different aspects of a problem and avoid reliance on conventional ideas and routine solutions.

It is not yet clear what the underlying mechanisms for this type of change are. A prime suspect is removal from work strain. Job stressors such as time pressure, cognitive or emotional demands deplete peoples psychophysiological resources by demanding constant attention. Stressed people will more likely display routinised, well-rehearsed behaviour patterns, because their attention and effort are focused on salient job stressors. In this situation, creative ideas are less likely to come to awareness (Fredrickson, 2001; Martindale, 1999).



By Jessica de Bloom. See the full version on <https://www.rug.nl/feb/blog/>. An earlier and adapted version of this text appeared in 'The Psychologist'.



Thomas Piketty
On inequality
and globalisation

Thomas Piketty visited the Faculty of Economics and Business to deliver the Maddison Lecture in Economic Growth and Development 2018 on 23 May. An economics professor at the Paris School of Economics, Piketty became a global household name in 2014 when “Capital in the Twenty-First Century” became a bestseller. The book caught the mood of the moment, providing rigorous data illustrating the concentration of wealth over time, just as inequality was emerging as a hot-button political issue.

Piketty's Groningen lecture focused on the role of political trends in inequality, and in particular a shift from class-based politics to identity-driven politics in France, the United States and the United Kingdom. He demonstrated this by illustrating changes in demographic support for political movements over time. Once, wealth was the deciding factor in political support, with richer people leaning right and poorer citizens backing the left. Now however this picture has become more complex, with the highly educated voting left and some of the lower educated leaning towards the right.

“Why didn't democracy reduce inequality? Well, in my view probably because you have multi-dimensional inequality structures, in particular globalisation and migration on one hand, and educational expansion on the other hand. They have created new multi-dimensional conflicts about inequality,” Piketty said. “Racism, nativism, and also higher education for completely different reasons, are powerful forces that can divide the poor electorate,” he said.

In order for left-wing parties to unite the lower-income electorate, they needed to offer an egalitarian proposition that made poorer voters of different educational backgrounds and with diverse racial identities feel they had more in common than divides them.

“Politics has never been a simple poor-versus-rich conflict. I think it has always been multidimensional. But I think we believed that what we had as a class-based conflict in the 1950s and 1960s was a normal equilibrium, but I think it's time to realise that in fact this corresponded to very special circumstances,” Piketty concluded.

Piketty's lecture also highlighted the strong role that Groningen has played in inequality research. He mentioned that when writing his book his “Capital in the Twenty-First Century” he made frequent use of the Groningen Growth and Development Centre's Maddison Project Database, which

traces comparative economic growth and income levels between countries over long periods of time. The project was started by a group of scholars who wanted to continue the work of Angus Maddison, the former Groningen professor and pioneer in measuring and analysis economic growth and development over historical periods of time.

“I didn't have the chance to meet him while he was alive but I feel a lot of sympathy, proximity and admiration for his work so I am particularly glad to be here today,” Piketty said as he opened his speech in the Aletta Jacobs Hall. The lecture was live-streamed on YouTube and can be watched in full on the FEB YouTube account at <https://www.youtube.com/watch?v=yvltfEJTFkA>.

Inequality is one of FEB's seven “signature areas”, research communities of scholars with different specialities brought together to tackle major societal challenges. Commenting on the influence of Piketty, Associate Professor Gaaitzen de Vries called Piketty's work “a great source of inspiration”.

“One of the areas he's focusing on is the returns to different factors of production, this relates to one of my areas of research which is documenting and investigating the causes of labour market polarisation,” de Vries said.

Associate Professor Jutta Bolt said Piketty had also inspired her work in examining the historical roots of long-term inequality trends in Africa. “That's a region that Piketty does not study at all, and it's crucially important for the world today because the region hosts some of the world's most unequal countries,” Bolt said. Equally, Dean and professor of economic history Herman de Jong, noted a recent paper he had written with María Gómez León which tried to estimate new distribution levels for large industrial nations.

“This way we also added to the growing literature on inequality, thanks to Thomas Piketty,” de Jong said.

Publications and activities

Please find below an overview of publications in top journals (with an AIP of 85+), PhD theses & research reports in the period December 2017 – June 2018 as well as an overview of upcoming conferences and workshops to be organised at FEB.

Publications

- Aoki, K & **Wilhelm, M.** The role of ambidexterity in managing buyer–supplier relationships: the Toyota case, *Organization Science*, 2017, vol 28, no. 6, pp. 1080-1097.
- Beckers, S.F.M., van Doorn, J. & Verhoef, P.C.** Good, better, engaged? The effect of company-initiated customer engagement behavior on shareholder value. *Journal of the Academy of Marketing Science*, 2018; 46(3): 366-383.
- Beugelsdijk, S.,** Kostova, T., van Essen, M., **Kunst, V. &** Spadafora, E. Cultural Distance and Firm Internationalization: A Meta-Analytical Review and Theoretical Implications. *Journal of Management*, 2018; 44(1): 89-130.
- Cambra-Fierro, J., Melero Polo, I., Sese, F.J. & **van Doorn, J.** Customer-Firm Interactions and the Path to Profitability: A Chain-of-Effects Model. *Journal of Service Research*, 2018; 21(2): 201-218.
- Frankema, E., Williamson, J. & **Woltjer, P.** An Economic Rationale for the West African Scramble? The Commercial Transition and the Commodity Price Boom of 1835-1885. *Journal of Economic History*, 2018; 78(1): 231-267.
- Gaultier, P. & **Moraga González, J.** Search intensity, wage dispersion and the minimum wage. *Labour Economics*, 2018; 50(3): 80-86.
- Green, C.P. & **Homroy, S.** Female Directors, Board Committees and Firm Performance. *European Economic Review*, 2018; 102: 19-38.
- Howdon, D. &** Rice, N. Health care expenditures, age, proximity to death and morbidity: Implications for an ageing population. *Journal of Health Economics*, 2018; 57: 60-74.
- Juodis, A.** Pseudo Panel Data Models With Cohort Interactive Effects. *Journal of Business & Economic Statistics*, 2018; 36(1): 47-61.
- Lach, S. & **Moraga González, J.** Asymmetric price effects of competition, *Journal of Industrial Economics*, 2017, vol 65, no. 4, pp. 767-803.
- Lobschat, L.,** Osinga, E & Reinartz, WJ. What happens online stays online? segment-specific online and offline effects of banner advertisements. *Journal of Marketing Research*, 2017, vol 54, no. 6, pp. 901-913.
- Noseleit, F.** Renewable energy innovations and sustainability transition: How relevant are spatial spillovers? *Journal of Regional Science*, 2018; 58(1): 259-275.
- Sofka, W., **de Faria, P. &** Shehu, E. Protecting knowledge: How legal requirements to reveal information affect the importance of secrecy. *Research Policy*, 2018; 47(3): 558-572.
- Trinks, A., Scholtens, B., Mulder, M. & Dam, L.** Fossil Fuel Divestment and Portfolio Performance. *Ecological Economics*, 2018; 146: 740-748.
- Van der Steen, M.** Managing bottom up strategizing: collective sensemaking of strategic issues in a Dutch Bank, *Long Range Planning*, 2017, vol 50, no. 6, pp. 766-781.
- Van Veen, K.** How did the financial crisis affect the transnationality of the global financial elite? One step forward and one step back. *Global Networks*, 2018; 18(1): 105-126.
- Veltrop, D., Molleman, H., Hooghiemstra, R. & van Ees, H.** The relationship between tenure and outside director task involvement: A social identity perspective. *Journal of Management*, 2018; 44(2): 445-469.
- Willems, B. & **Zwart, G.** Optimal regulation of network expansion. *Rand Journal of Economics*, 2018; 49(1): 23-42.
- Xiao, C.,** Wang, Q., **van der Vaart, T. & van Donk, D.P.** When Does Corporate Sustainability Performance Pay off? The Impact of Country-Level Sustainability Performance. *Ecological Economics*, 2018; 146: 325-333.

PhD theses

Frank Beke

Consumer privacy: understanding the acceptance of consumer information collection

Supervisors: Prof. P.C. Verhoef, Prof. J.E. Wieringa & Dr. F. Eggers

Defended on February 8, 2018

Max Boodie

Purchasing knowing-doing gaps and the influence of incentives from a buyer - internal customer relationship perspective

Supervisors: Prof. D.J. Kamann, Prof. J. van der Veen, Dr. J. Vyrastekova

Defended on June 21, 2018

Austin Dsouza

A business model design framework for the viability of energy enterprises in a business ecosystem

Supervisors: Prof. J.C. Wortmann, Prof. G.B. Huitema & Dr. H. Velthuisen

Defended on January 15, 2018

Holmer Kok

To Complete a puzzle, you need to put the right pieces in the right place: exploring knowledge recombination and the creation of new inventions

Supervisors: Prof. D.L.M. Faems & Dr. P.M.M. De Faria

Defended on March 22, 2018

Marco Meyer

Economic consequences of personality, knowledge, and intellectual virtues

Supervisors: Prof. B.P. de Bruin, Prof. C.L.M. Hermes & Dr. M.M. Kramer

Defended on May 17, 2018

Irene Lugalla

Growth aspirations of women entrepreneurs in tourism in Tanzania

Supervisors: Prof. L. Karsten, Dr. C.H.M. Lutz

Defended on May 31, 2018

Hasifah Namatovu

Enhancing antenatal care decisions among expectant mothers in Uganda

Supervisors: Prof. H.G. Sol & Prof. J. Lubega

Defended on April 19, 2018

Sebastiaan Pool

Credit supply and macroeconomic fluctuations

Supervisors: Prof. J.M. Berk & Dr. J.P.A.M. Jacobs

Defended on March 22, 2018

Jean Pierre Thomassen

Public service guarantees: exploring the design and implementation of service guarantees in public settings

Supervisors: Prof. C.T.B. Ahaus, Prof. S. van de Walle & Dr. M.C. Leliveld

Defended on February 22, 2018

Robert Tweheyo

Indigenous knowledge and food security: enhancing decisions of rural farmers

Supervisors: Prof. H.G. Sol & Prof. J. Lubega

Defended on May 28, 2018

Bart Voorn

Dependent leaders: Role-specific challenges for middle managers

Supervisors: Prof. J.I. Stoker & Prof. F. Walter

Defended on January 11, 2018

Nick Ziengs

Not lean by default: Exploring practices, their design, and underlying mechanisms driving performance

Supervisors: Prof. D.P. van Donk & Prof. J. Riezebos

Defended on April 26, 2018

Working Paper Series

2018001-EEF

Keller, J.T., G.H. Kuper and M. Mulder

Mergers of Gas Market Areas and Competition amongst Transmission System Operators: Evidence on Booking Behaviour in the German Markets

2018002-EEF

Soetevent, A.R. and S. Adikyan

The Impact of Short-Term Goals on Long-Term Objectives: Evidence from Running Data

2018003-MARK

Gijsenberg, M.J. and **P.C. Verhoef**

Moving Forward: The Role of Marketing in Fostering Public Transport Usage

2018004-MARK

Gijsenberg, M.J. and V.R. Nijs

Advertising Timing: In-Phase of Out-of-Phase with Competitors?

2018005-EEF

Hulshof, D., C. Jepma, and M. Mulder

Performance of Markets for European Renewable Energy Certificates

2018006-EEF

Fosgaard, T.R., and **A.R. Soetevent**

Promises Undone: How Committed Pledges Impact Donations to Charity

2018007-EEF

Durán, N. and **J.P. Elhorst**

A Spatio-temporal-similarity and Common Factor Approach of Individual Housing Prices: The Impact of Many Small Earthquakes in the North of Netherlands

Upcoming conferences and workshops

HTSF Conference on Technology Based Entrepreneurship
June 27-29, 2018

6th International Conference on Corporate Governance in Emerging Markets
July 5-6, 2018

European Workshop on Econometrics and Health Economics
September 13-15, 2018

FEB Summer Schools 2018

<http://www.rug.nl/education/summer-winter-schools/>

Corporate Governance and the Effectiveness of Boards
July 7-14, 2018

Financial Inclusion and Sustainable Growth: Recent Developments
July 14-21, 2018

Exploring Entrepreneurship
August 19-25, 2018

Research Methodology with R for the Social Scientist (in Amrita, Kerala, India)
August 20-26, 2018

News in brief



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

Grants



National grant for large-scale research project in Selwerd

Kees Ahaus and Manda Broekhuis have been awarded a € 324,820 grant for research on preventing and reducing socially and economically determined differences in health in Selwerd, a Groningen neighbourhood. The grant is awarded by ZonMw, a national organization promoting innovative health research. You can read more about the project on page 7.

Awards and Prizes



Ward Romeijnders receives Gijs de Leve Prize 2015-2017

Ward Romeijnders has been awarded the Gijs de Leve Prize 2015-2017 for his PhD thesis *Total variation error bounds for convex approximations of two-stage mixed-integer recourse models*. The Gijs de Leve Prize is a very prestigious prize for the best PhD thesis on the Mathematics of Operations Research, awarded by the LNMB (the Dutch network on the Mathematics of Operations Research). The jury applauded the high quality of his thesis, containing approximation results for a class of notoriously difficult optimisation problems within the field of Stochastic Programming.

Best Paper Award for Peter Verhoef

The article *The Showrooming Phenomenon: It's More than Just About Price*, published by Sonja Gensler (University of Münster), Scott Neslin (Tuck School of Business in Dartmouth) and Peter Verhoef (University of Groningen) is the winner of the award for the Best Paper published in the *Journal of Interactive Marketing* in 2017. This award carries a \$1,000 cash prize.

Four FEB researchers in Top 40 Best Dutch Economists

Four researchers from the FEB have been listed in the annual *Economists Top 40* published in *ESB magazine (Economisch Statistische Berichten)*: Marcel Timmer (position 24), Peter Verhoef (26), Jakob de Haan (also Head of Research at DNB, the Dutch central bank, 28) and Robert Inklaar (32).

Former PhD student Niels Holtrop wins Sheth Foundation Doctoral Dissertation award

Niels Holtrop has won the 2018 Sheth Foundation Doctoral Dissertation award. He obtained his PhD in Marketing last year. Holtrop was honored with a certificate and a € 5,000 cash prize during the EMAC 47th Annual Conference in Glasgow. He developed a new model that protects customer privacy while simultaneously preserving the marketing opportunities for businesses. Holtrop's thesis was supervised by Jaap Wieringa and Maarten Gijzenberg.

Appointments



Nancy Kamp-Roelands RA MA of EY new professor in Accountancy

Nancy Kamp-Roelands is professor by special appointment in Non-Financial Information, Integrated Reporting & Assurance. She is a Royal NBA certified public accountant specialised in integrated and sustainability reporting and assurance. Her appointment combines experience with large multinational clients, (inter)national standard setting, academic research and a large network in sustainable business growth.

Manda Broekhuis appointed Professor of Professional Service Chains

Manda Broekhuis has recently been appointed as Professor of Professional Service Chains.

She is involved in many research projects in healthcare and social services. In addition, Broekhuis is Programme director of the Master Supply Chain Management and Technology and Operations Management (TOM), including the Double Degree TOM. She is also associated as scientific advisor to Espria, a large healthcare institute in The Netherlands.

Stan Hoi appointed as new professor of Accounting

Chun-Keung Hoi (known as Stan to his colleagues and students) joins the FEB as Professor in Accounting. Hoi is based at the Rochester Institute of Technology (RIT) in the US, and will hold a part time position here at FEB.

Maarten Postma appointed professor of Global Health Economics

Maarten Postma has been appointed as Professor of Global Health Economics. Postma is Director of the Research Institute SHARE in which the faculties of FEB, FSE and UMCG co-operate. He has been involved in the design of the Aletta Jacobs School of Public Health. His research focuses on cost-effectiveness/ pharmacoeconomics of drugs and vaccines, with an extensive network in non-profit (WHO and EU) and for-profit (pharma) institutions and companies.

Reggy Hooghiemstra appointed Professor of Financial Reporting and Corporate Governance

Reggy Hooghiemstra has recently been appointed as Professor of Financial Reporting and Corporate Governance. His research focuses on corporate boards, shareholder activism, the use of impression management techniques in financial reporting, corporate social responsibility, and the behaviour of auditors.

News

UG and Northern Online Entrepreneurs launch Groningen Digital Business Centre

The University of Groningen and Noordelijke Online Ondernemers (NOO) are joining forces to help develop and consolidate the flourishing digital sector in the Northern Netherlands. Together they launched the Groningen Digital Business Centre (GDBC), a new knowledge centre that focuses on developing, sharing and transferring knowledge in the field of digital entrepreneurship. An important goal is to train young talent in digital business and big data, to meet the high demand from the sector for academically trained professionals. The director of the GDBC is FEB professor Peter Verhoef.

Aletta Jacobs School of Public Health opened on 15 March 2018

On 15 March Groningen-based Aletta Jacobs School of Public Health (AJSPH) officially opened. Founded by a multi-disciplinary team from the University of Groningen (UG) and the University Medical Center Groningen (UMCG), AJSPH will become the flag-bearer of Healthy Ageing in the Northern Netherlands. Researchers, faculties and partners from various disciplines have already committed themselves to the network organisation that draws together initiatives in the area of healthy ageing.

Research Master best university master in the Netherlands

The UG Research Master's degree programme in Economics and Business has been rated best university Master's degree programme in the Netherlands by the latest edition of the Keuzegids Masters. The RM programme was awarded a rare score of 104 points.

Read more about our research on our FEBblog:



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Prof Sjoerd Beugelsdijk

Economics, Econometrics,
Finance (IEEF)
Prof Rob Alessie

Organizational Behaviour (OB)
Prof Floor Rink

Innovation & Organization (I&O)
Prof Jordi Surroca

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