

AMSTERDAM IN SCIENCE, BUSINESS AND SOCIETY



CORPORATE SOCIAL RESPONSIBILITY
MANAGERS AS INTERNAL ACTIVISTS
FOR ETHICS AND SUSTAINABILITY

THE EFFECT OF MANDATORY AUDIT
FIRM ROTATION AND TENDERING
ON INVESTMENT DECISIONS:
THE IMPORTANCE OF CORPORATE
GOVERNANCE

BUSINESS ANALYTICS AND BIG DATA:
OPPORTUNITIES FOR VU UNIVERSITY
AMSTERDAM?

BUSINESS
IN SOCIETY

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BUSINESS IN SOCIETY



The relationship between business and society is on the corporate agenda. Companies are increasingly faced with social and environmental issues surrounding their business activities. Their response to these issues has a profound impact on how these companies appear in the public eye, and how their corporate success is being defined. Leading a successful business in the twenty-first century is therefore as much about competitiveness, growth and profitability as it is about sustainable governance, ethical leadership and social responsibility.

In fact, today's leading companies, such as Apple, BMW and Philips, are well known for viewing their interaction with society as an important pillar of their business strategy, and an integral part of their corporate culture. The example of these companies signal that a sustainable business community is – and should be – part of society, instead of existing separately from it.

Together with the contributors to this journal, we dedicate this issue of Amsterdam in Science, Business and Society to the theme 'Business in Society'. The selected articles featured in this issue offer a multidisciplinary perspective on this theme. Herewith, we – the Amsterdam Business Research Institute – aim to promote and facilitate open conversations and exchanges of ideas between academia and the business world. We also aim to open up possibilities for new collaborations, and the building of a stronger business community, rooted in society and propelled by science.

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DON'T LET THE BALL DROP

OUTSIDE CEOs AND EARNINGS MANAGEMENT

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The revolving door for top corporate management has attracted considerable attention from both popular media and academics. It is generally considered good due diligence to look beyond a firm's borders for CEO candidates, such that virtually every company faced with a CEO vacancy now conducts an outside search. Accounting scandals such as those at Worldcom, Enron, Ahold and Parmalat have also focused attention on the issue of managerial reporting of earnings. This study investigates how the origin of a CEO, whether internal or external, influences a firm's accrual-based earnings management and how the effects of CEO origin evolve over a CEO's tenure. Conventional wisdom suggests that the job security of CEOs recruited from outside a company is more closely related to firm performance than is the case for CEOs promoted from inside, due to external labour market considerations, contract constraints, board pressures, and so forth. Outside CEOs therefore exhibit a stronger desire to demonstrate their superior performance immediately after taking the helm. Furthermore, outside CEOs tend to remain in office for shorter periods than

their inside peers. As a result, outside CEOs are less likely to bear the long-term consequences of their actions, because they have usually left the firm for their next appointment by the time these materialize. We would therefore expect firms with new CEOs recruited from outside to report higher income-increasing accruals during the early years of their tenure than firms with new CEOs promoted from inside the company. However, we can expect the situation to be different if an outside CEO is able to survive the first few years of her or his tenure. Then this leader will have established a reputation and proven his or her abilities to the board and the labour market. Inside and outside CEOs thus stand an equal chance of facing the long-term consequences of their actions. In other words, the short-term view that is taken by outside CEOs at the beginning of their tenure does not persist, but instead declines as their decision horizon extends beyond the initial years of service. Hence, we hypothesize that after the first few years of service, discretionary accruals by outside CEOs will be similar to those by inside CEOs.



WHAT IS ACCRUAL-BASED EARNINGS MANAGEMENT?

Using discretionary accruals is often considered a primary method for firms to manage earnings, but what is the idea behind accrual-based earnings management? Bergstresser and Philippon give a vivid example in a paper that they published in the *Journal of Financial Economics* in 2006:

Consider a firm that owns a finite-lived goose, laying golden eggs. While cash may have been used for the initial purchase of the goose, accrual accounting attempts to match this initial outflow against the future inflows from this investment. The cost of the goose is thus spread over current and future periods... A true picture of the firm's income requires an adjustment for the use of the goose, and thus the difference between cash flows and earnings reflects the depreciation of the firm's asset during the period. And conditional on cash flow, the firm can reduce or increase its reported earnings by assuming a higher or lower rate of depreciation.

Other examples of discretionary accruals include the timing and amounts of extraordinary items such as write-offs and provisions for reorganization, credit losses, inventory values, and so forth, whereby managers are able to determine when and how much of revenues and expenses to classify on a current income statement. Such flexibility in accounting choices creates possibilities for managers to manipulate reported earnings.

FINDINGS AND DISCUSSION

Our sample consisted of 5,607 CEO-year observations (1,341 CEOs) between 1992 and 2008. Figure 1 shows how discretionary accruals change with CEO tenure in our sample, after removing the impact of firm-level factors, industry effects and time trends. We find that on average, CEOs recruited from outside a company report higher discretionary accruals at the beginning of their tenure (i.e., ≤ 3 years after appointment). The extent of earnings management subsequently becomes more comparable

between inside and outside CEOs, as shown by the converging of the two lines after the fourth year of tenure.

We derive several key findings from our analyses: (1) compared with CEOs that are groomed internally, CEOs airdropped from the outside manipulate earnings upward more intensively in the short run; (2) as CEOs' expectations about staying align after a few years, the difference in discretionary accruals by internal and outside CEOs also grows insignificant. We thus find a 'transition' whereby outside CEOs match inside CEOs in their use of discretionary accruals.

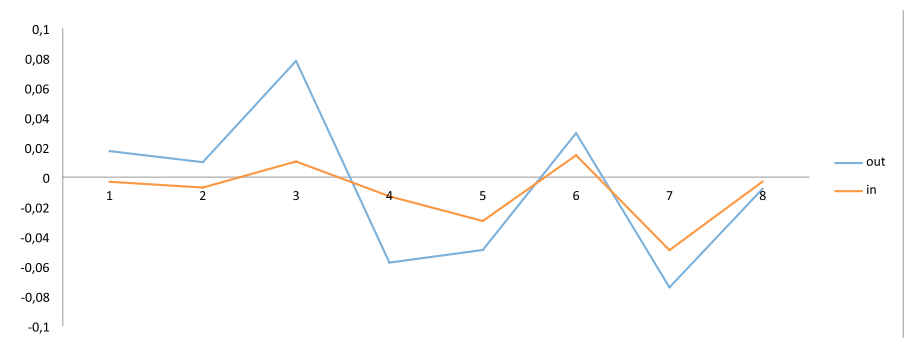
PRACTICAL IMPLICATIONS

Our study yields several important implications for practice. First, our results emphasize the importance of maintaining financial reporting quality and constraining earnings manipulation. Extending the managerial horizon and decoupling the link between short-term accounting performance and managerial incentives may function effectively to de-motivate opportunistic managerial financial reporting. Second, although the performance record from prior employment is often considered a key factor in

external hiring decisions, our findings suggest that outside CEOs have both an incentive and an opportunity to 'create' excellent performance by staying with a firm for a short period of time and relying on earnings management. It should be the task of a firm's nomination committee to examine a candidate's performance record, for instance by investigating the subsequent performance after the candidate has left his or her previous employer. Third, a firm's board and audit committee should beware of possible earnings manipulation and short-term decision-making by new CEOs, especially in the case of an external appointment. Earnings management is often difficult for individual investors to detect due to the complexity of accounting rules. Investors should also be aware of new CEOs' discretion with regard to reporting and, in turn, put less emphasis on bottom-line accounting earnings when evaluating a firm's performance. Managerial commitment to long-term profitability and sustainability should be given more weight in performance evaluation.

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FIGURE 1 // Average Discretionary Accruals over CEO Tenure



This figure shows the observed development of discretionary accruals (after excluding other elements that affect discretionary accruals) over tenure for outside (bold line) versus inside (normal line) CEOs. The horizontal line represents CEO tenure and the vertical line represents the level of de-trended discretionary accruals; 0 represents the year immediately prior to the appointment.

Corporate

Social

Responsib

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CORPORATE SOCIAL RESPONSIBILITY MANAGERS AS INTERNAL ACTIVISTS FOR ETHICS AND SUSTAINABILITY

Corporate Social Responsibility (CSR), a management concept for the systematic integration of social, environmental and ethical aspects into core business operations in collaboration with stakeholders, has become central to the corporate world. Nowadays, few companies can afford not to position themselves with regard to CSR and communicate their activities to stakeholders. Whilst formal structures such as codes of conduct, policy documents and certification schemes are central for the successful implementation of CSR, their formal endorsement by company leaders alone often has little to no effect.

In the worst case scenario, public commitments to CSR without proper implementation easily lead to accusations of greenwashing or the symbolic construction of a CSR façade without any substance. CSR managers play a critical role in avoiding such problems, because they are responsible for implementing CSR practices internally and spreading a CSR mindset within companies. Our research shows that CSR managers have developed a set of creative and informal tactics that promise to facilitate a more effective implementation of CSR.



COMPANY LEADERS KNOW WHAT THEY SHOULD DO TO MAKE CSR AN ESSENTIAL PART OF THEIR BUSINESS

Multinational corporations are confronted with steadily increasing societal demands to incorporate CSR into their strategy, core business operations and even their global supply chains. Many companies have recognized the complexity of this task and have hired a CSR manager, or have even created entire CSR departments of ten or more people. CSR managers are an emerging type of professional and usually have staff positions that are relatively close to the boardroom. Their job is to manage the strategic planning, coordination and evaluation of CSR; in other words, to integrate CSR into organizational structures and procedures. At the same time, they are often the most important carriers of CSR-related knowledge in an organization. CSR managers have thus become key professional agents that drive the thorough implementation of CSR.

Existing research provides many insights into the strategic importance of CSR, and there are a vast number of best practices available that illustrate the content of CSR strategies, policies and related management frameworks. Company leaders know what they should do to make CSR an essential part of their business. It is well known, however, that it takes a long time to integrate CSR

into a company's daily routines and processes successfully and, more importantly, with the necessary seriousness, and that it is not easy to make CSR part of a company's DNA. CSR managers are therefore indispensable, because they constantly push their colleagues to move from initial strategic commitments to concrete operational results.

Despite the apparent importance of CSR managers, they have received surprisingly little attention in empirical research. Understanding what they do is important, because it makes it possible to give strategic advice about how to implement CSR more effectively.

In this research project, a collaboration between VU University Amsterdam, the University of St. Gallen in Switzerland and the Heinrich-Heine University in Düsseldorf, Germany, we took a closer look at the work of CSR managers. We asked which strategies or tactics CSR managers use to navigate around tensions and constraints or even denial of the importance of CSR among other employees in the company. We focused in particular on the interplay between formal elements such as a CSR strategy and informal processes such as subtly encouraging others to cooperate. For our study, we interviewed 75 CSR managers in German and Swiss multinationals in the course of 2013.

Many of the CSR managers we spoke to reported that a major difficulty

in their work is to convince other employees and decision-makers in their companies about the importance of CSR. While many leaders and CEOs recognize that CSR is a 'must have', this recognition does not always extend to middle managers and white-collar employees. Often motivation or sheer interest in sustainability topics are lacking, or people feel overwhelmed by their daily schedules and thus refrain from launching new CSR projects (take, for instance, a procurement manager who needs to include different CSR standards in his decision-making that may not be in line with common financially-oriented objectives). As a whole, the evidence shows that while commitment from a CEO is essential, successful CSR implementation by no means automatically follows. Rather, it is the CSR manager's job to point people in the direction of CSR.

The responses we gathered in the interviews can be aggregated to five tactics that CSR managers tend to employ. These are not necessarily present to an equal degree in each and every company. However, these five tactics represent reoccurring patterns that were highlighted by the majority of the CSR managers to whom we spoke. They emphasized that the systematic application of these tactics is an important component of successful CSR implementation, and allows them to circumvent internal barriers and tensions better.

TACTIC 1

Building a network of internal allies. The creation of an internal network and the identification of likeminded others that act as allies in the quest for greater sustainability are key components of successful CSR implementation. Support from influential decision-makers that are embedded in the operational sphere (such as the Head of Procurement or Marketing) helps CSR managers to launch pilot projects. This helps to give CSR a strategic edge and shows that it 'works' and can be scaled up to other parts of the company.

TACTIC 2

Creating emotional and functional proximity. CSR managers who are able to connect abstract ideas about ethics and sustainability to employees' daily business routines create an important lever to foster commitment and support. This means explaining what sustainability means not only for the company, but also for specific people doing specific jobs. This can happen at the emotional level, where employees develop a feeling of personal responsibility for different CSR aspects (such as helping to reduce accidents in their factory or considering their own footprint). Equally importantly, functional proximity means explaining the sustainability impact of specific jobs in the company. For instance, showing

how procurement or marketing roles can raise ethical problems and which steps are necessary to address these (such as measuring the carbon footprint of a company's car fleet and adjusting procurement decisions in favour of more efficient cars).

TACTIC 3

Identifying adequate incentives. In order to 'catch people where they can be caught' (as one informant put it), CSR managers need to identify the different and often very heterogeneous incentives and motivations of employees within a company, and adjust their arguments in favour of particular CSR projects to these incentives. This is important when convincing employees with different educational backgrounds of the importance of CSR for the company. Moreover, employees in different divisions of a company, such as accounting, production, sales or PR, often differ considerably in their level of openness to various CSR incentives. For instance, employees with managerial functions, in particular with a strong finance background, are more likely to be convinced if CSR can be quantified and a strong business case can be presented. By contrast, arguments with regard to reputation and long-term effects on stakeholders such as future employees or governments have more impact when a CSR manager is dealing with public or investor relations and HR staff.

TACTIC 4

External and internal benchmarking. Creating benchmarks against which to measure the progress of CSR projects is another important tool. CSR managers can use this tool in two ways. Internal benchmarking aims to compare different divisions within a company on related grounds, such as the carbon emissions or recycling quotas per unit for multiple production lines. It works well for creating internal competition for the best CSR performance. For instance, decision-makers may be more motivated to engage in CSR projects if there is an incentive to be the best, or not the worst, among all divisions or locations. External benchmarking is broader and aims to make the CSR performance of an entire company comparable to that of a competitor. For instance, this can be measured by looking at the placement in reputable CSR rankings, such as the Dow Jones Sustainability Index.

TACTIC 5

Creating holistic awareness. Finally, the effectiveness of these tactics can be leveraged if CSR managers integrate CSR issues holistically into employee awareness. This is an important precondition for fostering proactiveness among employees to detect CSR-relevant issues without the constant presence of a CSR ma-

nager. Creating holistic awareness starts by addressing ethics and sustainability in training and education programmes, as well as internal communications tools or corporate volunteering programmes.

Collectively, the results of this study suggest that having formal structures alone, such as a code of conduct, a CSR strategy, or policy documents for environmental or social aspects, has little impact, even if paired with CEO endorsement. Formal structures are important building blocks for starting the 'CSR journey', but they need to be accompanied by a range of informal tactics. Company employees and decision-makers need to be carefully and subtly encouraged to adopt CSR in their everyday roles, rather than allowing it to remain a lifeless concept. This is a difficult task, and one that confronts CSR managers with multiple challenges. Our study reveals several innovative tactics that promise to make the task of CSR implementation more effective.¹

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¹An abbreviated version of this research report has appeared in German in the CSR Magazin, March 2014.

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THE EFFECT OF MANDATORY AUDIT FIRM ROTATION AND TENDERING ON INVESTMENT DECISIONS THE IMPORTANCE OF CORPORATE GOVERNANCE

The primary objective of the audit profession is to provide reasonable assurance to investors, shareholders and other stakeholders that a company's financial statements are free from material misstatements. To accomplish this goal, it is of prime importance that the auditor is independent from the audited company – both in mind and in appearance. Lack of auditor independence dramatically reduces or even nullifies the added value of an audit and can result in the loss of investor confidence in the financial information. Academics (e.g., Sikka 2009) and regulators claim that auditors played a significant role in the recent global financial crisis, for example by willingly ignoring clients' questionable accounting choices. Inspections of audit firms carried out by the US-based oversight body the PCAOB often suggest that auditors lack sufficient professional

scepticism. Hence, there is renewed interest among regulators in taking action to strengthen auditor independence. One frequently discussed threat to independence is long auditor tenure, i.e., the length of time that an auditor is engaged to audit a client's financial statements. For example, the average auditor tenure of the 500 (100) largest companies in the US, based on market capitalization, is 21 (28) years (PCAOB 2011). The argument is that such a long tenure period may result in several independence threats. First, the auditor may become overly familiar with the client, potentially resulting in routine audits and lack of innovative and unexpected audit procedures. Second, lengthy tenure may cause incentives for the auditor to be reappointed. This situation, in turn, may encourage the auditor to acquiesce to client demands rather than maintaining a critical attitude, ultimately undermining independence.

The European Commission recently mandated a range of measures with the intention of mitigating threats to independence and improving audit quality. One of these measures entails limiting auditor tenure to a maximum period of ten years by mandating periodical replacement by another audit firm – a so-called mandatory audit firm rotation. This ten-year period may be extended by another ten years if a tender process is undertaken. Tendering entails putting the audit engagement up for competitive proposals by different audit firms, whereby the current firm may continue in subsequent years if selected. In contrast with rotation, a tender process provides



sustainable governance IN SCIENCE, BUSINESS AND SOCIETY

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opportunities for the incumbent auditor to be reappointed. The Netherlands is one of the first countries in the EU to implement mandatory audit firm rotation.

The objective of our study was to examine the effect of these proposed auditor selection regimes on auditor independence. Professional ethical guidance (IESBA 2013) distinguishes between independence in mind (i.e., factual independence) and independence in appearance (i.e., as perceived by financial statement users). The focus of the current study is on the latter. It is argued that lack of independence in appearance is sufficient to undermine investors' confidence in the audit and financial reporting (Fearnley and Beattie, 2004).

The focus of our experimental study was on the final year before a potential auditor change for a company being considered by professional investors as an investment opportunity. In our experiment, we held audit firm tenure constant and examined the effects that an upcoming mandatory audit firm rotation or tender would have on investors' investment decisions, vis-à-vis the unregulated setting where the incumbent audit firm would be highly likely to be reappointed. While mandatory audit firm rotation and tendering potentially alleviate financial statement users' independence concerns regarding familiarity threats (e.g., European Commission 2014), we posit that there are circumstances under which mandatory tendering could impact investor perceptions of the auditor's motivations to please management in order to retain the

client if there are contentious reporting issues at hand, i.e., a self-interest threat. However, we argue that such an effect may be dependent on the role of the company's audit committee in the selection and appointment process of the auditor. Whilst corporate governance best practices prescribe that the audit committee should be an autonomous party in selecting and appointing the auditor (high audit committee autonomy), in practice, management may have a strong influence on this decision (low audit committee autonomy), potentially further threatening auditor independence. For instance, if management has significant influence over the audit committee's selection decision, then investors are likely to view the auditor as strongly motivated to curry the favour of management to be reappointed, a problem which mandatory tendering would not be able to alleviate in the investor's perception. On the other hand, tendering is expected to be highly effective in a high audit committee autonomy setting.

We examined 118 investment professionals' investment decisions given three different auditor selection regimes (rotation, tendering, unlimited tenure) and two different levels of audit committee autonomy over the auditor appointment (low autonomy, high autonomy). Most importantly, our findings indicate that the likelihood of investing is positively affected by a mandatory rotation or tendering regime vis-à-vis unlimited tenure, but only when the audit committee has high autonomy (i.e., decisions related to auditor selection are made without significant interfe-

rence by management). On the other hand, when the audit committee has low autonomy (i.e., management has influence over the audit committee's selection of the auditor), we do not find support for our prediction that tendering would lead to the lowest likelihood of investing. Rather, an audit committee with low autonomy results in an equally low investment likelihood, regardless of the auditor selection regime in place. This result suggests that neither tendering nor rotation will be viewed by investors as effective in a weak corporate governance context. Thus, auditor selection regimes cannot be viewed in isolation of the corporate governance setting in which the regime will be embedded, which emphasizes the importance of an autonomous audit committee.

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GOVERNANCE AS A LEVER FOR BUSINESS MODEL INNOVATION IN THE PERFORMING ARTS

Important changes are occurring in the performing arts world. Hit by the crisis and changing government attitudes towards supporting and subsidizing culture, performing arts organizations in many Western European countries need to identify new sources of income and develop new models for improving performance. Whether these organizations will survive these turbulent times will likely be dependent on the aptitude and competences of their management teams.

In 2012 Statistics Netherlands published a report showing that the professional performing arts sector had recently suffered significant declines both in the revenues that it independently generated and in the subsidies it obtained from the government. Many organizations in this sector have since responded to these changes by consolidating operations, increasing their degree of autonomy, undertaking privatizations, and investing in relationships with subsidy providers and critical stakeholders. Innovation and entrepreneurship have become buzzwords in a sector that has traditionally been wary of management talk and the purely economic justification of strategic organizational choices.

In an ongoing research project, we are aiming to describe the patterns in these organizations' efforts to adapt to current challenges. We are investigating how their management can contribute to successful outcomes in such turbulent circumstances. Unlike most traditional sectors, cultural organizations must pursue a number of goals that may conflict with one another. On the one hand, they need to maintain their commercial viability, but on the other, they are keen to ensure the production of high-quality artistic output. They often need to attend

to the demands of a diverse range of stakeholders, both locally and internationally. Our research seeks to identify the actions needed to ensure the effective attainment of their diverging organizational goals.

Our approach emphasizes the crucial role that senior management plays in navigating through these changes. The challenges outlined above have rendered many existing business models in this sector obsolete. Is it possible to adapt to these circumstances whilst maintaining critical aspects of one's identity as a cultural institution? The essence of a business model for an organization is the logic by which it can sustain operation and create and distribute value for its stakeholders. Business model innovation then requires changing one or more of the elements of the existing model so that the chances of organizational survival increase and performance is improved. Many of these elements are interrelated, so changes in one may necessarily mean adapting the others as well.

As a complex but high-impact task, business model innovation needs to be high on the agenda of the governance of cultural organizations. Supervisory boards, which have the power to appoint an organization's senior managers, need to see themselves and their top team members as the most important agents for change in an organization.

It is also necessary that the supervisory board and the management team provide a diverse range of knowledge and skills, combining specialist with generalist backgrounds and delivering competences from within and outside the industry. These competencies can be a source of new initiatives for business model innovation. Through a process of goal-setting and the implementation of these initiatives, it is possible to steer the organization towards a newly-formulated vision and profile that better serve important stakeholder groups.

One of our case companies is Stichting Dans- en Muziekcentrum Den Haag (DMC), a company that operates two central performing arts stages in The Hague: the Anton Philips Concert Hall and the Lucent Dance Theatre. A core aspect of its approach to business model adaptation is the active involvement of the supervisory board in changes to the composition of the management team. Here are some of the key initiatives that originated from this central group.

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NEW VALUE PROPOSITIONS

Led by the supervisory board and the newly appointed director, DMC developed three new value propositions:

- International and national excellence in the programme
- Quality for a broad audience
- Appealing to all the different societal groups in the city

NEW KEY RESOURCES TO SUPPORT THE VALUE PROPOSITIONS

To implement the value propositions mentioned above, DMC needed to adjust its set of core resources. It emphasized the need to develop a strong theatre brand that could attract new audiences. Another key resource that DMC envisioned was the building of a new theatre to replace the current stages. A new building would contribute to a stronger image: excellent productions at the national and international levels could be hosted, while the residents of The Hague would be attracted to

a familiar landmark. The theatre also partnered with 't Paard van Troje, the city's main pop music stage, in order to collaborate in hosting events.

Perhaps the most important factor in the development of new resources was attracting key personnel for critical positions. Nearly the whole management team was renewed, as a new director, new marketing manager and a new commercial director were employed. An event manager with a special focus on specific population groups was hired to increase the diversity of the theatre-goers.

NEW CORE PROCESSES TO SUPPORT VALUE PROPOSITIONS AND KEY RESOURCES

The theatre invested in the automation and digitization of its systems in order to increase efficiency and enable changes in the other elements of its business model. For instance, a Customer Relationship Management System was developed, where customer profiles were maintained, enabling the theatre to reach relevant audience groups. Another adaptation of core processes was the introduction of key performance indicators and 'targets'. This increased the level of responsibility and accountability towards realizing organizational goals. A new information system, which provided a connection between different current systems, also enabled progress to be monitored.

PROFIT FORMULA ADJUSTMENT

Revenue model and cost structure are essential elements in any business model. DMC changed its profit formula only incrementally, but in a coordinated manner with regard to the changes in value propositions, essential resources and processes. By increasing the quantity of programming, DMC aimed to increase revenue. At the same time, larger audience numbers were needed for the performances on the two stages. The adoption of a more professional attitude and more structured processes within the organization, ultimately leading to greater efficiency, could increase profitability again due to cost savings and higher revenues.

In conclusion, business model innovation requires an integrated approach to organizational renewal in the performing arts sector. This means that organizations must undergo change, but they must also take into account the interconnection of their value propositions, their activities and resources. They must remain true to their core values and promises to their diverse stakeholders. To succeed in this undertaking, supervisory boards need to work closely with management teams and consider business model innovation one of their highest priorities.

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LOOSENING THE CHAINS

UNLEARNING OBSOLETE BUSINESS ELEMENTS¹

As technologies and work practices change constantly, organizations need to keep up with these changes by learning new technologies, strategies, and business models, and also by unlearning obsolete business elements. To compete successfully in the market, it is not enough for organizations to adopt state-of-the-art technologies; it is also vital that existing outdated technologies are properly discontinued. While new high-tech companies need to be acquired, it is also crucial that existing managers and employees master the art of abandoning outdated mindsets and ideas so as to avoid contaminating fresh new ideas. It is not enough to enter new markets, to introduce new products and to develop new business models; it is also essential that outmoded products, services and business models are properly marginalized to prevent them from consuming limited organizational resources.

Although unlearning is an appealing concept that is easy to recommend, it is challenging to apply. As managers, employees and customers, we develop various cognitive, emotional and habitual attachments to the strategies, technologies and products that we have developed and deployed in the past. How can we relinquish what that has become the basis of our expertise, the core of our identity and the crux of our reputation? How can we detach ourselves from the strategies that shaped the foundations of our success in the past? How can we stop allocating resources to products and services that were successful in the market, but that are not anymore? How can we stop using technologies that had been the foundation of all our business activities, yet are now obsolete? How can we not rely on core business ideas that have become part of our business DNA?

In spite of all these challenges, there are examples of businesses that have successfully and even continuously exercised unlearning. For example, Google's agility and innovativeness is strongly based on its regular 'seasonal cleaning' of outmoded, obsolete products and services. Another striking example is AMBEV, the largest Brazilian beverage company (now called ABInBev), which quickly recognized the danger that implementing ISO standards would lead to rigidity². As a common practice, its employees were thus asked to shred im-

mediately any ISO page that was not working, in front of their colleagues. A similar tactic to get rid of outdated business elements is used by Shell, which has learned how to use knowledge management platforms not only to share 'best practices', but also to purge the company constantly of 'irrelevant, obsolete practices'.

Recent management theories have analyzed these challenges from various perspectives. At the level of human cognition, scholars have looked at what makes people abandon their deeply rooted mindsets. At the level of technology, studies have explored the process of phasing out legacy systems. At the level of organizational practices and routines, various studies have examined different strategies for de-institutionalizing outmoded routines. From social and political perspectives, theories have discussed the challenges of de-legitimizing obsolete ideas. One surprising example is that in 1976, Kodak held patents on the digital camera and the company developed the first digital camera in 1980. However, it took another three decades before Mr Carp, the CEO of Kodak, announced that the traditional film technology was no longer viable and should give its place to digital technology.

As an established research team in the Knowledge, Information and Innovation (KIN) group, we have studied this phenomenon from multiple perspectives, in various local and international organizations. We have found four traps that threaten organizations in their unlearning journey.



THE COGNITIVE TRAP

The cognitive trap: when organizations cannot reflect deeply on fundamentally problematic ideas, and simply go for unlearning superficial, marginal ideas. For example, in the 1980s Intel initially failed to realize that it was not simply the case that some of its RAM technologies and products were problematic, but that the whole RAM business model should no longer be pursued.

THE CONFIDENCE TRAP

The confidence trap: when organizations become overconfident that they can revitalize their outdated business models through their market power and by allocating more resources. For example, Kodak engaged in significant investment to rescue its outdated film technology, which was eventually made obsolete by the advent of the digital camera.

THE CONTAMINATION TRAP

The contamination trap: when old ideas, technologies, and business models contaminate new ones. New ideas, technologies, and business models thus become nothing more than decorated versions of the old ones! For example, when IBM tried, after several attempts, to develop the 'Personal Computer' through its mainframe designers, the result was nothing but a smaller mainframe! The company then avoided the contamination trap by hiring a new team of designers, isolated from the mainframe team.

THE REVERSION TRAP

The reversion trap: when organizations abandon the unlearning process too early, the residuals of old ideas, technologies and business models can resurge, grow and return. For example, some software companies have

tried to phase out some of their old products, but they revert to them when their customers pull them back into this game.

Dealing successfully with these unlearning traps often requires resolving three trade-offs:

TRADE-OFF 1

OVERLY HEAVY UNLEARNING VS. OVERLY SUPERFICIAL UNLEARNING

Sometimes a change requires unlearning at very deep levels of business theories and technological paradigms. Should organizations immediately retreat the core of their business, or would it perhaps be better to start with a marginal aspect and gradually deepen the unlearning? In the former situation, organizations might find unlearning too heavy an activity to pursue, and thus gradually die in their current pleasure rather than accept the pain of rebirth. In the latter case, organizations might become locked into a superficial level of unlearning and never be able to go further.

TRADE-OFF 2

TOO LATE VS. PREMATURE UNLEARNING

Sometimes organizations identify an opportunity to *revitalize* obsolete technologies and business models, yet this might come at the risk of unlearning too late, when there remains almost no chance of surviving and competing with rival companies. On the other hand, unlearning too early carries the risk of letting go of the old prematurely, before a reliable alternative technology and business model has been adopted.

TRADE-OFF 3

CROSS-FERTILIZING VS. CROSS-PENALIZING

More often, both old and new aspects coexist during a change process. On the one hand, organizations need to ensure that the viable elements of the old are properly reused for the development of the new, and on the other hand, they must ensure that the reuse of old elements

does not come at the expense of contaminating new aspects.

Our mission is to understand how organizations actually experience unlearning and to help them make this journey as effective as possible. Please feel free to contact us for further information about our research projects and potential lines of collaboration.

For further inquiries about the research projects, please contact Dr. Mohammad H. Rezazade Mehrizi, m.rezazademehrizi@vu.nl.

¹This article is based on a forthcoming paper by M.H. Rezazade Mehrizi and M. Lashkar Boluki, on 'Unlearning troubled business models: From realization to marginalization' at Long Range Planning Journal¹.

²The standard business processes developed by the International Organization for Standardization.

INDIVIDUALS



MAURA SOEKIJAD

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DIRECTOR OF DOCTORAL EDUCATION, GRADUATE SCHOOL ABRI
ASSOCIATE PROFESSOR
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Since January 2014, Maura has been the new Director of Doctoral Education at ABRI's graduate school. She has always greatly enjoyed working with PhD candidates and talented students. During her own doctoral research, which concluded with a successful thesis defence in 2005, she has always been actively pursuing different topics within various communities. Since then, Maura has nurtured and stimulated the development of such groups within www.kinresearch.nl, where she is an Associate Professor of Knowledge and Innovation Networks, and more widely within ABRI. There are currently many initiatives to cultivate communities at ABRI, including reading groups on particular theories, research seminars at which PhD candidates present and discuss their work-in-progress, international seminars where leading researchers are queuing to give a talk, and paper development workshops in collaboration with top-tier journals. By taking part in these events, the whole ABRI community, including PhD candidates, is trained to be active researchers that are capable of designing, executing and publishing on relevant research projects, with scholarly integrity. Apart from attracting Dutch and international candidates, ABRI also recruits outstanding students during their Bachelor's studies, for instance through courses that develop their research skills. Many students are eager to follow our Honours Programme during their Master's studies. ABRI currently has a cohort of 25 excellent students, including many who are following two different Master's programmes and/or run a business on the side. A few of them are aiming to go on to doctoral study. Maura considers herself lucky to be collaborating with such highly motivated and pleasant students, and she is looking forward to meeting the new cohort of PhD candidates.



MARLEEN HUYSMAN

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FULL PROFESSOR IN KNOWLEDGE AND ORGANIZATION
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Marleen Huysman is Full Professor in Knowledge and Organization at the Faculty of Economics and Business Administration of VU University Amsterdam. She is Head of the Information, Logistics and Innovation Department (IL&I) and leads the KIN Research Group at VU University Amsterdam, consisting of an international group of 35 junior and senior researchers conducting research in the following overlapping fields: business analytics and digital innovation, cross-boundary innovation, new ways of working, online consumer behaviour, creative industry, socio-materiality, IS success and failures, organizational learning and knowledge management. In addition, she is a board member of the Network Institute and the Amsterdam Center for Business Analytics (ACBA.nl). Her research has been published in various international journals and books. She teaches courses on new ways of working and courses related to knowledge, information and innovation, and is a frequent speaker at academic and professional meetings in the field.



HESTER VAN HERK

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FULL PROFESSOR IN CROSS-CULTURAL MARKETING RESEARCH
MARKETING

Hester van Herk is Professor of Cross-Cultural Marketing Research and acting Head of Department at the Marketing Department at VU University Amsterdam. She is also a visiting scholar at the University of Western Australia Business School in Perth. Hester holds an MSc in psychometrics from Leiden University and a PhD in marketing and cross-cultural psychology from Tilburg University. In the past she spent eight years working in business as a scientific researcher, and her business contacts continue to inspire her to do societal relevant research. As a board member of the Dutch Marketing Research Association, MOA, she aims to bridge the gap between marketing practice and academia.

Hester's research passion lies in cross-cultural differences and similarities. She focuses on why consumer attitudes and behaviour differ across countries and across culturally diverse groups within countries. Using large-scale cross-national quantitative studies, she and her co-authors provide insight into the existence of cross-national consumer segments, cultural value change and the significance of culture in explaining factors such as trust or well-being across countries. Hester enjoys the methodological challenges posed by doing marketing research in different contexts and she is always excited to discover new insights. Her mission is to increase the awareness and understanding of cultural differences in research and educational programmes in marketing and business.



PEREN ÖZTURAN

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ASSISTANT PROFESSOR
MARKETING

Peren Özturan has been Assistant Professor of Marketing at VU University Amsterdam since September 2013. She holds a PhD in marketing (2013) from Koç University, Turkey. In the second year of her doctoral programme, she studied at the University of Michigan, Ann Arbor, with a scholarship from Koç University. She received her Executive MBA degree from Koç University in 2006 and her BSc in Management from Middle East Technical University in 1998. Before joining academia she worked in the financial sector for seven years in several roles in economic research and capital markets departments, and finally as a marketing manager in charge of the strategic planning and marketing communications of investment products. Her research interests include marketing strategy in a tough economic climate and the influence of marketing within the firm. Peren's article entitled 'The Role of Market Orientation in Advertising Spending during Economic Collapse: The Case of Turkey in 2001', co-authored with Aysegül Özsoy and Rik Pieters, was recently published in the *Journal of Marketing Research*.

PRESENTING ABRI RESEARCHERS



MARC LAMMENS

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Marc Lammens is the Director of Business Engagement at ABRI. In November 2012, he joined the Marketing Department in order to develop and intensify cooperation with and for business partners in both the private and public sectors. Marc is a seasoned business executive with an international track record in sales and marketing, and has held executive positions at Air France-KLM, Bata Shoe, Rentokil/Initial and Randstad. In June 2013 Marc extended his responsibilities to ABRI. After his first year of developing business engagement for ABRI, he found out that valorization is more than just a buzzword. In his current position, Marc has discovered that most companies that he encounters show a lot of interest in collaboration with the academic world. Many companies are keen to obtain the latest academic knowledge in order to gain a competitive advantage over their peers in the relevant field of expertise. ABRI's multidisciplinary approach is becoming increasingly popular with enterprises. Last year, the ABRI team established fruitful cooperation initiatives with a broad array of businesses in various sectors. Marc will continue to develop a balanced portfolio that fulfils corporate needs even better and reduces the gap between academia and business. Furthermore, in the near future, Marc will facilitate several business events providing opportunities for networking with business executives, including SME's. These will be announced on the ABRI website. Marc is always pleased to be approached with ideas and/or questions about collaboration! Please contact Marc by e-mail.



MEIKE MORREN

ASSISTANT PROFESSOR
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Since graduating, Meike has been interested in how cultural differences influence people's behaviour. During her PhD in methods and statistics at Tilburg University, she compared the responding behaviour of Dutch cultural minorities. She found that cultural differences in responding confound cross-cultural comparisons of personal traits such as attitudes and behavioural intentions. She has worked at VU University Amsterdam since 2012. Her research rests on two main pillars: a) exploring cultural differences in green behaviour (e.g. recycling, purchase behaviour, transportation); and b) developing modelling approaches to detect and correct for response styles in cross-cultural settings. It is well known that controlling for response styles is a vital issue in cross-cultural research. For example, people in the US are more likely to give extreme responses to surveys, whilst people in Asian countries gravitate toward the midpoint. Meike explores the influence of cross-cultural differences in response styles relating to green behaviour, such as the intention to buy environmentally friendly products. Her research helps policymakers to motivate people across diverse cultural settings to choose a greener alternative without being blinded by differences in response style. The next step in her research will be to explore the underlying mechanisms leading to cross-cultural diversity in response styles. Are extreme survey responses among people from a specific cultural background an artefact of the survey process or does this response style relate to more extreme emotions? If so, Meike wants to find out whether these extreme responders also react in a more extreme way to marketing campaigns, and whether this cultural diversity in extreme responding reflects a substantial cross-cultural divide. This research gives insight into whether cross-cultural differences in response style should not only be corrected for, but also taken seriously when interpreting consumer responsiveness to marketing campaigns and predicting behaviour in cross-cultural settings.



NEW APPOINTMENTS



▶ **KOEN VAN BOMMEL/** K.VAN.BOMMEL@VU.NL
ASSISTANT PROFESSOR/STRATEGY & ORGANIZATION

Koen joined VU University Amsterdam as an Assistant Professor in December 2013. He obtained his PhD from Warwick Business School in the UK and worked as a sustainability consultant prior to his academic career. In his research, Koen aims to unravel a wide range of issues around Corporate Social Responsibility (CSR), drawing broadly on insights from institutional theory, French pragmatist sociology, social movement studies and economic sociology. In his doctoral dissertation, Koen analysed the emergence of sustainability reporting in the Netherlands. Other fields of interest include the role of consultants and professional services firms in disseminating CSR practices, social movements trying to create institutional change around CSR issues (with a particular focus on the Slow Food movement) and the emergence of moral and responsible markets.

▶ **LISELORE HAVERMANS/** L.A.HAVERMANS@VU.NL
ASSISTANT PROFESSOR/ ORGANIZATIONAL BEHAVIOUR & HRM

Liselore's main research interests are leadership and development, especially in the context of project-based organizations. She defended her PhD dissertation on 'Leadership in project-based organizations: Dealing with complex and paradoxical demands' at the University of Amsterdam. Her dissertation addresses how leaders in project-based organizations address a number of challenges, such as harnessing both efficiency and adaptability and shaping and resolving complex emergent problems through language. Together with academics and practitioners, she explores leadership and development in contexts rife with complex and paradoxical demands. In collaboration with academics, practitioners and students, she aims to strengthen research, practice and teaching. Liselore is the principal researcher of a PMI-funded study that explores the learning experiences shaping the development of project managers, and a management board member and team leader of publications for the Dutch National Research Group (DNRG).

▶ **MARIA TIMS/** M.TIMS@VU.NL
ASSISTANT PROFESSOR/ ORGANIZATIONAL BEHAVIOUR & HRM

Maria's research focuses on proactive employees. At a time when proactive behaviour and flexibility seem to be buzzwords in many organizations, employees are expected to take the initiative to help organizations achieve their goals. However, employees are also proactive in working towards the achievement of their own goals. This proactive behaviour is called 'job crafting'. Maria studies how employees craft their jobs and the consequences of these crafting activities for the individual, team and organization. For the individual, we found that job crafting may lead to higher levels of engagement and performance when people are able to increase access to valuable job resources – like autonomy and support from colleagues – and challenging job tasks. However, when one person changes aspects of his/her work, this may affect other team- or department members, and possibly the organization as a whole. This interdependence challenges the freedom employees have to engage in job crafting and suggests a need for more research on how job crafting may create a balance between employees' and organizational goals.

▶ **FEMKE VAN HOREN/** FEMKE.VAN.HOREN@VU.NL
ASSISTANT PROFESSOR/ MARKETING

Femke has a background in social psychology and uses a multidisciplinary approach to understand the psychological processes underlying consumer behaviour. Her research focuses on product imitation, uncertainty, social comparison processes, embodiment and language in marketing communications. In her research addressing the topic of product imitation, she has demonstrated that, contrary to the general assumption, lookalike products that are highly similar to the imitated brand are negatively evaluated, whilst subtler forms of imitation are positively evaluated and thus more effective. More recently, Femke's research has concentrated on the effects of uncertainty on consumer decision-making and choice. Her work has been published in top-tier journals such as *Journal of Marketing Research*, *International Journal of Research in Marketing*, and *Journal of Experimental Social Psychology*.

▶ **SUSAN HILBOLLING/** S.HILBOLLING@VU.NL
PHD CANDIDATE/ INFORMATION & INNOVATION MANAGEMENT

Susan's research addresses how organizations manage time dimensions (e.g. pace, timing, temporal orientation) in collaborative innovation processes. Inter-organizational collaborations face challenges due to differences among the temporal structures of participating organizations. For example, start-ups are concerned with short-term survival, whilst established organizations need to engage in long-term planning to maintain their competitive advantage. Furthermore, the collaborating organizations may operate in multiple sectors or industries, each following their own temporal structures. Differences in the temporal structures enacted by participating organizations contribute to *temporal complexity*. The research aims to investigate how temporal structures are enacted in inter-organizational innovation projects, how the actors involved (strategically) manage the different temporal structures and what mechanisms are used to resolve tensions that arise as a result of temporal complexity during the collaborative innovation process.

▶ **DANIEL SAGATH/** D.SAGATH@VU.NL
PHD CANDIDATE/ STRATEGY & ORGANIZATION

In recent decades, space has become increasingly important as an enabler for social and economic development on a global scale. In Europe, space is seen as a driving force for the 21st-century scientific and technological industrial revolution. The current level of independent innovation and entrepreneurship in the European space sector, with the EU being an additional institutional player, is under debate. The main focus Daniël's PhD research is to establish how the entrepreneurial spirit of the European space sector can be enhanced and how institutionalization, for instance through the European Space Agency and EU Framework programmes and national policies, impacts independent innovation and entrepreneurship. This PhD project is based on official collaboration between the European Space Agency, the Netherlands Space Office and VU University Amsterdam.

A BUSINESS-ACADEMIA DEBATE

DATAFICATION OF HUMAN CAPITAL: WHAT EVERY BUSINESS LEADER SHOULD KNOW BEFORE TRANSLATING PEOPLE INTO NUMBERS



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'Our Human Capital is key to our organizational success': it is hard to find an organization that does not somehow subscribe to this view. These organizations are right too, there's no doubt about that. But living in the era of Big Data and Human Capital Analytics means organizations cannot afford to make these claims any more without putting their money where their mouth is. In other words, we would expect organizations to use data-driven decision-making for their human capital investments, actively increasing organizational success by predicting and influencing their human capital impact. After all, we are still living in times of crisis, when numbers matter more than ever and every investment is scrutinized carefully. Moreover, with the ability to quantify human capital impact and making the results of human capital investments 'tangible', finally there is a solution to a justification problem that has haunted so many organizations – the HR department in specific. One would expect every organization to want a slice of the Human Capital Analytics cake and jump straight into the movement. Surprisingly, however, a mere 4% of organizations¹ have successfully made steps in this area. 'Why such a low number?' you might ask? Let us try to answer this question.

A QUICK FIX DOES NOT EQUAL A QUICK WIN: HUMAN CAPITAL ANALYTICS IS NOT SOMETHING YOU DO 'ON THE SIDE'

Google the term 'Human Capital' and you can expect to get over 55 million hits. Google the considerably younger term 'Human Capital Analytics' (HCA) and you receive almost 4.5 million results; a mind-blowing number, and a good indication of how today's upper management can get lost in the huge amount of information on HCA. Eager to join the movement, many organizations try to start implementing HCA. 'Try', we say, because too many organizations lack a solid approach to setting up their HCA function, and wash their investments – often substantial – down the drain. Underestimation is often the culprit.

Underestimating the required capability is the first inhibitor of success. You probably know an HR professional or two that have been promoted to HR Business Partner with HR Analytics in their portfolio, or an entire HR department that has been given responsibility for HCA. Often the HCA ambition and the accompanying respon-

sibilities are greater than the capability present, thereby setting HCA initiatives up for failure. Defining the HCA ambition carefully and comparing it to current capabilities and expertise is the first key to achieving success. Many organizations will then find that they lack sufficient expertise, mainly because carrying out the responsibility for high-quality HCA requires a rare-to-find combination of both analytical (quantitative) skills and consultative skills to both understand data trends and translate them into business implementations and benefits. Second, in the search for a 'quick win', organizations often underestimate the time and effort that are needed to 'clean up' their data (make data as accurate as possible) and to make their data compatible across different functions. For example, making engagement scores compatible with sales numbers is no easy undertaking. Unless your organization can draw on deep expertise and/or has the luxury of operating on a data-warehouse ready for HCA, the chances of a successful HCA function are close to zero. In practice, many organizations are unable to get to the other side of 'the wall' when it comes to HCA: they do not evolve from mere descriptive metrics (surveys, scorecards, ratios) to insightful predictive analytics, which, in contrast to descriptive metrics, is not limited to just the HR function. Predictive analytics focuses on the cross-functional data analysis needed to spot the trends that can predict human capital impact on business results. Organizations that do flourish with HCA initiatives avoid making these mistakes and reap the benefits that HCA has to offer. But what are these benefits, and why should we care?

THE PROMISE OF HUMAN CAPITAL ANALYTICS: INCREASING ORGANIZATIONAL SUCCESS BY PREDICTING THE RIGHT HUMAN CAPITAL INVESTMENTS

Research shows that HCA is used mainly for three purposes: 1) Getting a sense of what types of people and skills a business will need to achieve business performance (up to three years in advance). These insights should shape HR's workforce planning strategy. 2) Getting insights into the real factors that improve employee engagement and thereby reduce turnover of the most productive workforce and improve productivity. These insights should impact the way organizations try to influence employee engagement factors. 3) Identification of the leadership factors and programs that maximally increase their organizational success at a minimal cost. Leadership programs are expensive, so they need to be effective. Knowing which leadership programs (or elements) are most effective can help increase the efficiency of Human Capital investments significantly. Not surprisingly, the numbers support this use of 'data-driven decision-making' over traditional decision-making,



as it has been shown to increase productivity by 5%, profit by 6% and market value by 50%.²

IT'S NOT ALL ABOUT NUMBERS, OTHERWISE IT WOULD NOT BE CALLED 'HUMAN' CAPITAL ANALYTICS

With the ability to reduce human capabilities, competences and preferences to numbers, a fundamental ethical issue arises: the data are about real people, all unique individuals. We cannot permit ourselves to think of people merely as means to an end that can easily be influenced, modified or changed without any regard to their individuality, the way we can with other capital. That said, this is indisputably a risk that comes with the possibility of quantifying almost anything. Having a true moral conscience regarding the datafication of human capital will be essential for business leaders in a future that offers countless opportunities, but also an equal number of risks of using numbers rather than people factors, gut feeling and instinct. Successful Human Capital Analytics is therefore about predicting human capital impact and simultaneously cherishing the individuals that together make up your Human Capital.

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¹ According to research on US organizations by Bersin; the numbers for Europe are not available yet, but are expected to be even lower.

² Brynjolfsson, Erik and Hitt, Lorin M. and Kim, Heekyung Hellen, *Strength in Numbers: How Does Data-Driven Decisionmaking Affect Firm Performance?* (April 22, 2011)

Limited Brands, Best Buy	These companies can identify the value of a 0.01% increase in employee engagement. At Best Buy, for example, this has a value of more than \$100,000 in the store's annual operating income.
Google	Shorter job interviews increase the chance of a job-fit for new recruits, thus Google reduced job interviews to a maximum of four 30-minute sessions, increasing potential job-fit to 90%.
Google and AT&T	Both companies used quantitative analysis to establish that the ability to take the initiative is a far better predictor of high performance than academic records from prestigious schools, and altered their recruitment methods accordingly.
Xerox	Call centre employees with previous call centre experience performed worse than those without previous experience. Xerox was thus able to lower recruitment costs due to better fit estimates for candidates hired.
Oracle	Oracle redesigned its global retention policy after it became able to predict which top performers were likely to leave and, more importantly, why they might leave.
Dow Chemical	The firm is able to calculate future headcount by segment and level for each business unit by using a custom modelling tool, and uses it to yield the workforce projection for the entire company by simulating scenarios and altering assumptions on internal variables.



A BUSINESS-ACADEMIA DEBATE

BUSINESS ANALYTICS AND BIG DATA

OPPORTUNITIES FOR VU UNIVERSITY AMSTERDAM?

DR. FRANS FELDBERG,
VU UNIVERSITY AMSTERDAM
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When the subject is Big Data, the discussion can become heated. Industry sees abundant opportunities for using Big Data to achieve revenue growth, improve performance, generate new business models and so forth. Market research bureau Gartner reports that industry has consistently put Big Data in the top ten of strategic technology trends in recent years. The scientific and academic worlds have also discovered the relevance of Big Data, even calling it 'the mother lode of disruptive change in a networked business environment' (Chen et al. 2012, p. 1) and a foundation for digital innovation (Fichman et al. 2014). From a social perspective, Big Data is certainly not viewed solely as an 'opportunity'. The discussion about Big Data focuses as much on 'threats' as on opportunities, and centres around important issues such as privacy and ethics. A customer intelligence manager at a major telecommunication company captured the concerns succinctly in a recent presentation: 'Big Data: big dilemmas!' From this perspective, Big Data is certainly a phenomenon that universities should be exploring.

But what exactly is Big Data? 'Big' should not necessarily be interpreted as 'a lot of' data. The term is used for applications where the quantity of data and analysis techniques are large and complex enough to require unusual, advanced technologies for storage, security, data management, visualization and analysis (Chen et al. 2012). These applications are accordingly beyond the reach of traditional database and data warehousing technologies. Big Data has also been called the modern equivalent of the microscope (Brynjolfsson and McAfee 2011). The arrival of the microscope in the seventeenth century meant that scientists could scrutinize objects whose very existence was previously unknown. This Dutch invention had a considerable impact on scientific opportunities and achievements. The impact of Big Data may be similar. Big Data has the potential to reveal hitherto unimagined features by setting powerful analysis tools to work on the subtle details within enormous quantities of data.

Is Big Data new for VU University Amsterdam? Regarding the essence of big data, which is about translating data into action-oriented insights, research groups in various faculties have been engaged in this aspect for a very long time. Many different labels have been given to the research involved over the course of time. The term

'Big Data' was coined in 2008 in a special issue of Nature (2008), but is consistent with a line of thought in which the importance of data is shifting from a 'transaction vehicle' to a 'source of value'. This line of thought started in the 1960s with the introduction of management information systems, and recently spawned the term 'data science' (Davenport and Patil 2012). Big Data is closely related to Business Analytics (Chen et al. 2012), an area of research devoted to the analytic component of transforming data into knowledge. This analytic component can be concerned with statistical analyses, or the development of models for forecasting, extrapolation and optimization. The importance of Big Data in this context is that it provides 'microscopes' for managing both large quantities of data and the complexity inherent in the analyses. Big Data makes new analyses in the Business Analytics domain possible and feasible. For example, Big Data tools allow analyses that would once have taken days to complete in a matter of hours. Business Analytics is an area of research in which we at VU University Amsterdam have been engaged for many years, and in which we have accumulated substantial expertise and experience. The VU University Amsterdam Faculty of Sciences even has a separate 'Business Analytics' programme, in which the Faculty of Economics and Business Administration plays an important role.

Our success in combining the increasing importance of Big Data with our scientific expertise is a matter of *noblesse oblige*. The departments of Information, Logistics and Innovation (Faculty of Economics and Business Administration) and Mathematics (Faculty of Sciences) duly combined forces in 2012 to set up a multidisciplinary research centre known as the Amsterdam Centre for Business Analytics (ACBA.nl). The goal of ACBA is to develop, disseminate and commercially exploit Business Analytics knowledge by bringing science and industry together. Fairly soon after its foundation, the Department of Computer Sciences (Faculty of Sciences) joined ACBA, creating not only a unique pool of 'business', 'analytics' and 'informatics' knowledge, but also equipping the centre with a platform that encompasses all the components needed for decision support: data, models and interaction (Sprague 1980). For example, companies are grappling with the large quantities of data (Big Data!) that their users generate on their smartphones, along with ways of converting these data into knowledge (models), and of using what emerges to help clarify issues

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BIG DATA

surrounding customer satisfaction and loyalty (interaction with markets). These three elements are not isolated from each other, but demand an integrated approach. As a multidisciplinary research centre that possesses the right expertise and technical infrastructure, ACBA offers companies such an approach. A 'one-stop shop' has thus materialized within VU University Amsterdam that companies can approach not only with questions related to Business Analytics, but where 'labs' are also available to support all relevant components.

Various organizations are now involved in ACBA. One is a medium-sized company in the bicycle industry that views mobile interaction with its users, Big Data and social media as the determinants of digital innovation. This company needs to know what gets cyclists going, both literally and figuratively. Together with ACBA, it is developing a smartphone app to support amateur cyclists in training and competitions. The app can be classed as a decision-support system that gathers data about such factors as distance travelled, speed and training session times. The large quantities of data (Big Data) are collected online in real time, analysed, and fed back to the cyclists. The pilot system developed for this purpose uses the existing research infrastructure that is integrated into the platform. Computer Sciences has the expertise to manage large quantities of data in multiple locations (the cloud, smartphone, etc.), Mathematics can develop the models to feed back the requested information in real time, and Information Sciences can arrange for valuable interaction with the cyclists and identify just what it is that 'gets them going'. Human movement scientists will be invited to contribute their know-how regarding training schedules, fitness level and health. And it goes without saying that the entire team is considering the impact of this kind of solution on privacy. Another example is a municipality that has joined with ACBA to research opportunities for using Big Data and Business Analytics for public administration, and for supporting residents in relevant decision processes. This municipality is running several pilot projects, one to support informal carers, and another to promote healthy behaviour. Furthermore, Deloitte is the sponsoring partner for a study on the opportunities for using Big Data in revenue management. Finally, we would like to mention a research project about the use

of 'wearable devices'. These systems, often in the form of an armband or wristwatch, are used by individuals to log movements, sleeping patterns, nutrition and state of mind. Based on the data, users receive information about their personal performance (biofeedback), and they can use what they learn to make decisions of their own for a healthier life. With the research we hope not only to shed light on the ideal combination of factors, but also on whether the use of the data that this kind of system can deliver really contributes to a healthier life. All these projects go beyond investigating opportunities and also consider privacy-related and ethical aspects.

The projects described above represent a very limited subset of everything that is going on in the field of Business Analytics and Big Data at VU University Amsterdam. A great deal of relevant research is also being carried out in the departments of Econometrics & OR and Marketing at the Faculty of Economics and Business Administration, for example, and likewise in numerous other departments of various faculties at VU University Amsterdam. As to whether Business Analytics and Big Data offer opportunities for VU University Amsterdam, the provisional answer is a definite 'yes'. Since Business Analytics and Big Data are currently so pertinent, there is no need for us to take a modest stance, and indeed we are in a position to demonstrate our ability to perform extremely relevant and usable research. An important objective of ACBA is to make all of the relevant VU University Amsterdam research visible to industry, and thus to solicit collaboration. The interest is definitely there, and the number of companies working with ACBA in the field of Business Analytics, data science and Big Data is increasing significantly. This trend is not limited to research, but is also in evidence in education. For instance, together with the Tax and Customs Administration, ACBA has developed a 'Business Analytics & Data Science' course to allow tax authority staff to translate the latest insights in the field of Business Analytics and big data into their everyday working practice. In view of the high level of interest in this course, it has now been opened to outside parties.

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IMPROVING OUTSOURCING NEGOTIATIONS

Profit, non-profit and government organizations increasingly outsource parts of their business activities to external partners. In this way, organizations use the partner's expertise and business capabilities to control costs and become more efficient, flexible and innovative. In practice, however, many outsourcing contracts fail to deliver on their promises. Conditions may have changed (especially for off-shoring outsourcing contracts to companies overseas), the contract may not have been executed as intended or the partners may start their outsourcing relation based on a faulty contract. Our research focuses on the latter explanation; we attempt to find out under which conditions partners are able to reach an optimal outsourcing contract. We define an optimal contract as a contract that identifies the total gains to be reached when both partners cooperate fully with each other. In our study, we use an experiment in which a company (called the buyer) outsources an activity to a supplier. Buyers and suppliers negotiate a contract that covers the acquisition of a machine and a service contract that defines two aspects: maintenance intensity and the delivery of spare parts. The price of the machine and the cost of maintenance and spare parts are negotiable. Participants in the game freely negotiate and choose among a defined set of prices and service levels. The set of alternative prices and service levels is calibrated

in such a way that effective bargaining leads to an optimal contract for both partners in which the total gain (the joint profit) for the two partners is optimal. We had 350 participants (175 buyer-supplier dyads) play the game under different conditions and we monitored both the agreements reached as well as each partner's communication with the other partner.

An important condition is the level of uncertainty: most outsourcing negotiations take place in uncertain conditions and their outcomes cannot be foreseen very well. We found that uncertainty influences the mental orientation of the partners: when prices are uncertain, buyers focus primarily on the maximum estimated price and suppliers on the minimum estimated price. It also influences the way in which each partner communicates in the negotiation. Uncertainty leads to more competitive negotiation behaviour, which means that partners focus primarily on their own benefits, even if this comes at the expense of the partner. More competitive negotiation behaviour appears to lead to contracts that produce lower joint profits. We found that two

alternative measures help to change negotiation behaviour and improve joint profits. The first is to provide more detailed cost and price information on the contract terms. A practical example of this measure is to replace fixed prices by the total cost of ownership for service and spare parts. More detailed information facilitates more meaningful negotiations, which may reduce competitive behaviour and stimulate integrative negotiation behaviour instead. Partners using integrative negotiation behaviour try to make trade-offs or jointly solve problems to realize mutual benefits. A second measure is to monitor each partner's behaviour more closely, by having their calculations and affirmations audited by a third party (a boss or an external auditor or consultant). Our results show that more detailed cost information and monitoring indeed lead to more integrative negotiation behaviour and better contracts with higher joint outcomes.

A second major theme in our research is the role of trust between negotiators. When partners trust each other, they indeed use more integrative negotiation tactics and reach higher joint outcomes. The negotiations do not take less time, though, but take even more time to conclude, however; trusting partners appear to exchange more information and they need more time to identify solutions that serve mutual interests better. A crucial question is: how does trust emerge during the negotiations between outsourcing partners? In our experiments, we see that uncertainty has a negative effect on trust creation. The use of refined cost information and monitoring in highly uncertain conditions remedies this problem. However, the best way to create trust is to use integrative tactics and reach high joint profits in the initial negotiation rounds. Once trust is created, this influences behaviour and outcomes in later negotiation rounds. Good behaviour and high joint outcomes in the initial negotiation rounds stimulate trust and predict subsequent integrative negotiation behaviour and high joint profit outcomes in later negotiation rounds. Our research shows that trust needs to be earned: only trust created by negotiation behaviour in the past influences negotiation behaviour and outcomes in the future.

A third and final theme is the question of which partner contributes what to the joint negotiation process and its outcomes. Most research looks at the level of

the dyad (buyer and supplier combined) and analyses the behaviour and outcomes of the joint negotiation process. If we look at what happens at the individual level, we see that negotiation behaviour and outcomes are not evenly distributed between the partners. Positional differences appear to exist: on average, buyers negotiate more competitively and earn more than suppliers do. This may be caused by the condition that suppliers have to start bidding first, which may lead buyers to become more critical and reject most of the suppliers' bids. It may also be caused by the participants' perception that the supplier should serve the client, which makes them somewhat more lenient towards buyers' bids. An important outcome of our study is that negotiation behaviour is reciprocated by the partner: if a negotiator uses an integrative tactic, this will also be used by his partner. In general, integrative tactics lead to lower individual profits for negotiators than distributive tactics. However, due to the reciprocity by the partner, the indirect effect is that the negotiator's profit will increase. Overall, the indirect effects are larger than the direct effects, and therefore the final result is that the profit of the integrative negotiator will be higher than that of the distributive negotiator.

Based on our research, we conclude that outsourcing conditions and negotiations can be effectively managed by each partner in such a way that the resulting outcomes are conducive to a successful outsourcing relationship.

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THE PROCUREMENT OF PROFESSIONAL SERVICES: HOW DO ACCOUNTANCY FIRMS TENDERING PROCESS



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SUMMARY

A central concern in the procurement of professional services is the difficulty for clients in assessing the quality of these services, even after they have been produced and delivered. In better understanding the way potential clients can be convinced of the value of a professional service firm, this paper focuses on the ways accountants deal with formal tendering processes. Based on 75 evaluations of one of the Big Four accountancy firms, this study sheds light on the relevant factors at various stages of the tendering process that are crucial for winning or losing a tender.

BACKGROUND

How do accountancy firms deal with formal procurement processes for professional services? The main reason for organization to use the professional services of an accountant relates to the legal requirement have their annual accounts audited and to receive an audit report from a chartered accountant (NBA, 28 March 2012). In recent years, however, the accountancy profession has come under increasing pressure. Due to intensified competition within the field of accountancy, more critical and demanding clients, and the influence of consultants within the large accountancy organizations, there is an increased focus on client relations (Gendron, Suddaby and Lam, 2006; Suddaby and Greenwood, 2001). At the same time, the introduction of the Dutch Law on Accountancy on 1 January 2013 seems to have made it increasingly difficult for accountants to build strong relationships with their clients. Indeed, the intention of this law is to generate more distance between the accountant and the client, through mandatory firm rotation – at OOB organizations – and the separation of auditing

SURVIVE ES?

and advice. It affects the Big Four organizations in particular (Deloitte, E&Y, KPMG and PWC). Because of the aforementioned legal developments, large clients avail themselves more often of a formal tendering process as a structured assessment method for the procurement of professional services (FEE, 2013; O'Mahoney, Heusinkveld & Wright, 2013; Kubr, 2002) in order to select their accountant. This tendering process is often described as consisting of different phases such as (1) the orientation phase, in which the client invites firms to write a proposal; (2) the intake phase, focusing on exploration of mutual expectations; and (3) the presentation phase. The successful completion of the various phases results in winning the tender and signing the contract. It is thus important to gain insight into client requirements within these tendering processes, given that winning tenders is crucial for the long-term viability of an accountancy firm.

METHODS

In order to improve our understanding of the factors in the tendering process that determine whether or not a tender is won, we conducted a qualitative content analysis of 75 client reviews (53 commercial tenders and 22 European tenders) in the spring of 2012. The client evaluations are reports of interviews conducted with the client by an independent person who was not involved in the tendering process. The respondents with whom these interviews were held had positions such as: CFO, Head of Internal Audit, buyer, staff member of a financial department (Accountancy, Finance Director, Head of a Financial Business Unit, (Group) Controller).

FINDINGS AND DISCUSSION

The most important reason for rejection in the first phase involves an absence of personal 'click', a lack of long-term development in the client-accountant relation and a lack of visi-

bility. In the early stages it seems important to focus on building long-term relationships and contact different client groups. In the second phase, insufficient matching with clients' expectations (with regard to contents and specific clients' needs) is a major reason for rejection. It is therefore crucial to develop an adequate view of the different client requirements by listening carefully, seeking dialogue with various client groups and showing empathy. Results show that in the third phase, not only is a low-quality presentation that lacks enthusiasm considered an important reason for rejection, but also uncertainty about the team composition and the 'feeling' with the lead partner. Therefore during the final phase it is of crucial importance to perform a presentation that shows confidence that will stimulate and challenge the client, that addresses the client's specific needs and that offers customization. The team must be balanced in composition with the lead partner playing a primary role.

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PRACTICAL IMPLICATIONS

Our study shows that the client will not be satisfied with an accountant who only excels in performing an audit of the financial statements. Rather, entering into client relationships and managing the expectations of the client are central to surviving tendering processes. Therefore a key challenge for the Accountant would be to find a way to build effective relationships within the framework of more stringent regulations. Especially in the preliminary stages, improvement is often possible. Usually, relatively more energy is invested in the final phase of the tendering process, often due to time constraints, while substantial opportunities lie in the trajectory leading up to that phase. This can be done through all kinds of meetings. Also, relations can be kept informed of developments in the market by sending out sector-specific publications. Moreover, accountancy firms could plan this task as a more regular part of their duties. A different reward structure from the one that is currently in place could encourage accountants to invest more time in tendering processes. In addition,

more attention should be paid to the tendering process during the training of accountants.

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UNCERTAINTY IN THE CONSULTANT-CLIENT RELATION: WHAT JOKES CAN REVEAL TO US

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Many consultant jokes paraphrase how tolerant we can be towards uncertainties or how we can make use of uncertainty. As a junior consultant you may joke about your high fee, because you feel embarrassed asking a client for so much money, or you feel embarrassed about advising a client that has much more experience. Many jokes illustrate tensions such as these. The relief theory of humour explains joking in terms of this coping motive. The theory reveals why joking about uncertainty is funny, and what jokes can tell us about consultants and uncertainty. In a study published in the *International Journal of Management and Organization*¹ I analysed coping jokes about uncertainty in the consultant-client relation. What follows is a summary of that article.

A close reading of coping jokes reveals how both consultant and client have their own tactics for making the other party more or less uncertain, and how they use the uncertainty of the other party to their own advantage. These tactics often cross the line of what we consider to be normal or appropriate, but are still common enough to feel familiar. Table 1 summarizes the main findings of the study. Each group of tactics for increasing, using and reducing uncertainty is shown in the columns of the table.

CREATING UNCERTAINTY

The most dominant uncertainty tactic used by consultants is to purposefully create or emphasize client problems, because this generates work for consultants. One joke in this category about the 'oldest profession' (that of physician, engineer or consultant) refers to the Old Testament:

A physician, a civil engineer and a consultant were arguing about what was the oldest profession in the world. The physician remarked, 'Well, in the Bible, it says that God created Eve from a rib taken out of Adam. This clearly required surgery, and so I can rightly claim that mine is the oldest profession in the world.'
The civil engineer interrupted and said, 'But even earlier in the book of Genesis, it states that God created the order of the heavens and the earth from out of chaos. This was the first and certainly the most spectacular application of civil engineering. Therefore, fair doctor, you are wrong: mine is the oldest profession in the world.'
The consultant leaned back in her chair, smiled, and then said confidently, 'Ah, but who do you think created the chaos?'

Clients, on the other hand, play the same game. Two cartoons, one 'Dilbert' cartoon with Ratbert as the consultant, and one from www.cartoonstock.com, portray the consultant as being shot into a client organization with a canon or catapult. As an observer, one can imagine how they suffer from their insecure position. Other jokes make a connection between a consultant's insufficient knowledge and feelings of insecurity, as in the 'Top ten things you'll never hear from your consultant'; in sixth position is, 'I don't know enough to speak intelligently about that.'³ As experts, consultants *should* know, and as the client, you *want* them to know. Suggesting that they do not meet these standards creates a feeling of insecurity.



USING UNCERTAINTY

A second theme of the jokes is what consultants and clients do with uncertainty, once the feeling exists. Four cartoons stress the esoteric knowledge of consultants, who are pictured as clergymen and as mediums who receive messages from God or Satan. In line with such cartoons, one also finds jokes in which the consultant uses the client's uncertainty in order to make nonsensical recommendations. Below, for example, is the second nonsensical suggestion made in a joke about a farmer who needs help with his dying chickens:

[...] After a week, the farmer came back to the consultant and said: 'My chickens are continuing to die. What shall I do?' 'Add strawberry juice to their drinking water, that will help for sure'.⁴

Such characterizations of consultants resemble those guru-consultants who are sometimes described as 'witch doctors' or 'charlatans'. Clients are in a difficult situation here, as they are dependent on bluffing or lying consultants. However, clients can also exploit consultant uncertainty, as in the joke: 'Consulting revisited'; the eighth bullet-point states that 'If you consult enough experts, you can confirm any opinion'.⁵ The joke 'Consultant commandments' reflects an even more critical client position, in which the client deconstructs what the consultant says. It states: 'He who hesitates is probably right.'

REDUCING UNCERTAINTY

Consultants also apply tactics to reduce uncertainty, and most jokes illustrate these tactics. A first group of consultant tactics influences both consultants and clients by targeting the subject under investigation that is creating uncertainty. A second group is directed at clients, and a third group at consultants' feelings of uncertainty. One illustrative joke about reducing uncertainty compares a consultant to a priest and a rabbi:

A priest, a rabbi and a consultant were travelling on an airplane. A crisis occurred and it was clear that the plane was going to crash and they would all be killed. The priest began to pray and finger his rosary beads, the rabbi began to read the Torah and the consultant began to organize a committee on air traffic safety.⁶

This strategy – organizing a search process to find a solution – is well known as a means to cope with bounded rationality, but the joke clearly identifies the limits of this process-based approach in the given context.

For clients, the most common tactic for reducing uncertainty revealed in the jokes is that of hiring consultants. Five cartoons illustrate consultant tactics that serve the purpose of reducing client uncertainty, such as reckless encouragement, selling positive thoughts and selling a feeling of security and optimism.

CONCLUSION

The forms of consultant behaviour captured in the jokes, such as bluffing and lying, giving advice that is not based on expertise, or creating chaos, are somewhat taboo. For consultants, it is difficult to admit to such mediocre behaviour, which is what makes the jokes so funny. For clients, however, it is equally embarrassing to admit that they repeatedly hire such mediocre consultants. Therefore both client and consultant behaviours support the interpretation of coping humour. Jokes such as these make these problematic behaviours somewhat discussable.

As coping jokes reveal behaviours that are difficult to discuss, in future, my research will use jokes and cartoons as ice-breakers in interview studies and research into business ethics, tainted professions and business paradoxes. They might also prove a useful tool for stimulating discussion about commercial ethical dilemmas during training sessions or in situ philosophical reflections and conversations.

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¹International Journal of Management and Organization, 43(3) 2013: 41-57.

²<http://www.desiest.com/jokes/joke.jsp?id=5317>

³<http://www.mmnet.com/HyperNews/get/humor/36.html>

⁴<http://nowthatisfunny.blogspot.com/2005/10/jokes-about-consultants.html>

⁵<http://www.workjoke.com/consultants-jokes.html>

⁶<http://nowthatisfunny.blogspot.com/2005/10/jokes-about-consultants.html>

Table 1: Consultant and client tactics for dealing with uncertainty, illustrated in jokes

UNCERTAINTY	INCREASE/ARTICULATE	USE/MISUSE	REDUCE/MITIGATE
Consultant tactics Client tactics	<p><u>Increase client uncertainty</u> (articulate problems, create chaos)</p> <p><u>Increase stakeholder uncertainty</u> (dissemination of irrelevant information)</p> <p><u>Increase uncertainty of consultant</u> (stress lack of knowledge and insecure position)</p>	<p><u>Establish own authority</u> (claim esoteric expertise, give nonsense advice)</p> <p><u>Establish own authority</u> (choose from different expert opinions; deconstruct consultant's views)</p>	<p><u>Mitigate uncertainty awareness</u> (reframe, be overly general/vague, guess)</p> <p><u>Reduce client uncertainty</u> (sell positive feelings/ thoughts and encourage)</p> <p><u>Reduce own uncertainty</u> (use textbooks, keep distance)</p> <p><u>Reduce own uncertainty</u> (implied: hire a consultant)</p>

THE ECONOMIC FUNCTION OF STANDARD & POOR'S AND MOODY'S IS PRIMARILY CERTIFICATION

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In corporate capital markets, Standard & Poor's and Moody's tend to fulfil the certification needs of investors, not the need for accurate point-in-time credit risk information. To support this certification need, Standard & Poor's and Moody's stabilize their ratings to a great extent. Research reveals that rating stabilization fully offsets the information advantage that agencies naturally have compared to publicly available information. The demand for a benchmark (reference point) in credit markets might explain why the major credit rating agencies still have a dominant position in the rating industry.

MOTIVATIONS FOR RATING STABILITY

The majority of investors believe that corporate issuer credit ratings are accurate measures of the issuer's creditworthiness. However, investors are less satisfied about their timeliness. Several surveys conducted in the US reveal that most investors believe that rating agencies are too slow in adjusting their ratings to changes in creditworthiness. At the same time, investors prefer some degree of rating stability so as to avoid having to frequently rebalance their portfolios, even when this is justified by the underlying credit risk fundamentals. In addition, from a supervisory perspective, rating stability is desirable to prevent procyclicality effects. A prompt and full response to changes in actual creditworthiness could deepen a financial crisis. Another motivation for rating stability relates to the reputation of agencies. More

timely rating adjustments will increase rating reversals within a short period of time. This might give investors the impression that rating agencies are providing inaccurate ratings, even if more timely and volatile ratings reflect the dynamics of current creditworthiness better. It is better to be late and right than fast and wrong. A factor that is not often mentioned, but potentially an important motivation for rating stability, is that of keeping the agencies' organizational costs related to rating adjustments under control.

RATING STABILITY AND ACCURACY

Agencies aim to balance rating stability and rating timeliness using a through-the-cycle methodology. The first aspect of the through-the-cycle rating methodology is captured in its name. By filtering out the temporary component of default risk, only the permanent, long-term and structural component is measured. The second – less well-known – aspect of the through-the-cycle methodology is the enhancement of rating stability by a prudent migration policy. Only substantial changes in the permanent component of default risk lead to rating migrations and, if triggered, ratings are only partially adjusted to the actual level in the permanent component of default risk. Although not officially disclosed by agencies, Moody's provided some insight into this in January 2002, stating that its migration policy was to be reconsidered: 'Under consideration are more aggressive ratings changes – such as downgrading a rating by several notches immediately in

reaction to adverse news rather than slowly reducing the rating over a period of time – as well as shortening the rating review cycle to a period of weeks from the current period of months'.

IMPACT OF THROUGH-THE-CYCLE METHODOLOGY ON RATING QUALITY

Precisely how rating agencies put their through-the-cycle methodology into practice is not clear. Treacy and Carey (2000) describe the through-the-cycle rating methodology as a rating assessment in a worst-case scenario, at the bottom of a presumed credit quality cycle. Altman and Rijken (2004) have quantified the parameters of the migration policy. This enables them to quantify the negative impact of the through-the-cycle methodology on the accurateness of agency ratings. The conclusion is that the agency ratings' prediction performance is much worse than a simple credit scoring model utilizing a few financial ratios with accounting and stock price information. Recent research (2014) reveals that Outlooks and Watchlists (additional credit risk in formation provided by rating agencies) only partially close the information gap between agency ratings and equivalent ratings based on a simple credit scoring model.

CERTIFICATION FUNCTION

Due to legal and contractual restrictions, most institutional investors are only allowed to invest in companies rated by an agency with an NRSRO status (National Recognized Statistical Rating Organization). In order to have access

A photograph of the Standard & Poor's building facade. The name 'Standard & Poor's' is written in large, white, three-dimensional letters on a brown wall. Below it, in smaller white letters, it says 'A Division of The McGraw-Hill Companies'. To the right, there is a logo consisting of two interlocking hearts.

to the capital market, companies are forced to use ratings from NRSRO agencies. Even though the legal basis of the NRSRO status is only found in the US (SEC), having an NRSRO rating is a necessary condition for large international companies to have sufficient access to the international capital market. As long as agency ratings are used as portfolio eligibility standards set by regulators, fund trustees and boards of directors, agency ratings will serve as the reference point, even if the quality of their information is not superior and competitive sources of more accurate credit risk information are available.

A widely accepted (reference) rating scale strongly supports pricing and transaction efficiency in credit markets. The pricing of debt securities seems to be strongly linked with the level of the agency ratings and less correlated with the dynamics of the underlying credit risk fundamentals. Rating adjustments appear to trigger strong price responses in security markets, although rating adjustments primarily reflect changes in credit risk fundamentals 6-9 months earlier.

New regulation – both in the US and EU – is not focused on the certification function of agency

ratings, but intends to improve the quality of the information provided by agency ratings through more strict supervision of the agencies' internal rating assignment process and by allowing more competition in the rating industry. Not surprisingly, the new regulation does not seem to have altered the dominant position of Standard & Poor's and Moody's in the rating industry. For example, to allow for more competition in the rating industry, the US Congress approved the Credit Rating Agency Reform Act in September 2006. This act introduces a new system of voluntary registration, so any rating agency that can show a good track record – subject to objective criteria – can obtain an NRSRO designation. As a result, more agencies have gained NRSRO status, but the dominant position of Standard & Poor's and Moody's remains unaffected.

Presumably, only a restricted number of major rating agencies will survive in free-market conditions when the certification need is the most important economic function of agency ratings. Portfolio eligibility standards have to be widely accepted, so investors prefer a restricted number of rating agencies that limits conflicting rating opinions and safeguards the consistency

in the rating scale. So far, investors, authorities and regulators have used the agency ratings as the benchmark for credit markets; and a benchmark needs to be stable.

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WELL BEGUN

IS HALF DONE:

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THE ROLE OF CAREER COMPETENCIES IN YOUNG EMPLOYEES' WELL-BEING, PERFORMANCE AND CAREER DEVELOPMENT



In this article, I will argue that it is crucial for young employees to gain career competencies in order to be productive and successful. Specifically, the research I performed with my colleagues shows that young workers particularly need reflective, communicative and behavioural career competencies, and that these competencies can lead to enhanced performance and well-being. We also demonstrate that an intervention based on these career competencies can enhance the career competency development, employability and work engagement of young employees. I will elaborate on this research below.

In the current dynamic labour market, employees increasingly need to take responsibility for their own careers. There is a growing emphasis on flexibility, unpredictability and the need for continuous learning and development, which makes it crucial that employees proactively self-manage their work and careers in order to be productive and successful. However, these developments may have a profound effect, especially on young employees who are still at the start of their working lives. These young workers go through many changes (e.g., a socialization period, forming a professional identity, and finding a fitting job) in a relatively brief period of

time, and they often face difficult challenges such as job mismatches, poor working conditions and underemployment. Indeed, statistics show that young employees have been hit hardest by the worldwide economic crisis of the past few years, with an alarming average EU youth unemployment rate of 28%. These issues clearly demonstrate that it is crucial to support young adults during the first years of their professional careers, in order for them to experience a successful transition to working life and lay the foundation for their sustainable employability, and for organizations to have a productive and innovative young workforce.

The first contribution we make in this area focuses on the development of a framework of career competencies. Our research shows that young workers particularly need reflective (i.e., reflection on motivation and reflection on qualities), communicative (i.e., networking and self-profiling) and behavioural (i.e., work exploration and career control) career competencies. Developing these competencies will lead to improved career-related outcomes such as enhanced career motivation and employability. Moreover, we also find that career competency development is closely linked to work-related outcomes. Specifically, career competencies and

job resources, such as autonomy, social support, and opportunities for development, can enhance each other and subsequently lead to higher levels of work engagement among young workers. For example, opportunities for development at work can increase a young worker's reflective competencies, which will subsequently increase engagement. This also works the other way around: developing reflective career competencies can increase the awareness of available opportunities for development, which will in turn increase work engagement. Thus, career competencies are important both for self-management of work and careers of young employees.

A second contribution is that we developed the CareerSKILLS intervention: a brief group-training method that focuses on the six career competencies mentioned above. Moreover, this intervention is based on the JOBS methodology, a training method that has been shown to be effective in the US, Finland and the Netherlands. This methodology focuses on increasing self-efficacy (i.e., one's belief in one's ability to successfully perform a certain behaviour) and resilience against potential obstacles, and is characterized by active learning processes. The intervention consists of four sessions of 4 hours that take place over two weeks, and is followed by a final session a month later. We implemented CareerSKILLS in a large educational organization and in a multinational organization, and empirically tested whether the intervention was effective by conducting surveys directly before the first session, directly after the fourth session,

personal development. In addition, the CareerSKILLS intervention could become part of HR policies for young workers, for example as a standard training programme during their socialization period in an organization. A second implication is that our research, including other studies that we performed, shows that young workers may have a particular need for positive stimulation and motivation. That is, providing them with sufficient job resources such as opportunities for development and autonomy, together with a chance to develop their career competencies, may be the key to a sustainably employable and productive young workforce. Managers and HR professionals can take this into account when making decisions about the design of work and the conditions associated with young employees' jobs. For example, they could ensure that sufficient levels of autonomy are integrated in young workers' jobs, and provide them with substantial managerial support. In addition, it may be important to enable young workers to engage in job crafting behaviours, where they can adapt minor aspects of their work (e.g., working from 10 a.m. until 6 p.m. instead of the 'regular 9 to 5') to increase their well-being, productivity, and development. Providing challenging jobs that enable young workers to manage their work and careers proactively would constitute an important start to having a productive and innovative organization, and at the same time a young workforce with high levels of performance and career development.

Dr. Jos Akkermans is an Assistant Professor in the Department of Management and Organization at VU University Amsterdam. His research



and finally, directly after the fifth session. Our results strongly support the effectiveness of the intervention: compared to a control group, participants in the intervention report higher levels of career competencies, career-related behaviours, employability, and work engagement directly after the intervention. Moreover, this effect remains stable after a month in both organizations. We conclude that the CareerSKILLS intervention is an effective way of increasing young workers' career competencies, employability and well-being, and it is a promising tool for supporting them in their early careers.

Our findings have several implications for managers, HR departments and career counsellors. First of all, we have developed and empirically tested two tools that can be used to assess and improve career competencies: the Career Competencies Questionnaire (CCQ) and the CareerSKILLS intervention. HR managers and career counsellors can use the CCQ as a monitoring tool and as a diagnostic instrument. For example, this tool could be implemented among young workers on a regular basis to assess their progress in their mastery of career competencies, which could subsequently form important input for further interventions regarding their

focuses primarily on the career development, well-being and employability of young professionals. He is particularly interested in the creation of so-called 'smart jobs', that is, jobs that are designed in such a way that they enable employees to perform well and continuously develop themselves. Jos is the Director of the Amsterdam Center for Career Research and a board member of the Netherlands Foundation for Management Development.

For further inquiries about the research project, please contact Dr. Jos Akkermans, j.akkermans@vu.nl.

This paper is a summary of the following two articles:
Akkermans, J., W.B. Schaufeli, V. Brenninkmeijer, and R.W.B. Blonk. 2013. The Role of Career Competencies in the Job Demands-Resources Model. *Journal of Vocational Behavior*, 83: 356-366. doi: 10.1016/j.jvb.2013.06.011.
Akkermans, J., V. Brenninkmeijer, R.W.B. Blonk, and W.B. Schaufeli. 2014. It's all about CareerSKILLS: Effectiveness of a Career Development Intervention for Young Employees. *Human Resource Management*. Advance online publication. doi: 10.1002/hrm.21633.



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NEW WAYS OF WORKING AND HUMAN CAPITAL DEVELOPMENT

With the radical shift from an industrial to a knowledge society, knowledge workers are becoming more significant and more autonomous. Developments in technology and society have given rise to more openness in the processes and practices of these knowledge workers. Coordinating, learning and innovating are less constrained by organizational, geographical and cognitive boundaries. The challenge that organizations are increasingly facing is how to combine this openness with integration across individual knowledge workers, units and areas of expertise, and how to counter inherent threats of fragmentation.

To address these and related challenges, this summer, Marleen Huysman, together with some of her colleagues at the KIN Research group (Marlous Agterberg, Hans Berends, Bart van den Hooff, Philipp Tuertscher and Maarten de Laat of the Open University of the Netherlands), embarked on an NWO-funded five-year research project entitled 'New ways of working and human capital development'. The premise of this project is that the development and utilization of employees' human capital will require coordinating, learning and innovating to be mutually reinforcing. Two PhD students and one postdoctoral researcher will study how to manage human capital development across boundaries by means of in-depth studies of organizations that are in the process of such

organizational changes, or that have already made successful changes and offer alternative 'best open practices' from which other organizations can learn.

The significance of human capital in our knowledge society has major implications for understanding how to manage knowledge-intensive organizations, and complicates matters even further in situations of organizational openness. In fact, while the vast literature on knowledge management discusses how to improve the acquisition, transfer and retention of knowledge within organizations, our present understanding of how to manage knowledge across physical, organizational, cognitive and epistemological boundaries falls short. This lack of understanding has become more problematic in recent years, as developments in technology and society have given rise to more openness in organizational processes and practices, making employees less constrained by boundaries that otherwise would impede knowledge-sharing. Understanding how to manage knowledge in situations of organizational openness remains an unresolved but urgent question that needs to be addressed in order for organizations to capitalize on the potential benefits from changes in terms of human capital development.

One of the major problems faced by traditional organizations and a reason for not being able to renew and adapt to changes is that working, learning and innovating are considered

separate activities. Whereas working happens during daily production activities, learning occurs in training sessions and courses, isolated from daily practice, and innovating is considered to belong exclusively to R&D units. By comparison, this study takes an integrative approach to the three knowledge practices of working, learning and innovation. Effective working, learning and innovating requires that these processes are mutually reinforcing, something that typically occurs when knowledge workers engage in shared learning, coordinating, experimentation and problem-solving with others with whom they share a practice or passion, independent of functional boundaries. New and often digitized ways of working are believed to allow these interactions to occur across various boundaries.

The researchers will work closely with a consortium of private and public partners: the Dutch tax authorities, CERN, Kentalis, the Cultural Heritage Agency of the Netherlands, Sparked and VUMC. Data will be collected by combining qualitative and quantitative methods and by tracing developments and effects over time. Combining multiple methods will allow the researchers to validate data by triangulation.

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INNOVATION PROCESSES IN SMALL FIRMS: COMBINING ENTREPRENEURIAL EFFECTUATION AND MANAGERIAL CAUSATION

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How do innovators advance their ideas when confronted with uncertainty and resource constraints? This is a challenge for many innovators, but in particular for small firms. Small firms have the advantages of flexibility and lack of bureaucracy, but also limited financial resources, innovation experience and capabilities to exploit innovations. Nevertheless, small firms contribute significantly to technological innovation and economic growth.

Prior research points to a puzzle regarding small firm's innovation processes. On the one hand, an extensive body of research on new product development (NPD) has identified the benefits of a formalized process, with well-planned activities and decision points: a formal product innovation process is considered part of NPD best practice. On the other hand, case study evidence suggests that small firms seldom use such formalized process structures. Is this due to 'cultural barriers' within small firms – and thus a shortcoming to be remedied by the adoption of structured product innovation approaches? Or do small firms simply require another approach due to the different nature of their innovation processes?

As part of a larger research programme on innovation processes, we studied five small firm innovation trajectories in depth.¹ The vast majority of studies on product innovation consist of cross-sectional variance research. By contrast, we studied how innovation processes actually unfold over time as complex sequences of events.

To advance theoretical understanding of product innovation processes in small firms, we built upon the theory of effectuation, developed by Saras Sarasvathy and based on observations of experienced entrepreneurs. She distinguished two contrasting logics of decision-making: causation and effectuation. Causation is the goal-directed managerial process typically assumed in textbooks on decision-making, strategic

management and marketing. Causation implies that after defining a specific goal, means are selected to achieve that goal in the most efficient way. Under uncertainty, this logic depends on predicting which means and actions are best suited to reaching a particular goal. By contrast, rather than assuming a pre-defined goal, effectuation takes the available means as its point of departure to identify potential outcomes that might be realized with those means. Causation is comparable to choosing a dish to cook, checking its recipe, and buying the necessary ingredients. Effectuation is like opening one's fridge and making a meal with whatever ingredients are at hand. The key to effectuation lies in creating value with the available resources, however limited they may seem from an outsider's perspective.

Our quantitative and qualitative analyses of the event sequences reveal a clear pattern: product innovation in small firms starts according to effectuation logic, but over time turns increasingly towards causation logic. Whereas the causal logic underlies mainstream best practices advocated in the NPD literature, effectual logic differentiates the small firm approaches.

The effectual approach to small firms' product innovation efforts is *resource-driven*, *stepwise*, and *open-ended*, and specified in eight tactics. The resource-driven nature means that small firms: (1) make creative use of existing resources, including technologies at hand, existing competences and accessible external relations; (2) scope innovation activities to be realizable within and limited by available resources, such as skills and equipment, and limit investments to what they can afford; (3) leverage external resources, such as subsidies, whenever and wherever these become available, particularly where they can do so without creating additional risks; and (4) prioritize existing business over product innovation projects. Small firms' *stepwise* approach means that (5) innovation trajectories are based on loose project planning, rather



than the tight, linear, formal procedures and sequences of activities and milestones prescribed for big firm product development; and that (6) the small firms work in steps toward tangible outcomes, such as the development of a new concept, a prototype, or subsequent variants of the same product. The *open-endedness* of small-firm innovation means that projects are driven by a broad strategic intent, rather than specific goals for future sales or market share, or by any initially well-defined product definition: (7) projects proceed by the ongoing generation, selection and modification of goals and ideas and (8) the firms rely on own customer knowledge and market probes instead of upfront market research.

Small firms' reliance on effectuation logic provides a theoretical explanation for prior findings that small firms seldom adhere to formalized new product development approaches. Product innovation in small firms cannot be dismissed as merely unplanned, chaotic, improvisational or ad hoc. Instead, there is an underlying method in the madness: effectuation.

These findings imply that innovation management should better differentiate between approaches suited for large and small firms. In addition, the failure of many policy interventions targeted at small- and medium-sized enterprises may occur because policymakers assume causal principles in their assessment criteria. The requirement to provide detailed project descriptions, planning and budgets to policy and funding organizations is antithetical to small firms' limited resources and effectual logic.

Nevertheless, small firms should also be aware of the pitfalls of an effectual approach. Whilst this logic fits the flexibility and scarcity of

resources of small firms, a potential downside is longer NPD lead-time due to delays caused by unanticipated problems and lack of parallel activities. Prioritizing existing business risks postponing innovation activities indefinitely, or cancelling projects altogether. By focusing on existing resources, firms may unduly constrain their innovation prospects, although small firms' openness to external resources can mitigate this risk.

Follow-up research further explores the potential and limits of effectual approaches to innovation. We study shifts in the use of causation and effectuation logics by start-ups and small firms over time, but also extend the application domain of this perspective. Radical innovation processes in large firms may also exhibit effectual characteristics, or may benefit from the underlying logic. If so, what does this imply for the management of these trajectories? Furthermore, the emerging field of digital innovation may call for effectual rather than causal approaches, because digital innovations are never finished, but evolve continuously. The combination of managerial causation and entrepreneurial effectuation might be the key to innovation in many settings.

For further inquiries about the research project, please contact Dr. Ir. Hans Berends, j.j.berends@vu.nl.

¹ This study was conducted in collaboration with Mariann Jelinek (College of William & Mary, Virginia, US), Isabelle Reymen (TU Eindhoven) and Rutger Stultiens (Chematronics), and was supported by Syntens. Some of the results were published in the May 2014 issue of the Journal of Product Innovation Management.

E-COMMERCE LOGISTICS:



Recent market research reports show a continuous, significant increase in online sales at the expense of traditional offline store-based retail. Hardly a topic for logistics professionals and researchers, one might think? The VU Logistics group does not agree. The success of online sales happens to be strongly dependent on the logistics performance of the online supply chain moving products from the supplier to the doorstep of the consumer. Research shows that the failure to live up to order fulfilment promises such as delivery times can be detrimental to a consumer's loyalty to an online retailer and hence to online sales. All players from the online supply chain are affected by the logistics performance of the online supply chain. This not only includes the web shops themselves, but also the carriers that deliver parcels and pick up product returns on behalf of the online retailers. The fulfilment of online orders provides considerable challenges to practitioners and academics, but it is a topic that has received little attention in academic research.

To gain a thorough understanding of online order fulfilment, we have set up several initiatives in the area of e-commerce logistics. First of all, together with the FEWEB Department of Marketing, the Department of Mathematics at the VU Faculty of Exact Sciences and Twente University, we received a grant from the Dutch Institute for Advanced Logistics in 2012 to fund three PhD students to perform research in this area.

NEW WAYS TO CREATE CUSTOMER VALUE

Furthermore, we set up several individual research projects with companies, for example to investigate the pick-up of online orders, the composition of assortments and the preferences of consumers for specific logistics options.

Furthermore, in 2013 the Logistics group, together with e-commerce logistics expert company E-sharp, investigated the state-of-the-art of web shop logistics of almost 1,000 websites across eight leading e-commerce countries in the world, including the UK, the US, the Netherlands, Germany and France (see www.globalwebshoplogistics.com). Several Master's TSCM students participated in the data collection and data processing. Our research in this area has yielded a number of important insights to practitioners:

DELIVERY WITHIN 24 HOURS IS BECOMING THE NORM AND ONLINE ORDER CUT-OFF TIMES ARE GETTING LATER

Our research showed that around 50% of Dutch web shops communicate a delivery time of 'within 24 hours'. In Germany, France and the UK, however, the figure is only 10%. In comparison, the standard delivery time across the EU is 2-3 days. The US and Australian web shops typically offer lead times of four days and longer.

An order cut-off time of X implies that if one orders before moment X, the pick, pack and ship of the product that one orders will be the same day. We found that everything indicates that for Dutch web shops, order cut-off times are becoming an increasingly important competitive aspect. The evolution in cut-off times between 2010 and 2013 is spectacular. In 2010 more than 70% of Dutch web shops indicated a cut-off time of 6 p.m. or earlier; by 2013 this percentage had decreased to 35%. More than 50% of Dutch web shops used a cut-off time of 9 p.m. or later

in 2013, whereas only 25% did so in 2010. In fact, the latest order cut-off time we observed for next-day delivery is midnight. It goes without saying that these developments increase the logistics challenges in the fulfilment process.

RETURNING PRODUCTS: COOLING-OFF PERIOD LONGER AND MORE RETURN OPTIONS

By law, consumers are entitled to return products they have ordered online within seven days with no questions asked (the cooling-off period). The Netherlands, Germany, Norway and Sweden tend to use a cooling-off period of 15 days. In the countries with the most mature e-commerce markets – Australia, the US and the UK – we see a clear trend towards a cooling-off period of 28-30 days.

Products may be returned in a variety of ways, e.g. pick-up at home, return via a store and return via a postal network. UK web shops offer the widest range of return options: 15% offer at least three different ways to return items.

'FREE DELIVERY' AND 'FREE DELIVERY ABOVE A THRESHOLD' ARE INCREASINGLY COMMON

We find that the share of web shops in the Netherlands, Germany, Australia and the UK offering 'free delivery' (for delivery in their own country) is close to 20%. More than half of the websites we investigated offer some form of free delivery (e.g. free above a certain threshold in purchases). We have also observed fierce growth in delivery options, with in-store pick-up of orders increasingly being the delivery option that is offered for free.

WEBSHOPS INCREASINGLY FOCUS ON CROSS-BORDER DELIVERY

The UK is leading the pack in delivery to European or global customers: about 75% of the web shops investigated provide cross-border delivery opportunities. US web shops follow in second position at 50%. German web shops are also focusing more and more on international (more particularly, European) customers: about 40% of German web shops offer cross-border delivery. Dutch web shops are lagging behind: only 30% of Dutch web shops deliver outside the Netherlands and Belgium. Given their logistics capabilities in terms of order cut-off times and lead-times, we see a clear opportunity for Dutch web shops to offer their goods to other nationalities.

These findings have inspired us to explore several new research avenues. We are examining how retailers can stimulate online order pick-up in their stores. Empirical evidence has shown that consumers who pick up their online orders in-store also buy additional products in-store and hence generate more revenue than those who receive products at home. Furthermore, we are using Operations Research methods to optimize the product range in offline and online stores, examine the costs and benefits of extending order cut-off times and how to best organize product return processes. As such, this allows us to illustrate the multi-disciplinary nature of e-commerce and how logistics affects a wide variety of manufacturing and service organizations.

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CITIZENS OF THE (GREEN) WORLD? COSMOPOLITAN ORIENTATION AND SUSTAINABILITY

Environmental degradation has become one of society's key concerns. At the same time, despite widespread pro-environmental attitudes, consumers frequently purchase non-environmentally friendly goods or exhibit non-environmentally friendly behaviour. Indeed, globally, green products account for less than 4% of the market share. Persuading consumers to act in an environmentally responsible manner is therefore an issue of growing importance and a key goal for many businesses, governments and society at large.

A second trend relates to increased globalization, which, accompanied by societal and technological developments, has led to the emergence of an influential and growing segment of cosmopolitan consumers. Consumer cosmopolitan orientation describes the extent to which a consumer (1) exhibits an open-minded attitude towards foreign countries and cultures, (2) appreciates the diversity created by the availability of products from different national and cultural origins, and (3) is positively disposed towards consuming products from foreign countries.

This dual consideration reveals two particularly interesting and yet untapped research questions to which we lack intuitive answers. First, the stance of cosmopolitan consumers toward sustainability – in the form of environmentally responsible behaviour and sustainable consumption – is unclear. On the one hand, cosmopolitan consumers' inherent tendencies toward cross-national lifestyles and consumption habits are likely to have an environmental downside. On the other hand, some indications suggest the opposite. For example, cosmopolitan consumers are typically well-educated,

financially affluent and early adopters of new (including green) technologies. In sum, the relationship between consumer cosmopolitanism and sustainability presents conflicting expectations, which this paper will address.

The second research question refers to the effective framing of environmental messages targeting cosmopolitan consumers, and specifically the question of whether global or local framing is more effective. A global frame involves a message that emphasizes environmental issues and the need for action as a worldwide (i.e., global) topic; a local frame involves a message that emphasizes environmental issues and the need for action as a closer-to-home and place-specific (i.e., local) topic. The public discourse often frames sustainability and environmental issues in global terms (e.g. 'global warming,' 'Earth Day'). For example, a keyword search in the *New York Times* archive resulted in 25,000 hits for 'global environmental concerns' and only 13,800 hits for 'local environmental concerns'. Similarly, many environmental slogans that aim to motivate sustainable, responsible or 'green' behaviour are globally framed (e.g., 'Don't litter, it makes the world bitter!' or 'Protect our earth today for our children's tomorrow').

As an example, on ThinkSlogans.com, 31 of a total of 106 environmental slogans include the terms global/earth/world/planet, whereas not a single slogan includes terms such as local/region/town/community/country. On the one



hand, the global framing of environmental messages resonates well with current public discourse and might match the global reference frame of cosmopolitan consumers. On the other hand, recent social psychology and environmental research suggests that local framing is more effective in inducing environmentally responsible behaviour, because local topics prompt more interest and action due to the fact that they are an immediate concern for consumers. In turn, this latter line of argument can resonate well with the tendency of cosmopolitan consumers to maintain not only a global frame, but also involvement with the local environment. Against this background, we investigate the effectiveness of two highly relevant but conflicting environmental messages – one framed globally, and one locally – aimed at cosmopolitan consumers.

In a series of one survey and three experimental studies conducted in three countries, we empirically examine (a) the influence of cosmopolitan orientation on environmental concerns and sustainable behaviour, (b) the

effectiveness of globally versus locally framed environmental messages on the sustainable behaviour of cosmopolitan consumers, and (c) the moderating role of local identity on the effectiveness of globally versus locally framed environmental messages as a boundary condition. In short, Study 1 shows that cosmopolitan consumers tend to be more concerned about environmental issues and behave more sustainably than non-cosmopolitan consumers. In Study 2, we show that it is only among consumers with especially high cosmopolitan orientation that a globally framed environmental message is the most effective for inducing purchase intentions for an environmentally friendly, low-involvement product; whereas for consumers with moderate levels of cosmopolitan orientation, locally and globally framed messages are similarly effective. In Study 3, we change the manipulation and replicate the above finding for a different outcome variable (willingness to pay, WTP) in a high-involvement product category. Finally, in Study 4, we approximate actual behaviour by examining the influence of global/local framing on joining a pro-environmental Facebook group. Further, in the latter study, we demonstrate the moderating effect of local identity on the effectiveness of globally versus locally framed environmental messages about donating money to support an environmentally friendly initiative; in particular, priming the local identity of high-cosmopolitan consumers makes the locally framed message more effective than the globally framed version.

In sum, this paper intends to contribute to the consumer cosmopolitanism literature and the environmental marketing field. Our findings emphasize the key role of consumers' cosmopolitan orientation for explaining environmental behaviour and sustainable consumption, as well as the effectiveness of globally versus locally framed environmental communication. Importantly, we reveal that the effectiveness of the intuitively appealing approach of framing environmental topics as global to achieve compliance among cosmopolitan consumers is contingent on the level of consumers' cosmopolitan orientation and their local-identity salience. Furthermore, by investigating marketing-relevant outcomes such as purchase intentions or WTP, we aim to make an important contribution to other experimental studies on the effectiveness of environmental messages, which focus only on environmental outcomes such as recycling behaviour. Finally, this research intends to assist businesses, NGOs and governments by first, demonstrating that cosmopolitan consumer segments are promising not only for conventional marketing campaigns but also for environmental marketing purposes; and, second, providing insights into the effective design of messages to promote sustainable behaviour among the cosmopolitan segment.

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THE NEW LOGIC OF DOING BUSINESS: HAVE YOU EVER ASKED WHAT YOUR CUSTOMER CAN DO FOR YOU?

Many firms offer a range of services or products that are somehow related, so as to create value. A restaurant is a simple example. It combines activities around cooking, serving and sometimes the design of food and location. Successful restaurants carry out these activities in a way that, when combined, appeals to customers. It is instructive to take a closer look at how firms can use their activities to achieve superior performance. In doing so, we see that new approaches are emerging.

Firms with a traditional business model compete based on particular combinations of activities. GM, IBM and Philips have become global players by combining activities that create synergies. Following this logic, Philips is currently separating into two divisions - Lighting and Healthtech. The first combines activities concerning lighting products, and the second bundles activities surrounding personal and medical care products. Whether this division will create more value depends on how tightly these activities are interrelated. The division suggests

that Philips sees Lighting and Healthtech activities as rather unrelated, and hopes to generate efficiencies by separating them into two bundles. To make its division successful, Philips has to leverage the two bundles in ways that were not possible when all the activities were combined. Hence, first-generation firms seek to generate efficiencies through combining and recombining their activities in compelling ways.

Firms with a second-generation business model follow a different logic: they compete based on a single activity. eBay, Uber and Airbnb have been able to scale up auctions, chauffeuring and accommodation to a global level. Their online platforms help organize a single activity around the globe, while all three firms are consolidated in just a few locations. A larger scale of activity can also be reached with a partner firm. Recently, Sotheby's has partnered with eBay to take some of its New York auctions online. This brings two tightly related activities together, allowing these firms to expand their share of the high-end art and collectibles market.

The interesting thing about the new way of doing business, however, is that firms relate to the customer in a radically different fashion. Customers no longer come into play only at the moment of purchase. In second-generation business models, customers have evolved from passive consumers to active participants in business operations. Take eBay, for example. eBay offers millions of items at any one point in time, but lets customers take care of all the transactions. This means eBay has shifted the

selling, marketing, inventory, packing and shipping onto the customer. The same is true of Uber, which enables people to

offer rides in their private cars. Uber is thus able to compete with taxi services around the world without owning a fleet. The case is similar at Airbnb, where people offer their personal space to accommodate guests. As a result, Airbnb is competing in the hotel industry without owning and managing property. Firms such as eBay, Uber and Airbnb have found ingenious ways to scale up a single activity and to tap into the skills, property and time of customers in order to generate value.

There are thus different opportunities to use activities for value creation: creating compelling combinations, scaling up, and engaging the customer at an early stage. As a firm, how can you benefit from these insights? Firms that want to stay on top of this development are advised to have an activity scan conducted. Such a scan maps the current arrangement of activities in a firm and identifies key areas of leverage. You may be aware of your main activities, but what is it about their combination that creates the most value? Are all the activities well synchronized? I develop activity scans in collaboration with firms. In my research, I look at the temporal synchronization of activities and their arrangement over the firm premises. The temporal and spatial linkages among activities reveal potential for creating new efficiencies and innovation. A closely related factor is the consideration of customer engagement. Are there new ways in which your customers can get involved in your business? In other words - is there anything your customer can do for you? These new approaches to doing business present exciting opportunities for firms, and realizing your options early will ensure you stay ahead of the game.

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THE MANAGEMENT IDEA FACTORY



Dr. Stefan Heusinkveld (Department of Management and Organization) recently published a new book

on innovation and commodification in management consulting. What does it tell us about the emergence of management ideas?

Examples of well-known management ideas are the BCG-Matrix, 7-S Model, Total Quality Management, the Balanced Scorecard, Corporate Social Responsibility, Customer Relationship Management, and Lean Management. These ideas generally offer guidelines for managers on how to deal with specific organizational issues. Some of these ideas even have become part of the standard textbooks on management or seen as an inseparable part of the accepted management vocabulary. Although there has traditionally been considerable field-level attention on how consultants as notable professional service firms market such management ideas, we know relatively little about the way knowledge-based innovations develop within consultancy firms and the mechanisms that shape the intra-organizational evolution of these ideas.

This book seeks to address this gap by revealing how the development of new ideas takes shape in consultancies. The work addresses questions such as: In which way do consultancies sense the contemporary market needs? How do new ideas become established within a consultancy? How do consultancies seek to maintain their repertoire? And what role do these new ideas play in their assignments? To provide more insight into these different aspects of knowledge-based innovation in consultancies, the book draws on and integrates literature from diverse relevant fields such as product innovation and market orientation, but also uses institutional and practice-based perspectives. The research presented in this book can be seen in the light of emerging research into 'knowledge-based innovation' and 'new concept development'



that concentrate on empirically studying how professional service firms as knowledge entrepreneurs seek to develop commercially viable ideas that have the potential to have a significant impact on management and organizational praxis.

'This book develops a distinctive focus on management consultants as "knowledge entrepreneurs". Whereas the bulk of literature has been concerned with the practice and consumption of management ideas, this focus on the ideas generation stage of the consultancy process stresses the crucial role of consultants in the production of management knowledge, as well as filling out our understanding of this important occupational group.'

– Robin Fincham, Stirling Management School, UK.

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MANAGEMENT BOOKS

management challenges are created. This textbook analyses the reforms that are being introduced to deal with these challenges and their global impact on the public sector.



SPIEGEL AAN DE TOP (Dutch)

Prof. dr. Yvonne Burger,
VU University Amsterdam

Coaching is still in an upwards movement, executive coaching in particular. What it is about, what is being discussed in the board room, however, often remains indoors. Also the formation of knowledge remains till now unexplored territory. Why and when do leaders appeal to coaches? What is their value? Is it desirable that supervising authorities fulfill a coaching role? The field of Executive coaching raises many questions and ambiguities. 'Spiegel aan de top' provides an answer to many questions, distils knowledge and gives an insight into the practice of executive coaching. Yvonne Burger interviewed executives of major organizations, executive coaches and commissioners. The result is a broad picture of the diversity of executive coaching. But it also gives insight in the mores at the top, the pitfalls, the do's and don'ts and the issues that every leader struggles with. For ambi-



THE LEADERSHIP SHADOW: HOW TO RECOGNIZE AND AVOID DERAILMENT, HUBRIS AND OVERDRIVE

Prof. dr. Erik de Haan,
VU University Amsterdam
Anthony Kasozi,
CEO Quilibra Consulting

In today's fast paced, interconnected, and mercilessly competitive business world, senior executives have to push themselves and others hard. Paradoxically, to succeed as leaders, they also need to relate to others very well. Under stress and challenge, the qualities executives have relied on to get them to the top and to achieve outstanding results can overshoot into unhelpful drives that lead to business and personal catastrophes. *The Leadership Shadow* draws on the lived experience

of executives to make sense of what actually happens when their drivers overshoot and they act out the dark side of leadership. It shows how executives can find stability in the face of uncertainty, resilience in the face of grueling demand, and psychological equilibrium as a leader in the face of turbulence.

KoganPage, 2014
ISBN: 9780749470494



PUBLIC SECTOR ACCOUNTING

Dr. Tjerk Budding,
VU University Amsterdam
Prof. dr. Giuseppe Grossi,
Kristianstad University, Sweden
Prof. dr. Torbjörn Tagesson,
Linköping University, Sweden

As change sweeps across the public sector, a huge range of accounting and financial

Readers are provided with an international overview of government accounting, reporting, management control, cost accounting, budgeting and auditing. In explaining how innovative financial management tools are utilized in the public sector, the authors address a number of emerging issues:

- Harmonization trends in public financial management and International Public Sector Accounting Standards (IPSASs)
- Financial reporting and consolidated financial statements in the public sector
- Public sector management accounting and control methods
- Financial and performance auditing in the public sector

This concise and accessible textbook will be core reading for public sector accounting and financial management students and will also be required reading for students of public management and administration more generally. Managers, accountants, consultants and auditors working in the public sector will also find the book a useful reference.

Routledge, 2014
ISBN-13: 978-0415683159

tious coaches, Spiegel aan de top provides an instructive and fascinating reflection on their own practice .

Mediawerf, 2013
ISBN-13: 9789490463281



ADVANCED MANAGEMENT ACCOUNTING

Prof. dr. Tom Groot,
VU University Amsterdam

Prof. dr. Frank Selto,
University of Colorado, Boulder,
United States of America

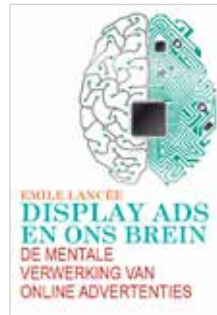
This innovative new textbook firmly roots management accounting in management, placing the emphasis on the management accountant as a key member of the management team and the strategic business decision making process. Unique case studies and examples of worldwide practices illustrate how concepts and techniques are applied in real-world business situations. It explores how management accounting techniques are adapted and modified to support specific industries

from energy to media sectors and covers contemporary issues such as environmental accounting, environmental auditing, balanced scorecard, Kaizen costing and target costing.

The textbook integrates the most up-to-date and relevant research with a broad approach to management accounting. It presents compelling examples of 'real' organisations, exploring the interactions of management accounting in practice and extends knowledge of management accounting concepts and techniques to how they can be used for strategic decision making and management control. Furthermore, the book examines how management accounting techniques are adapted and modified to support specific industries from energy to media sectors.

Advanced Management Accounting also addresses topics such as activity-based budgeting, capacity planning, quality management, Six Sigma and performance measurement, and is fully compliant with developments within the professional bodies such as CIMA and ACCA.

Pearson, 2013
ISBN-13: 9780273730187



DISPLAY ADS EN ONS BREIN: DE MENTALE VERWERKING VAN ONLINE ADVERTENTIES (Dutch)

Dr. Emile Lancée,
VU University Amsterdam

When it comes to budgets for online advertising, the sky is the limit. Despite an explosive increase of investments in web-based advertising, only a few 'specialists' know which strategy is the most effective, especially with respect to the human brain. In result, we often see that a strategy of *gut feeling marketing* is applied, without any regard for scientific insights. The effects are dramatic; CTR's decline with the speed of sound and an incre-

asing number of people doesn't even see the advertisements anymore. A waste of money!

This book explains for the first time why this is the case, and – even more important – what you can do about it from an academic perspective. Are people actually attracted to banner ads that flash, blink, and somersault around their browser windows? Are pop-ups really 'sooo 2006', or do they hold potential for the future? Which online advertising strategy has the biggest impact on brand experience and purchase intention?

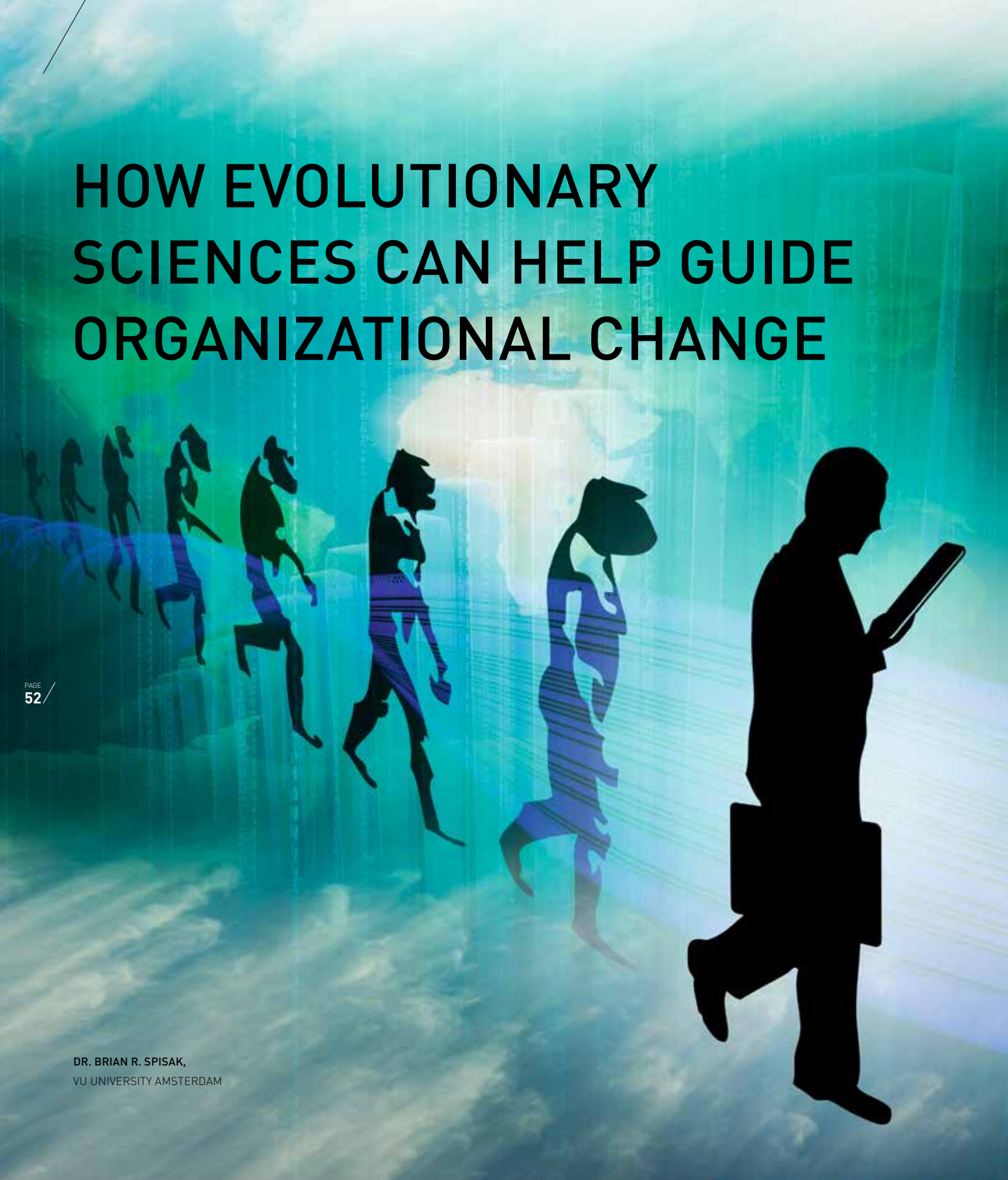
In *Display ads en ons brein*, Emile Lancée (Assistant Professor in Digital Marketing at VU University Amsterdam and Antwerp Management School) not only provides highly insightful and in-depth answers to the questions above, but also uncovers a broad array of surprising facts and some (very!) radical tips and tricks. Online advertising already is a hot topic. After reading this book it will become profitable as well!

**Lancée Enterprises/
Zwarthoed, 2014**
ISBN: 9789082126013

HOW EVOLUTIONARY SCIENCES CAN HELP GUIDE ORGANIZATIONAL CHANGE

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DR. BRIAN R. SPISAK,
VU UNIVERSITY AMSTERDAM



Understanding the drivers of change is a difficult yet valuable skill for achieving a competitive advantage. This knowledge can help leadership create environments that select for a variety of adaptive responses to address organizational challenges such as sustainability and innovation in an effective way. In a recent paper soon to appear in *Academy of Management Review*, my colleagues and I develop a model of how leadership interacts with the organizational environment to bring about change. Below is the abstract of the manuscript.

We use the concept of niche construction – the process whereby individuals, through their activities, interactions and choices, modify their own and each other’s environments – as an example of how biological and cultural evolution interacted to form an integrative foundation of modern organizational leadership. Resulting adaptations are formal structures that facilitate coordination of large, post-agrarian organizational networks. We provide three propositions explaining how leadership processes evolve over time within and between organizations in order to solve specific coordination problems. We highlight the balancing act between self and group interests in organizations and show how leadership must regulate this tension to maintain organizational fitness. We conclude with predictions about the future evolution of leadership in organizations.

One of the first things to consider when attempting to construct a competitive niche is employee motivation. The biological concept of multilevel selection theory can be utilized to consider why employees will invest in an organizational initiative, even when the initiative may be at a personal cost. The short answer is that if competition between groups is stronger than competition within groups, followers will be more likely to pursue organizational goals even when there is a cost to immediate self-interested goals. We introduce the term ‘followership investment’ to conceptualize this initial investment of time, energy, or any other individual resource that is a potential cost to the individual. High levels of motivation for an initiative can be attained provided there is a compelling between-group pressure – market competition, for example – and the perceived return on investment is sufficient to increase the success of both the group and its individual members. Achieving followership investment provides the raw material for bringing about organizational change.

A second consideration is how the raw material provided by followership investment is used to construct a niche for addressing various organizational challenges. Some companies, for instance, may construct a hierarchical niche to increase the pace of innovation in highly competitive markets. Other companies may opt for a flatter niche to ensure a sense of equity as a means of encouraging maximum innovative input from all stakeholders. These niche construction activities also select for a number of leadership adaptations. Continuing with our innovation example, we argue that hierarchical niches tend to select for dominant leadership focused on methods for gaining and maintain status whereas flatter niches will select for prosocial leadership that places greater emphasis on positive and reciprocal relationships between many stakeholders. The key to constructing an effective niche – be it for innovation, sustainability, post-merger acquisition, or any other organizational process – is to find a balance between our self-interested tendencies and the need to invest sufficiently in the larger group (i.e., stakeholders) relative to competitors. In our publication referenced above we describe in detail how to stabilize these fitness-enhancing environments.

Finally, once the raw material is made available and the tools for constructing a niche are in place, the next step is developing a set of blueprints for defining why and how an organization will evolve over time. Modern organizations are complex and can construct a variety of niche types for increasing organizational fitness. Firms, for example, can construct flat versus hierarchical niches to drive innovation. Over time, these alternatives engage in between-group competition and the more successful strategy (including adaptations of leadership) will increase in frequency and persist. Ironically, a flatter, cooperative niche, for instance, may be more competitive at the innovation challenge than a hierarchical niche focused on competition (i.e., to be competitive you have to be cooperative). The reason for this flatter advantage is an increased investment in the group (relative to a focus on a minority of shareholders at the top of a hierarchy), which can increase the innovative input from all stakeholders given the greater return on followership investment. In general, incorporating these evolutionary dynamics into a model of organizational change uncovers a number of factors that contribute to success over time.

Ultimately, it is leadership’s willingness and ability to construct an adaptive niche that will predict organizational fitness. Understanding how to systematically evolve these structures will make a significant impact on the performance and long-term health of a firm.

For further inquiries about the research project, please contact Dr. Brian R. Spisak, b.r.spisak@vu.nl.

MARKETING LEA BRIDGING THEO PRACTICE IN A J

In recent years, a lively debate has developed on the strategic role of marketing in the boardroom. Looking at CEOs and the composition of boardrooms, it seems that marketers are losing ground when it comes to fulfilling strategic leadership positions. In order to change this, the marketing consultancy agency VODW and the Marketing Department of VU University Amsterdam have joined forces in the Center for Marketing Leadership (C4ML). C4ML is developing a research agenda on topics that 'matter in the boardroom'. Imperative to this research agenda is relevance to both practice and academia. As a result, on 1 September 2013, ABRI PhD students Anne-Madeleine Kranzbühler and Arianne van der Wal, co-sponsored by VODW and the Faculty of Economics and Business Administration (FEWEB), started working on two themes that are high on the priority lists of both marketers and researchers: Customer Experience and Sustainability.

CUSTOMER EXPERIENCE

Whilst customer experience has always been of great interest to marketers, especially in the service industry, in today's world it is essential to create meaningful customer experiences in order to gain a competitive advantage. Goods and services alike are becoming increasingly commoditized, meaning that customers are demanding better experiences to differentiate both product and service offerings. In this research project we take a holistic approach to customer experiences, defining them as the internal, contextual, and subjective response customers have to any direct or indirect contact with a company within the entire course of the firm-customer relationship, ranging from the search phase to the after-sales phase and including multiple channels.



In her first project, *Anne-Madeleine Kranzbühler* has developed a research agenda on Customer Experience from a multi-disciplinary perspective. Investigating the knowledge needs of both practitioners and academics, it becomes apparent that in today's multi-media, multi-screen, and multi-channel environment, consumer experiences have become much more complex, and that traditional models of consumer experience are failing to capture that complexity. In a first step to disentangle the complexity of decision-making in an online environment, a research project has been launched in cooperation with the Dutch healthcare insurance company VGZ. This study investigates the role of firm-initiated social interaction platforms in the customer journey. Firms increasingly provide customers with platforms such as value-adding services that offer not only subjective consumer reviews, but often

LEADERSHIP RESEARCH AND JOINT INITIATIVE

also objective expert ratings in order to aid consumer decision-making. However, little is known about how the actual design of a firm-initiated platform affects the consumer journey and consumer decision-making, as well as the consumer's evaluation of the experience at different moments of the customer journey. This project, called 'Moments that matter: The impact of online social interaction on the customer journey', won a research competition held by the renowned Marketing Science Institute, which called for novel research on the broad topic of social interactions and social media marketing, investigating critical questions that are relevant to both academics and marketing practitioners.

SUSTAINABILITY

Another important issue that today's marketers are facing is the role of sustainability. Developing so-called green marketing strategies is challenging on many different levels, and while firms recognize the need to embed sustainability in their way of doing business, in reality they often struggle to do so. Moreover, research shows that while substantial efforts are being made to enhance sustainable and environmental behaviour, consumers' actual behaviour often differs substantially from what their pro-environmental attitudes might suggest.

Arianne van der Wal investigates this problem using a cross-disciplinary theoretical perspective, combining evolutionary and social psychology with marketing and consumer research. In her work, she suggests that it is useful and important to consider the ultimate, evolutionary reasons for behaviour and effectively incorporate this knowledge in the development of new marketing strategies. As a result, more effective sustainable solutions can be created and sustainable behaviour by both consumers and companies can be enhanced. The projects currently in progress look specifically into the role of so-called future discounting

and social status. In her first set of experiments, Arianne illustrates that gamification elements can enhance sustainable behaviour, as competition can heighten social status. Her second project highlights the role of uncertainty and future discounting. Typically, strategies to enhance sustainable behaviour focus on the long-term effects of such behaviour. In her research, however, Arianne suggests that it is important to consider the role of future discounting in such situations. This is especially true in times of uncertainty, e.g., periods of economic crisis, where consumers are less concerned with long-term outcomes, but focus on the here and now. In other words, when sustainable behaviour does not directly pay off in times of uncertainty, consumers will not opt to behave in a sustainable way. Formulating direct pay-offs, however, is a challenging task for many companies.

Through the cooperation with VODW, the different research projects are not only multi-disciplinary in theory, but also multi-method in approach. The studies combine lab, online and field studies, and the use of secondary hard data. By cooperating with different clients, we are able to test scientific knowledge in real-life settings, creating novel insights with significant practical implications for public policymakers, social marketers, and managers. Hence, in working on themes that bridge theory and practice, C4ML enables not only the creation of knowledge, but also creates a gateway to immediately disseminate that knowledge into practice and translate it into relevant propositions and marketing strategies for business.

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LEADERSHIP IN PROJECT-BASED ORGANIZATIONS NEW INSIGHTS AND REMAINING QUESTIONS

Leadership plays a major role in the sustainable success of organizations. Considering this important impact, it is not surprising that leadership has received so much attention from both researchers and practitioners. Despite this abundance of attention, however, many questions regarding the nature and impact of leadership are still heavily debated. In addition, leadership has received relatively limited attention in important upcoming contexts characterized by complex and paradoxical demands, such as project-based organizations. Below, I share some new insights from my research on leadership in project-based organizations and set out some of the remaining questions that continue to intrigue me and that will drive my future research in this area.

STUDYING LEADERSHIP IN PROJECT-BASED ORGANIZATIONS

Project-based organizations are organizations in which most of the work is organized in the form of projects. Think, for example, of organizations in the construction, IT and consultancy sectors. In such contexts, leadership is largely enacted in projects. These projects bring a context in which the work and the team are temporary, in which complex issues have to be solved within limited time, and where there is a wide diversity of perspectives on what the project is about and how emergent issues should be solved. In addition, the demands placed on the project are usually very paradoxical.

For example, on the one hand a project might be instigated to solve an emergent problem, pushing the project team to work in a flexible way to respond to the complexity of continuously emerging issues; whilst on the other hand the temporary nature of the project pushes the team to work in an efficient way to reach deadlines with limited resources.

In recent decades, the main focus in leadership research has been on stable leadership styles, exploring how leadership is enacted through specific practices, how strategies and narratives can open up new perspectives on the paradoxical aspects of leadership, and changes in the way in which leadership is enacted over time. In my PhD dissertation I took such an approach to studying leadership through in-depth interviews with numerous project managers, line managers and project team members in project-based organizations. I co-authored these studies together with Deanne Den Hartog, Anne Keegan and Mary Uhl-Bien. Here I will focus on two main themes from this research: (1) the constructive role of language in leadership, and (2) leading for requisite complexity.

LEADERSHIP AND LANGUAGE

As projects are generally unique and novel, working in projects often involves dealing with an ongoing stream of emerging complex issues. As new issues keep coming up, the people involved in the project are constantly trying to make sense of

what is happening and how they can best respond to these changes. In this context, language plays a very important role in leadership. Though language is often seen merely as a mirror of reality, the linguistic turn in organization studies highlights how language shapes reality. People involved in a project collectively try to make sense of what is going on and how to respond through communication. Especially in ambiguous situations, a wide variety of potentially conflicting narratives or stories can be developed through these processes of communication, making leadership through language especially important.

Leaders can aim to influence collective sense-making processes through their involvement in the conversation, for example by introducing a new perspective that can enable others to see issues in a different light. More specifically, the results of my research indicate that through their language, leaders can have an impact on which group is seen as most important in solving complex emergent issues, whether the role of outsiders in solving complex emergent issues is perceived as positive or negative, and whether conflicting perspectives, aligned perspectives or a combination of the two are seen as important in solving complex emergent issues.

REQUISITE COMPLEXITY

When working on projects, leaders have to deal with paradoxical demands; demands that may seem contradictory, but that must be addressed in order to achieve sustained success. Examples of such paradoxical demands include working efficiently with limited resources and adapting to changes in the environment, and exploitation of current strengths and exploration in new areas. We know from the paradox literature that it pays for leadership to address both poles of the paradox simultaneously. We know less, however, about what this might look like and the extent to which each pole should be addressed and when.

As the demands made of projects keep changing, the complexity literature can shed some light on the extent to which each pole should be addressed, depending on the environment. Specifically, Ashby's law of requisite variety, also described as the concept of requisite complexity, implies that the more complex

the environment, the more complex the responses from the project will have to be in order to be successful. This means that if the environment is not fully understood and continues to change in unforeseen ways, people within the project will have to respond to this with a high complexity of responses in the form of opening up discussions in which a wide variety of perspectives are addressed and experimenting with different courses of action. On the other hand, when people start to understand the situation better and fewer major changes are occurring, a lower complexity of responses in the form of less discussion and more aligned action will suffice.

The results of my research suggest that leaders in project-based organizations already seem to understand this idea of requisite complexity implicitly and steer their projects towards it. Although they continue to address both poles of the paradoxes of efficiency-adaptability and exploration-exploitation through paradoxical leadership strategies and practices, the extent to which they address each pole is dependent upon the complexity of the environment.

REMAINING QUESTIONS AND FUTURE RESEARCH

My research highlights the importance of language in leadership and leadership strategies and practices that enable requisite complexity. As with most explorative studies, each new answer has been accompanied by a number of new unresolved questions, motivating me to continue building up our understanding of leadership through new studies. For example, how does leadership change over time in response to changing demands? If we want to take the dynamic nature of leadership seriously, it is important to conduct more longitudinal studies in which changes over time are traced and the development of leadership is further explored. Another question that deserves more attention is that of which leadership processes take place between people who are dealing with complex and paradoxical demands. A shift in focus from the individual leader to leadership as something that happens between people can provide new perspectives on leadership in contexts rife with complex and paradoxical demands. I am very keen to hear from potential collaborators who would be interested in jointly exploring such questions.

Liselore works as an Assistant Professor of Human Resource Management and Organizational Behaviour at VU University Amsterdam. You can find the full dissertation and a Dutch summary of the dissertation at www.liselorehavermans.com.

For further inquiries about the research project, please contact Dr. Liselore Havermans, l.a.havermans@vu.nl.

SERVANT-LEADERSHIP UNLOCKING HUMAN POTENTIAL IN (E-) ORGANIZATIONS

DR. SYLVIA VAN DE BUNT,
VU UNIVERSITY AMSTERDAM
PROF. DR. FONS TROMPENAARS,
VU UNIVERSITY AMSTERDAM

Mahatma Gandhi said that 'The best way to find yourself is to lose yourself in the service of others'. Through his leadership and creation of meaning, community-building, foresight, healing of relationships and stewardship, he served the Indian population and made a key contribution to the independence of his country. From a historical perspective, similar servant-leadership qualities can be recognized in the leadership styles of Nelson Mandela and Martin Luther King, to mention just a few servant-leadership icons from the past.

In recent years, the term 'servant-leadership' has become more popular, but what does it describe? Servant-leadership (SL) is a leadership principle embedded in a way of life that has been recognized and expounded upon in all parts of the world since ancient times, and across all cultures. In its simplest form, SL is driven by the motivation to enable others to work more effectively and be successful. SL thus means leading a group or organization in the service of people: clients, customers,

employees, or members of your network. The more you serve, the more you lead fellow servers. Integrating both head and heart, SL expands into the principle of serving a community and acting as a steward of the environment and all that inhabit it (Trompenaars & Voerman, 2009).

The Servant-Leadership Centre for Research and Education (SERVUS) was established in 2010 at VU University Amsterdam with the ambition of examining SL from a historical and cross-cultural perspective. SERVUS' goal is to develop professional as well as personal leadership capacity, in line with the VU's core values. The three VU University Amsterdam core values serve as a guide to the work and actions of VU employees and students: namely, being responsible, open and personally engaged.

SERVUS functions as a meeting point for academics and practitioners from various disciplines to contribute to innovative research and education. Practitioners from industry such as Leereveld (2014) and Brinkman (2014) are encouraged to foster a dialogue with the academic world. One of the latest SERVUS initiatives, in which we strive to have 'business

meet science', is an SL Executive Research Programme to be launched in late 2014.

To date, SERVUS has explored SL across various themes, including SL across different periods of history, cultures, education, generations and the virtual workplace. Here we will focus on some of the recent SL research regarding the virtual workplace. In the digital world of work, issues such as trust, social inclusion, empathy and unlocking talent potential play a critical role. The challenge of both leading and serving becomes even more pronounced in the virtual workplace, where face-to-face communication is lacking. For example, in the online classroom, more than ever before, teachers need to be able to listen, encourage awareness, give feedback, care for distance learners individually, and build a robust learning community. This calls for a compassionate kind of leader who is able to connect high-tech values (technology-mediated learning, multimedia infrastructure) with 'high-touch' values (contact, human interaction, commitment to the growth of others, healing).

Various SERVUS studies have examined this important and growing issue. For example, one of our associated PhD students, Mary Bolger (2014), is investigating the role of SL in improving student engagement in online learning networks, including Massive Open Online Courses (MOOCs), where the high-touch and high-tech connection is often a missing factor. Stanford University launched one of the first



MOOCs on artificial intelligence in 2011, and 160,000 students from 190 countries subsequently enrolled. It is expected that massive open learning platforms will become a permanent feature in the virtual workplace. Sultan and Bunt-Kokhuis (2014) have explored the inherent trans-cultural challenges of MOOCs for talent development, in particular those related to the social inclusion of prospective learners in low-income countries. The authors reviewed SL challenges such as MOOCs' cost-effectiveness, credit-bearing certificates, e-recruitment, and the commodification of management courses. Bunt-Kokhuis and Ngambi (2014) have compared SL with an African leadership style grounded in Ubuntu philosophy. Their research examines the applicability of SL in the African virtual workplace, given the high-touch needs for empowerment, motivation and unlocking talent potential among African online learners. They have shown how the values of traditional African Ubuntu communities can inspire leaders dedicated to serving online learning communities. It is shown how high-tech tools and formats change the way stories are told and perceived,

and how trans-cultural communication can be enhanced by digital storytelling and dialogue.

From a different perspective, Prof. Fons Trompenaars (2014) and his company THTConsulting have developed a web-based multimedia learning system called Culture for Business, embracing many aspects of business across cultures. The Culture for Business tool is one of the Culture Compass instruments. The tool's learning modules include cultural diversity and inclusion and case studies dealing with cultural differences and reconciliation. In addition to business topics such as meetings, management, marketing and negotiations, users also acquire knowledge about important issues relating to a culture's history, social norms and religion.

In short, above we have sketched out SERVUS' current SL activities, specifically in the area of virtual workplace research. More work has to be done, in an ongoing dialogue with practitioners on this and other themes. Comparative SL research across cultures can further enhance the (e-)workplace.

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Icons of history such as Mahatma Gandhi teach us about the true meaning of high-touch SL. Gandhi was able to touch the hearts of people. He mobilized more than 600,000 followers for a salt-march in a world where social media technology was completely unknown. The challenge of today's business world is to benefit from the strengths of technology through optimal high-touch leadership, and vice versa. SERVUS aims to help leaders connect the best of both worlds – high-tech and high-touch – to serve those around them more effectively.

More information about the centre can be found at: www.feweb.vu.nl/SERVUS.

IMPROVING BUSINESS RESULTS WITH POSITIVE REINFORCEMENT BY ADRIBA

DR. MARIUS RIETDIJK,
VU UNIVERSITY AMSTERDAM

'ADRIBA' stands for the Aubrey Daniels Research Institute for Behavior Analysis at the Faculty of Economics and Business Administration at VU University Amsterdam. Behavior analysis is the science of behavioral change, which started with the famous Ivan Pavlov and his dogs. Pavlov discovered the laws of classical conditioning. He famously trained his dogs to salivate, even if there was no food around.

The discoveries of B.F. Skinner on the effects of reward and punishment on behavior are less well known in the Netherlands, but they have had at least as much impact as Pavlov's work. The resulting technology is known as 'operant conditioning'. The whole of our society is organized around rewards and punishments: our schools reinforce improved verbal and mathematical skills; the government threatens us with punishment if we break the law; economics deals with positive reinforcement, and the generalized reinforcer of money in particular. In our social relations, we use rewards and punishment in order to change

or maintain the behavior of our friends and family members. Whether we do it consciously or not, we change behavior all the time. In fact, it is something we should do consciously, as the consequences are enormous.

Pavlov and Skinner were experimental behavior analysts, and they paved the way for applied behavior analysts who use the laws that they had discovered for improving the human condition. For example, they help people with a history of punishment by using behavior therapy, they improve sporting performance, and they teach parents raising children and dog-owners engaged in puppy training.

In business, too, we use 'the carrot and the stick' to influence behavior. Every result in an organization is caused by many different behaviors. All of these behaviors have been reinforced positively or negatively in the past and are maintained by some form of reinforcement schedule. Every form of behavior also has multiple effects. The behavior of a CEO, as a central point in a social network, is caused by many people, now and in the past, and will influence many people, now and in the future.

Since positive reinforcement is the best way to change behavior, Organizational Behavior Management (OBM) is a very positive approach. At the same time, it offers a very precise definition and explanation of organizational behavior. Management studies is a discipline that is steeped in social scientific theories with no practical application. ADRIBA is distinctive in that we find that management science can be based on the natural science of behavior analysis. As such, it is our responsibility to improve business results, just as a doctor is obliged to heal people using state-of-the-art medicine.

If people are interested in ADRIBA, the next step is to make an appointment and most likely to attend an interactive workshop. In an awareness session such as this, the audience learns how to train a parakeet. If you know the pitfalls of training a parakeet, you also know the pitfalls of management.

Many managers complain that people lack initiative, engagement and intrinsic motivation, and only do the minimum that is required. By using behavior analysis and ADRIBA, managers can learn how to bring out the best in people by positively reinforcing the key element of business: behavior.

At ADRIBA, we teach leaders and consultants to apply behavior analysis in their networks. They learn about behavior in detail and apply this knowledge in order to get improved

results. Learning and research go hand in hand at ADRIBA. Participants measure current performance levels and intervene in ways that improve those levels. In particular, the combination of feedback, goal-setting and positive reinforcement can lead to amazing operational improvements. A common result is 100,000 euros in the first year and a return on investment of 1:4 to 1:64.

Behavior analysis can be applied in every organization where there is behavior – so it can be and has been applied in nearly every type of department and to top management. When people express an interest in working with us, we warn them with a smile that this approach can be addictive! By giving positive reinforcement for even a small improvement in performance, whether individually or to groups, dopamine is released in our brains. People who receive positive reinforcement also receive a 'dopamine shot'. Such substances can be addictive, as is well known, but there is no need for needles here!

If you want to know more about applying behavior analysis (OBM) in your company, it is possible for employees and managers to do the OBM Practitioner Course at VU University Amsterdam or at your company. This course explains the theory by means of a tutorial computer program and its practical application using our recently-developed OBM Optimizer software program. This optimizer software helps with the monitoring of performance and interventions, and therefore offers management an excellent tool for assessing performance improvement activities, leadership and results. Advanced certified practitioners can move on to the OBM trainer/coach programme. We also have a partner programme and opportunities for some PhD students. Are you interested in joining us?

More information about the centre can be found at www.adriba.nl.

RESEARCH MASTER'S BUSINESS IN SOCIETY

que not only in its focus on business in society, but also in its emphasis on developing theory-building skills and in offering an opportunity to learn by collaborating with internationally renowned researchers. We strongly believe that simply testing existing theories will not prove

Has the focus on corporate social

responsibility in the media actually changed the way for-profit organizations do business? How can leaders make ethical decisions in a world where businesses are under pressure from global competition? Under the auspices of ABRI at VU University Amsterdam and its counterpart at the University of Amsterdam (ABS-RI/UvA), we are offering a knowledge-intensive and research-based programme in Business Administration that addresses these and related questions. In this way, VU University Amsterdam and the UvA are intensifying their collaboration, after having embarked on a first joint Master's programme in Entrepreneurship earlier this year.

The newly accredited two-year Research Master's programme on 'Business in Society' will start in September 2015. It will equip students with the required knowledge and skills to shape new ways of doing business, taking into account how organizations and society affect each other. With a maximum intake of 25 talented and highly motivated students, this English-taught programme will offer intensive interaction with other students and close supervision and collaboration with excellent researchers who are passionate about understanding complex business problems from a societal perspective. Students will learn from and work closely with some of the leading scholars in the field of business administration at ABRI and ABS-RI. The Research Master's in Business in Society is uni-

sufficient to address the complex issues that businesses are facing in their interactions with society. We are convinced that tomorrow's business researchers will need strong theory-building skills in addition to strong methodological skills. So besides offering specializations in the broad field of business administration, we will also provide them with the methodological and theory-building skills needed to conceive of new solutions to problems related to business in society. The Research Master's in Business in Society will provide the ideal preparation for a leading PhD programme in business administration or a related discipline at the University of Amsterdam, VU University Amsterdam or another university. It will also give graduates excellent credentials to apply for a research-related position in the public or private sectors, such as that of strategic advisor, researcher or policymaker. In short: our alumni will possess all the skills they need be leaders in tomorrow's business research.

NETWORK PLANNING AND CONTRACT DESIGN FOR CROSS CHAIN CONTROL IN CASH NETWORKS



The FEWEB logistics research group (Wout Dullaert, Sander de Leeuw, Olli Bräysy, Pietro De Giovanni and Karin de Smidt-Destombes) and the OR group (Bernd Heidergott, Joaquim Gromicho and Leen Stougie) have received an NWO TOP grant of 885,000 euros for research into optimizing cash distribution networks. Theirs is one of four proposals to have been awarded a grant during the recent NWO TOP grant proposal round.

The TOP grant round welcomed proposals on research agendas related to Social Infrastructure, Logistics or Creative Industries. Research groups were required to set up a consortium with external public and/or private partners willing to contribute to the execution and funding of the research. A total of 26 proposals were submitted, of which four were awarded funding.

The winning VU project is backed by the industrial partners Geld Services Nederland (GSN) and ORTEC, which will contribute 20% of the total project value as well as leading professional expertise. GSN, a joint venture by major banks in the Netherlands, manages cash distribution in the Netherlands.

ORTEC is a global software provider in the area of the optimization of logistics planning.

Despite its practical relevance and the challenges it poses from an academic perspective, the distribution of cash has received relatively little scientific attention. The project aims to fill this gap by developing strategies and methods to increase the efficiency and effectiveness of the distribution of cash in networks by integrating transport, maintenance and inventory decisions. A core difficulty in developing these strategies and methods is that a minimum level of uncertainty needs to be guaranteed for security reasons, so as to prevent distribution routes from becoming predictable. Furthermore, the project will focus on developing contracts to improve coordination between relevant stakeholders in the cash distribution network.

The grant will enable the team to appoint two PhD candidates and a postdoctoral researcher for a period of four years. The announcement (in Dutch) is also available on the NWO website.



USES OF LITERARY NARRATIVE FICTION IN SOCIAL CONTEXTS: CHANGES IN SELF AND SOCIAL PERCEPTIONS



Matthijs Bal (formerly VU University Amsterdam, presently University of Bath), Paul Jansen (VU University Amsterdam) and Frank Hakemulder (Utrecht University) have received a 900,000 euro grant from the NWO for a research project entitled 'Uses of literary narrative fiction in social contexts: changes in self and social perceptions'.

The project aims to understand how narrative fiction has the ability to change people's self- and social perceptions. The research will be conducted

in both educational settings (e.g., classrooms in secondary schools) and the workplace.

Part of the project aims to investigate how narrative fiction can be used in the workplace, such as in training and development programmes.

The grant will allow the team to employ a postdoctoral researcher, a PhD student in Educational Science, and one PhD student in Management, who will be employed in FEWEB. The interdisciplinary research team brings together researchers from literary science, educational science, language science and management science.

NEW WAYS OF WORKING AND HUMAN CAPITAL DEVELOPMENT

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Marleen Huysman (Professor and Head of the Department of Information, Logistics and Innovation), Marlous Agterberg, Bart van den Hooff, Hans Berends, Philipp Tuertscher and Maarten de Laat have received a grant from the NWO for their research

project entitled 'New ways of working and human capital development'.

The grant (approx. 828,000 euros) will be used to finance two PhD students and one postdoctoral researcher.

Review committee

According to the review committee, the proposal addresses a very interesting

and timely topic that has strong links with the Human Capital programme. The project aims to provide an insight into how to manage human capital development across boundaries. The committee agreed with the reviewers that the research group is interdisciplinary and has an excellent track record. The committee qualified the proposal as 'Very Good'.

Abstract

With the radical change from an industrial to a knowledge society, knowledge workers are becoming more significant and more autonomous. Developments in technology and society have given rise to more openness in the processes and practices of these knowledge workers. Working, learning and innovating are less constrained by organizational, geographical and cognitive boundaries. The challenge that organizations are increasingly facing is to combine this openness with integration across individual knowledge workers, units and areas of expertise, and to counter inherent threats of fragmentation. The premise of this project is that the development and utilization of knowledge workers' human capital requires that

open working, learning and innovating are mutually reinforcing. This project will generate solid academic insight into how to manage human capital development across boundaries by means of in-depth studies of organizations that are in the process of such organizational changes, that have already successfully changed in such directions, or that offer alternative 'best open practices' from which other organizations can learn. Data will be collected by combining qualitative and quantitative methods and by tracing developments and effects over time. In the project we will work closely with a consortium of six private and public partners: the Dutch tax authorities, CERN, Kentalis, the Cultural Heritage Agency of the Netherlands, Sparked and VUMC. In addition to these co-funding partners, we will collaborate with many other organizations interested in the interdisciplinary topic of New Ways of Working. This collaboration will ensure impact and dissemination of the project's outcomes through dialogue, workshops, the development of a self-assessment instrument and professional publications.

DELOITTE SPONSORS DATA SCIENCE RESEARCH PROJECT AT THE AMSTERDAM CENTER FOR BUSINESS ANALYTICS

Deloitte has decided to finance a study on how big data can be used to improve consumer decision-making processes. Central to this study is a so-called mobile sensing platform, in which mobile devices, large (big) data volumes and models for transforming data into insights converge.

The team that developed the research proposal for this PhD study consists of Frans Feldberg (FEWEB), Tibert Verhagen (FEWEB), Sandjai Bhulai (FEW), Stefan van Duin (Deloitte) and Jan van Trigt (Deloitte). The project will be co-supervised by prof. dr. Marleen Huysman (FEWEB) and prof. dr. Ger Koole (FEW).

The Amsterdam Center for Business Analytics (ACBA, www.acba.nl) is a newly founded VU institute that aims to develop, disseminate and exploit business analytics and data science knowledge and applications by bringing together businesses and scientific research. ACBA is a joint initiative on the part of the departments of Information, Logistics & Innovation (FEWEB) and Mathematics and Computer Sciences (FEW). As a major player in data analytics, Deloitte has chosen to collaborate with ACBA because it considers having access to scientific research infrastructures to be fundamental for improving its services and developing new business models. The collaboration provides VU University Amsterdam with access to best practices and business cases.

The sponsorship agreement was signed by the deans of both faculties, prof. dr. Hubertus Irth (FEW) and prof. dr. Willem Verschoor (FEWEB). Prof. dr. Mario van Vliet, a member of the Executive Board of Deloitte, signed on behalf of Deloitte. Under the slogan 'ACBA and Deloitte: neighbours in data', a ceremony was held on the 14th floor of the new Deloitte office being built near 'Zuidas' (next to the ACTA building). The ceremony was the first official event to take place in this building.

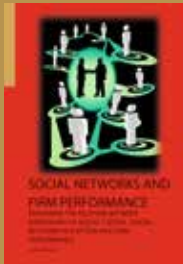
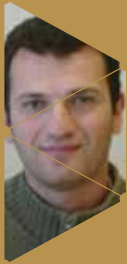
Deloitte and FEWEB have a long tradition of collaboration in education and research. This project is the next step in intensifying the collaboration between Deloitte and VU University Amsterdam.

The Deloitte logo consists of the word "Deloitte" in a white, bold, sans-serif font, set against a blue rectangular background. A small yellow dot is positioned at the end of the word, to the right of the 'e'.

DISSERTATIONS

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SOCIAL NETWORKS AND FIRM PERFORMANCE: EXAMINING THE RELATION BETWEEN DIMENSIONS OF SOCIAL CAPITAL, SOCIAL NETWORK PERCEPTION AND FIRM PERFORMANCE

Despite growing interest in the role of social networks in firm performance, there is some confusion in the literature regarding the antecedents of social capital and the mechanisms of how and when social capital influences firm performance. This dissertation consists of two meta-analysis papers and two empirical papers that examine how and when social capital influences firm performance and the consequences and antecedents of managerial network perception. The related hypotheses were tested with meta-analyses and empirical studies in the unique context of the 2014 Winter Olympic Games tender competitions. The results reveal that social capital is strongly related to firm performance. However, these network effects are contingent on the development stage of new ventures, their industry and institutional contexts, and the type of performance measures considered. Furthermore, the

results reveal that the accurate perception of networks is important, and misperception can be costly. Perception accuracy can be improved by actively scanning the environment and frequently interacting with key actors within a network.

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TRUST-BASED REGULATION

Across different settings, authorities conduct monitoring activities to determine whether firms and individuals are following the rules (i.e., complying with regulations). For example, tax revenue bodies conduct audits, food safety authorities conduct inspections, and environmental authorities measure emissions. Considering that (i) the threat of punishment is not the only reason why people comply with regulations, and (ii) monitoring activities are costly for both authorities and regulated agents, it is important to examine the following question: when can authorities trust agents to comply with regulations and consequently monitor them less frequently? In other words, when can authorities reduce their monitoring efforts? This is the research question of the dissertation, which includes a definition of trust-based regulation, a game

theoretical model of trust in a tax compliance setting, and two empirical studies examining factors associated with law violations in the setting of financial intermediation in the Netherlands. The implication is that trust-based regulation is not a naive strategy, as it allows authorities to reduce monitoring levels, save costs, and reward a significant fraction of agents who voluntarily comply with regulations. As opposed to a 'police state' system that relies on fear, trust-based regulation is economically feasible and conveys a rather positive attitude towards society.

CHEN FLEISHER

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THE CONTEMPORARY CAREER NAVIGATOR: INDIVIDUAL AND ORGANIZATIONAL OUTCOMES OF SELF-DIRECTED CAREER MANAGEMENT

Globalization, technological development and market pressures have progressively shaped today's labour market – which is dynamic, volatile and by no means secure. These transformations have increasingly forced individuals to self-navigate their careers by developing a transferable collection of competencies, broadly known as career capital. Instead of the sanctuary

recently published IN SCIENCE, BUSINESS AND SOCIETY

granted by lifetime employment or stability vouchsafed by careful career planning, contemporary career actors are sailing the high seas on a sinking vessel whilst contemplating the realization that none of the passing boats will simply tow them to safety. For everyone involved, employees and organizations alike, these intriguing dynamics of structural change and individual agency offer both opportunities and challenges. For individuals, the challenge lies in how to leverage their career capital whilst remaining employable and valuable in the workforce. The challenge for organizations lies in how they can manage these contemporary careers so they can be aligned with organizational goals and strategies. These questions are addressed through four empirical studies on the individual and organizational outcomes of self-directed career management. By focusing on career capital as a key concept and drawing on strategic management studies and the organizational behaviour literature, this dissertation elucidates the role of careers as a 'matching process' for aligning individual and organizational needs. The findings suggest that by accounting for personal and contextual factors, self-directed career management can entail potential benefits for both individuals and organizations. The results further reveal that organizational human resource management is complementary to self-directed careers, thus offering novel and relevant practical approaches for managing and facilitating these contemporary career trajectories.

MARCH

15/

Application deadline
For ABRI PhD positions

MARCH

23/

ABRI PhD research day
From 10:00 – 17:00 in rooms
BV 1H-15 and BV 1H-24

MAY

29/

ABRI Junior Researcher graduation day
From 12:00 – 16:15 in room BV 1H-17

DECEMBER

1/

Application deadline
ABRI Part-Time PhD programme
Starting January 2016, www.abri.vu.nl/executives

FEBRUARY

3/

Inaugural session of Amsterdam Seminar on
Sustainability, Society and Business (ASSSB)
From: 15:00-17:00
at Amsterdam Business School
Plantage Muidergracht 12, room M302,
1018 TV Amsterdam
More info: a.e.kourula@uva.nl
and christopher.wickert@vu.nl

MARLIEKE VAN GRINSVEN

[Strategy & Organization]

PRESENTATION TOPIC

Agency in the Translation
of Management Ideas

PRESENTATION DATE

17 March 2015, 16.00-17.00
in BelleVUe 0H-19

EVA DE MOL

[Organizational Behaviour /
Strategy & Organization]

PRESENTATION TOPIC

Entrepreneurial Teams

PRESENTATION DATE

19 May 2015, 16.00-17.00
in BelleVUe 0H-19

SUSAN HILBOLLING

[KIN Research Group]

PRESENTATION TOPIC

Managing temporal complexities in
inter-organisational innovation processes

PRESENTATION DATE

16 June 2015, 16.00-17.00
in BelleVUe 0H-19

This page contains only a
small selection of ABRI's
activities for 2015. Please
visit www.abri.vu.nl for
a complete overview
of all our open activities.



AMSTERDAM
IN SCIENCE,
BUSINESS
AND SOCIETY

AMSTERDAM BUSINESS RESEARCH INSTITUTE

The Amsterdam Business Research Institute (ABRI), established in 2009 by VU University Amsterdam, is one of the largest institutes of business and management research in Europe. Located in the midst of the business and financial district of Amsterdam – the Amsterdam ZuidAs – the distinct expertise of ABRI lays in the business performance and management of professional and financial services. With a specific focus on this sector, ABRI's researchers conduct research and offer doctoral (PhD) education in six areas:

1. Accounting & Financial Management
2. Information & Innovation Management
3. Logistics & Operations Research
4. Marketing
5. Organisational Behaviour & HRM
6. Strategy & Organisation

Dozens of public and private organisations, among which are ABN AMRO, Deloitte, KPMG, Lloyd's Register, collaborate with ABRI in research and business intelligence and in addressing today's business and management challenges. These business-science partnerships are aimed at delivering rigorous and relevant contributions not only to better business practices and processes within organisations in the Netherlands, but also to contribute to a stronger European economy.

Visit our web-site www.abri.vu.nl to learn about recent research findings concerned with business and management, and to initiate a new collaboration to benefit your organisation!