Six PhD projects

What we offer

The Department of Finance at Maastricht University School of Business and Economics is looking to fill several PhD positions, detailed on the next pages of this document. Candidates are expected to start before the end of 2016, most likely September 1 (but earlier is negotiable). We offer 3-year PhD positions for MPhil students (with a 2-year Master degree) or 4-year positions for other MSc students (with top grades). We have a large and culturally diverse PhD community in our department, and welcome enthusiastic, talented new PhD students. PhD positions are paid for, with minimal teaching obligations.

How to apply

Apply by sending a motivation letter, cv, grade list and at least two reference letters by relevant scholars to: recruitment-sbe@maastrichtuniversity.nl at the latest January 15, 2016. In your motivation letter, explain clearly why you apply for a certain position (use the codes on the next pages, e.g., 2016FIN2) and when you can start. Every candidate is required to also fill in and send along a form that should be downloaded from the website of the Finance Department called UMFIN_ApplicationForm.

Rest of the procedure

We will take a decision within one month after the deadline and will notify all applicants by then (i.e., at the latest February 15) about the status of their application. Note that this may involve short-listing candidates.

On the next pages, you first find information on our department and research institutes, followed by a short description of the proposals. Do not hesitate to contact each of the people listed there if you have any questions.

About the department

Introduction

The Finance Department at Maastricht University committed to high-quality teaching and research, always aiming to bridge the gap between academic rigor and real-world impact. We provide our students with the best possible Finance education, both at the Bachelor, the Master, the PhD and the Executive level.

The programs require hard work, but you will leave Maastricht with a Finance basis that will serve you for the rest of your career, no matter where it will take you. Our research is published in the top academic journals, but at the same time we continuously strive to create practical applications, and some of our key faculty have turned their academic ideas into prospering businesses. For more on our department, see here.
Graduate School

At our faculty, research is coordinated and facilitated by the Graduate School of Business and Economics (GSBE). GSBE is the central authority on scientific research and administers the SBE's PhD programme and research master's programmes, stimulates research in various ways, provides incentives for new research initiatives, and oversees quality and productivity. GSBE views the company or firm both as an agent in a complex and changing environment as well as an organisation of agents shaping market conditions and adapting to environmental developments. This has led to the foundation of six research programs. For more information, see http://www.maastrichtuniversity.nl/web/Faculties/SBE/TargetGroup/Research.htm.

European Centre for Corporate Engagement

The European Centre for Corporate Engagement (ECCE) at Maastricht University's School of Business and Economics is the world's leading research institute on sustainable finance and responsible investing. We offer high-quality research on the impact of environmental, social, and governance (ESG) standards on the pricing of assets in financial markets. Moreover, we study the different ways investors can engage with the companies they invest in.

The mission of ECCE is to develop, communicate, and promote a thought-provoking and innovative body of knowledge concerning sustainable business and finance, through high-quality research, teaching, training, international networking, conferences, and other conventional outlets. Its core purpose is to encourage an ongoing dialogue between all parties capable of contributing to sustainable development, including capital markets investors, financial analysts, corporate managers, consultants, academic institutes, governmental bodies, and NGOs.

ECCE can be regarded as a ‘lab for responsible investment’; a multidisciplinary research network founded by researchers with established track records in the academic domain and in the finance industry. ECCE helps practitioners and scholars understand how businesses and financial markets can promote sustainable development by considering Environmental, Social and Corporate Governance (ESG) issues.

The ECCE research group receives public endorsement from institutional investors around the world and has been awarded various prestigious research grants and prizes, such as those of the Haas School of Business at UC Berkeley (Moskowitz Prize), the United Nations Principles of Responsible Investing, the Mistra foundation (Sweden), and the French Social Investment Forum.

ECCE closely communicates and cooperates with large institutional investors. Our industry partners include pension funds, major banks, mutual fund companies and rating agencies. You can benefit from involvement in our research at different levels, ranging from receiving quarterly research updates to being directly involved through our advisory board. If you are interested in becoming an ECCE research partner, please contact Els van Aernsbergen (contact us). For more on information, see http://www.corporate-engagement.com.

Marketing-Finance Research Lab

The Marketing-Finance Research Lab (MFRL) at Maastricht University comprises a growing group of international researchers and educators in both marketing and finance. In the lab, we share and combine our scholarship and expertise to provide interdisciplinary research, education, and engagement with business leaders. Located in the heart of Europe in the city of Maastricht, our vision is to achieve leadership in academia as well as business. Recent research projects of the Marketing-Finance Research Lab focus on matters of importance for academics and business alike, such as consumer financial decision-making, building investor relations from a marketing-finance perspective, marketing actions that reduce cash flow volatility in marketing channels, stock market sentiment, as well as new financial product development. For more information, see http://www.marketing-finance.nl.
PhD Project 2016FIN1: Behavioral Drivers of Individual Investor Decision-Making

Advisors Dr. Arvid Hoffmann and Prof. dr. ir. Joost Pennings.

Description There is an increasing literature on how individual investors behave in financial markets (see e.g., Barber and Odean 2001; Dorn and Sengmueller 2009; Goetzmann and Kumar 2008; Korniotis and Kumar 2011b; Korniotis and Kumar 2011a; Bhattacharya et al. 2012). Key aspect in this literature is that individuals often do not behave according to the rationality assumptions of standard finance, but have a variety of behavioral and psychological motivations for their actions. For example, individual investors tend to trade too much, driven by motives related to entertainment, speculation, and hobby. In the proposed PhD project, we will explore a unique dataset obtained from a leading brokerage firm in the Netherlands, which combines several client surveys with trading and brokerage records. We have trading records for over 60,000 clients, and survey data for over 6,000 clients, which after merging leads to a unique dataset of 5,500 clients for which both survey and trading data is available. The advisors of this PhD project published successfully with this dataset as well as related ones (Hoffmann, Post, and Pennings 2013; Hoffmann and Post 2015; Hoffmann, Post, and Pennings 2015; Hoffmann and Shefrin 2014), ensuring that the proposed PhD project has a lot of publication potential. The project is expected to be impactful, as CNBC, Forbes, Reuters, and other major international newspapers have reported on its research findings before. There is still a lot of untapped research potential in the dataset and many research questions that wait to be answered, such as how different investment objectives drive individual investor trading behavior, how different sources of financial information affect investment decisions, etc.

Apart from the dataset mentioned above, the proposed PhD project can benefit from being embedded in the Marketing-Finance Research Lab, where a lot of expertise on financial decision making of individuals is available. Moreover, we have access to a dedicated Behavioral and Experimental Economics Laboratory at the School of Business and Economics that can be used to run experiments on individual investor behavior. The proposed advisors have experience in successfully running experiments in this lab and publishing the research findings in renowned journals (Hoffmann, Henry, and Kalogeras 2013)

Candidate We are looking for a candidate who has (or soon will have) an MSc or Research Master degree in (Business) Economics, Finance, Marketing (Consumer Behavior with Quantitative Skills) or Econometrics. The successful candidate is expected to have affinity with and knowledge of such topics as (behavioral) finance, consumer financial decision-making, household finance, economic psychology, and econometrics. Furthermore, he or she should have a demonstrated ability to perform research in this field, as shown by excellent grades for courses in at least some of these respective fields. The candidate should be open to various research methods, e.g. be willing to work with, for example, publicly available household survey data or large proprietary bank datasets. He or she should be familiar with or have a genuine interest in becoming experienced in using statistical software programs like SAS, STATA, R, SPPS, LISREL, AMOS, or PLS and have experience in or demonstrated capability of developing expertise in running panel regressions and other advanced econometric techniques.

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Advisors Dr. Arvid Hoffmann and Prof. dr. ir. Joost Pennings.

Description There is an increasing interest in the interface between marketing and finance. The literature recognizes that it is important to strategically manage this interface (Srivastava, Shervani, and Fahey 1998; Srinivasan and Hanssens 2009). Prior work in this area identified how marketing actions such as investments in customer satisfaction or advertising spending relate to financial performance and shareholder value creation (Srinivasan and Hanssens 2009). More recently, the literature started to relate product-market actions and variables such as customer satisfaction, advertising spending, and R&D investments to key capital market indicators such as the cost of capital (Himme and Fischer 2014; Singh, Faircloth, and Nejadmalayeri 2005). An area of research that is especially promising in this regard is how capital and product markets relate to each other and how firms’ strategic decision-making is influenced by capital market outcomes, such as shareholder complaints (Wies et al. 2014). The proposed project will solve the puzzling results found in the literature between marketing activities and financial performance. Not only from an academic perspective there is a great need to fill this knowledge gap. Various companies (amongst others Seven One Media; German largest media group) contacted the Marketing-Finance Research Lab with specific questions in this domain. These industry partners are willing to share unique data and sources with us for this PhD project. The exact topic of the project is to be developed further in close collaboration with Prof. Dr. Ir. Joost M. E. Pennings and Dr. Arvid O. I. Hoffmann, but will focus on how capital-market outcomes drive firms’ product-market decisions.

Candidate: The candidate is expected to have affinity with and knowledge of such topics as marketing, finance, statistics, and econometrics and should have a demonstrated ability to perform research in this field, as evidence by excellent grades for courses in at least some of these respective fields. Excellent grades mean a GPA of 8 or above on a scale of 1-10 (if applying from an educational system with a different grading system, please provide a translation of these grades to a 1-10 scale). The candidate should be open to various research methods, that is to work with, for example, publicly available financial data (e.g., Compustat, etc), proprietary administrative data, administer surveys, or run lab and field experiments. Ideally, a candidate already has an idea on which projects to do during the PhD related to the topic mentioned above and what the academic and societal relevance of that topic is. Naturally, the exact structure and topic of the PhD project will be discussed and decided upon in close collaboration and coordination with the PhD supervisors.

References:
PhD Project 2016FIN3: The Role of Emotions in Pension Communication

Advisors Dr. Lisa Brüggen, Department of Marketing and Supply Chain Management and Dr. Thomas Post, Department of Finance.

Description Worldwide, pension funds struggle to motivate pension plan participants to look into their individual retirement situation. Most participants are passive and not interested in gathering information. Existing studies focus on cognitive factors, such as financial literacy, numeracy or economic preferences as typical variables of interest. The aim of this project is to create knowledge on how emotions influence the effectiveness of pension communication. Emotions play an important role for complex, long-term financial decision processes, but are often neglected in pension research. First, by using text-mine tools to analyze emails and essays from pension participants this project targets at identifying which emotions drive participants’ engagement. Second, based on field experiments with pension funds in the Netherlands and the UK it will be analyzed how emotions drive pension communication effectiveness. The expected results will help to stimulate participants to take actions to avoid a pension gap.

The proposed PhD project can benefit from being embedded in the behavioral research group of the Department of Finance and the Department of Marketing and Supply Chain Management where substantial expertise on financial decision making of individuals is available. Moreover, the PhD candidate will be integrated in the excellent research infrastructure of Netspar (Network for Studies on Pensions, Aging and Retirement) and will get access to industry partners in the UK and the Netherlands to run field experiments. Finally, the School of Business and Economics has a dedicated Behavioral and Experimental Economics Laboratory at the School of Business and Economics that can be used to run experiments.

The application deadline for this project is November 19, 2015.

Candidate The ideal candidate has a background in, for example, (behavioral and experimental) finance, economics, psychology, marketing or judgment and decision-making and should have a demonstrated ability to perform research in this field, as evidence by excellent grades for courses in at least some of these respective fields.
PhD Project 2016FIN4: Behavioral Aspects of Financial Decision-Making / Household Finance

Advisors Dr. Arvid Hoffmann and Dr. Thomas Post.

Description There is an increasing interest in the literature on how investors, households, and consumers make financial decisions on saving and retirement, stock selection and investments, or mortgages. Key aspect of this literature is that individuals often do not behave according to the rationality assumptions of the standard finance literature, but have a variety of behavioral and psychological motivations for their actions. For example, individual investors tend to trade too much and under-diversify, driven by motives related to entertainment, familiarity, speculation, and hobby, while consumers use mental accounting to try and save for retirement or their children’s college education while paying their day-to-day bills. As such, the proposed PhD project will fall under the heading of ‘household finance’, ‘behavioral finance’, or ‘consumer financial decision-making.’ Knowing what underlies and drives individuals’ financial decision-making is important, as there is an increasing self-responsibility for building up and managing retirement wealth in recent years. That is, there is a clear societal relevance to knowing how individuals in reality make their financial decisions, whether this is in their best (financial) interest, and if and how policy makers should and/or could help them to make “better” choices and develop and adapt choice architecture. For example, the proposed research could help to develop smart defaults related and inform consumers about how to deal better with important financial choices related to, for example, retirement saving, credit card usage, consumer credit, loans, investing, etc.

The proposed PhD project can benefit from being embedded in the household and behavioral finance research group of the Department of Finance and the Marketing-Finance Research Lab, where substantial expertise on financial decision making of individuals is available. Moreover, we have access to a dedicated Behavioral and Experimental Economics Laboratory at the School of Business and Economics that can be used to run experiments. Finally, the Department of Finance has a long tradition in collaborating with Netspar (Network for Studies on Pensions, Aging and Retirement) as well as the financial services industry, offering the unique opportunity to get access to proprietary data sets as well as running field experiments.

Candidate The ideal candidate has a background in, for example, (behavioral and experimental) finance, economics, econometrics, (economic) psychology or marketing and should have a demonstrated ability to perform research in this field, as evidence by excellent grades for courses in at least some of these respective fields. The candidate should be open to various research methods, that is to work with, for example, publicly available household survey data, proprietary investor trading data, administer surveys, and design and run lab and field experiments. Ideally, a candidate already has an idea on which projects to do during the PhD related to the topics mentioned above and what the academic and societal relevance of those topics are. Naturally, the exact structure and topic of the PhD project will be discussed and decided upon in close collaboration and coordination with the PhD supervisors.
PhD Project 2016FIN5: The impact of Socially Responsible Investing on Portfolio Risk

Advisors Dr. Prof. Dr. Dennis Bams and Dr. Roger Otten.

Description Since its emergence as a faith-based initiative, Socially Responsible Investing (SRI) has grown to become a more broadly defined investment strategy which also appeals to mainstream investors. Crucial to this acceptance were earlier academic studies that investigated the impact of SRI on financial performance. The majority of empirical studies point towards the fact that there exists no financial penalty for the average SRI investor. This has led to a wide-scale adoption of SRI by policy makers, regulators, corporations and investors. Many countries now have laws in place that require both corporations and institutional investors to disclose the extent to which SRI is applied. As a result of that corporations (UN Global Compact) and investors joined forces to further stimulate the implementation of SRI strategies. For instance, over 1300 investors (representing about 60 trillion USD) signed up to the United Nations Principles for Responsible Investment (UNPRI). Among these are the world’s largest pension funds and asset managers. Many of these investors claim to engage in SRI in order to enhance the value of their investment portfolios. Next to the potential for higher returns most investors claim that integrating SRI considerations into the investment process helps to mitigate risk, hence achieve an improved risk-return ratio. While the impact of SRI on returns has been heavily researched, the specific impact on portfolio risk has been mostly ignored by previous academic research. In the proposed PhD project the candidate will research the impact of SRI on portfolio risk.

Expected Output The aim is to fill an apparent gap in the academic literature but also provide investors with empirical evidence as to whether the perceived lower risk of SRI can indeed be observed in real life portfolios. In addition to that policy makers and regulators will be able to carefully analyse the impact of (new) SRI regulation and finally asset managers will be provided with new tools in order to enhance portfolio construction.

Candidate We are looking for a candidate who has (or soon will have) an MSc degree in Economics, Finance, or Econometrics, or with a degree in a Research Master program in these topics.
PhD Project 2016FIN6: Behavioral Corporate Finance

Advisors Dr. Stefanie Kleimeier and Dr. Arvid Hoffmann.

Description Since its inception in the early 1980s, behavioral finance alongside behavioral economics has matured to a well-developed and accepted new field which presents a number of implications for both individual investors and CEOs. In the area of corporate finance, studies have explored why investors persistently fail to properly process information, for example regarding dividends, stock splits or financial statement disclosure. Behavioral finance explanations have also shed light on the enduring puzzle of why acquiring firms do not earn superior returns after the takeover activity. More recently, the relation between CEO attributes and the activities of firms has been explored with specific attention to managerial overconfidence (Subrahmanyam, 2008). The proposed PhD project will focus on managerial overconfidence in the yet unexplored context of capital structure and financing decisions. As a first research project, the pricing of corporate loans can be explored taking not only rational but also behavioural drivers and CEO attributes into account. Data from the DealScan database, including more than 250,000 loans to global companies, builds the foundation for this research project and will be made available to the PhD student. Dr Kleimeier, one of the advisors of this PhD project, has published successfully with this database (Chaudhry and Kleimeier, 2015a, 2015b; Gatti et al., 2013; Hainz and Kleimeier, 2012; Kleimeier and Versteeg, 2010; Kleimeier and Megginson, 2000). While this database has been explored in the context of loan pricing, tranching, syndicate structure, or international lending, there is still a lot of untapped research potential in the database. In particular in the area of behavioral finance, many research questions wait to be answered. Further research projects can thus also build on this DealScan database. Additionally, there may be the opportunity to explore other data potentially available via the Marketing-Finance Research Lab of which Dr Hoffmann, one of the advisors of this PhD project, is a co-director. For example, the Marketing-Finance Research Lab has performed many studies on cooperatives, such as savings banks, in which clients may be members of the bank next to being customers. As part of the proposed PhD project, the candidate may, for instance, examine how clients that are simultaneously member of the bank and customer, differ from clients that are only customer in their (strategic) default behaviour on credit cards, mortgages, or consumer credits.

The proposed PhD project will thus be at the intersection of the following research fields: “banking,” “behavioral finance,” “corporate finance,” and “behavioral decision making.”

Candidate The successful candidate is expected to have affinity with and knowledge of the above topics as well as a strong foundation in economics, and econometrics. Furthermore, he or she should have a demonstrated ability to perform research in this field, as shown by excellent grades for courses in at least some of these respective fields. The candidate should be open to various research methods, e.g. be willing to work with, for example, publicly available household survey data or large proprietary bank datasets.
References: