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Behavioral Corporate Governance:

Four Empirical Studies

Gerwin van der Laan

RIJKSUNIVERSITEIT GRONINGEN

**BEHAVIORAL CORPORATE GOVERNANCE:
Four Empirical Studies**

Proefschrift

ter verkrijging van het doctoraat in de
Economie en Bedrijfskunde
aan de Rijksuniversiteit Groningen
op gezag van de
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Preface

Upon finishing my masters studies in 2005, I was awarded the Dutch *doctorandus* title. Doctorandus is Latin for ‘he who has to become a doctor’, i.e. he who still has to obtain his PhD degree. The process of obtaining this degree is called *promoveren* and those involved in it are *promovendi*, i.e. ‘those who have to move forward’. Since I had enjoyed some education in Latin, I could obviously not ignore the fact that all I had become after five years in university was someone who should aspire to become still somebody else. Thus, I applied for a PhD position at the University of Groningen. Now, three years later, I move forward to defend this thesis, which is evidence of the studies I have made in the past three years.

This book would not have existed, however, without the assistance of some mentors, whose help I wish to acknowledge in this preface. First, my two supervisors, Hans van Ees and Arjen van Witteloostuijn, contributed to this thesis in many ways. They signaled my ambition and sensed some abilities, helped me in framing problems and finding solutions, and provided me with expert advice throughout the years. Often, their comments on drafts made me fear that the fruits of my efforts had just imploded, but then they directed my attention to a small contribution that was hidden somewhere in the paper, and had ‘only’ to be elicited. Second, I am grateful to the professors Igor Filatotchev, Niels Hermes, and Morten Huse, for agreeing to be on my reading committee. Reading through the whole piece must certainly have been time-consuming, and I thank you for investing your time and effort. I am grateful to you, both for your enthusiastic evaluations, and for the questions I received.

Third, in addition to the names mentioned above, I am grateful to many colleagues, not only for a pleasant atmosphere in the office, but also for their suggestions when I was struggling with statistics or looking for that one key reference. In particular, the members of the corporate governance insight centre at the university of Groningen – Dirk Akkermans, Reggy Hooghiemstra, and Theo Postma – not only made chapters 4 and 5 possible because of joint data collection, but also discussed the ideas developed in the chapters. Chapter 5 also benefits from the help of Eric Engesaeth and Camiel Selker from the Amsterdam office of Towers-Perrin, who participated in the research project that underlies the data collection. Their in depth knowledge of the Dutch executive compensation practices greatly enhanced my understanding of the topic. I also benefited from Gijsbert Willenborg’s knowledge of LISREL, as he ran the first analyses for chapter 2, which I later corroborated. Padma Rao Sahib’s knowledge of statistics has guided me in making econometric choices. Finally, as part of my PhD training, I spent a month at the Norwegian School of Management BI in Oslo, and was warmly welcomed by Cathrine Hansen and Pingying Zhang.

Finally, my friends and family contributed to the delivery of this thesis, through ways of which they themselves may not be much aware. By raising me to do something well once you have decided to do it in the first place, by diverting me away from the office – and thus allowing me a fresh look when I returned –, and by putting my mind at ease in the evenings and weekends, I was almost always in a good mood when I returned to my desk, regardless of how I had left it. My parents and Marjolein deserve to be mentioned here in particular. Marjolein frequently asked me to study women directors, a group which is underrepresented in the Dutch corporate elite. I have not (yet) been able to do so, but the reader may thank her for the fact that in this thesis, all chief executive officers are referred to as ‘she’.

Nieuwegein, October 2008.