

**INTERMEDIATE ASSESSMENT OF THE DEGREE OF  
COMPLIANCE WITH AND SUCCESS IN ACHIEVING  
THE OBJECTIVES SET OUT IN THE STRATEGIC  
PLAN 2016-2020**

The present document contains an assessment of the degree to which the objectives set out in the Department of Business Administration's Strategic Plan 2016-2020 has been achieved. The document describes each of the objectives, and summarizes the different actions that have been implemented to achieve them.

The overarching objectives of the department set out in the Strategic Plan 2016-2020 (described in detail in Section 3 in the Plan) are to achieve excellence in research and education, and, through excellence in research and education, have a significant contribution to society. The strategic plan highlights 3 enablers (people, finance and infrastructure) and 2 strategic themes (internationalization and fund raising) through which these overarching objectives should be achieved.

We copy below the main objectives described in the strategic plan as set out in its Section 3 (italicized, in boxes) and the different actions that we have implemented to pursue those objectives, up to July 2018.

We include in an Appendix the whole text of the Strategic Plan 2016-2020.

### **3. MAIN OBJECTIVES: EXCELLENCE IN RESEARCH AND EDUCATION**

#### 3.1. Excellence in research

*As described in the prior section, the department ranks 19<sup>th</sup> overall (for the 4 areas) in the ranking of business departments elaborated by the University of Texas, for the period 2010-2015.*

*Our main objective for the coming period 2015-2020 is to maintain a position that ranges between the number 15-20 in Europe. The ranking is elaborated according to publications in the top journals in the discipline, and, therefore, our objective is to increase the number of publications in top journals in each of the four disciplines in the department.*

*This is an ambitious benchmark, because even if in the prior period we have witnessed also an increase in the number of publications in top journals by our faculty members, it is also true that this increasing trend is not uncommon in Europe. That is, competition is increasing, and we have to keep up with the institutions that are also increasing the quality of their research outputs.*

*It is important to highlight that second tier journals are not considered in the UT Dallas ranking. Therefore, our main objective is to pursue publications in the following journals:*

*Journal of Accounting and Economics, Journal of Accounting Research, The Accounting Review, Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Journal of Consumer Research, Journal of Marketing, Journal of Marketing Research, Marketing Science, Management Science, Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Organization Science and Strategic Management Journal.*

For the years, 2016-2018, the position of Universidad Carlos III in the business school ranking provided by the University of Texas at Dallas Business School is 23 among European institutions, 2nd in Spain (only surpassed by IESE Business School) and 1st in Spain among public universities.<sup>1</sup> Thus, although for these two years we have not been able to break into the top 20, we are close to our target.

### *3.1.1. Excellence in research: People*

*To ensure that we increase the number of publications in these journals we need to:*

*-A) Hire at the junior level those candidates with a clear potential (even already with revise and resubmits) in these journals.*

*-B) Retain our current faculty members that are publishing in these journals.*

*One important problem that we suffer to achieve A and B is that our salaries are significantly lower than those paid in Spanish business schools, in a good number of European universities that are our main competitors, and, obviously, in the US. Even with this lower salary, we should undertake a number of actions to achieve A and B.*

#### **A) Hiring new faculty with top research potential.**

*The academic job market is very competitive. To be able to hire strong candidates we need to be able to:*

- Be known in the academic community. This mainly means being able to publish good papers and retaining faculty that is well-known in the profession (which is also a big challenge).*
- Reach to candidates. We should maintain the policy of being present in the international job markets in the next four years and evaluate the returns of the policy (since it is quite costly) at the end of the 2016-2020 period.*

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<sup>1</sup> The UTD ranking calculated for the journals described above was obtained on October 9, 2018 at <http://jindal.utdallas.edu/som/the-utd-top-100-business-school-research-rankings/search#rankingsByJournal>.

- *Offer candidates competitive packages. We should hire only those candidates good enough to be serious candidates for a Juan de la Cierva grant (or an ERC or Ramon y Cajal grant down the line) and offer them a salary that incorporates the expected revenue coming from such grants. It is a matter of doing the numbers, but candidates that are likely to earn these grants may be cheaper for the department in the medium run even if we offer them a package (say for the initial 2-3 years) with an initial salary greater than what we offer now.*
- *Offer candidates a supportive research environment. This means (at least) good teaching deal (we already do this, as described in the prior section on current situation); a good seminar program; better research funds; and proper infrastructure (including standard access to databases through WRDS).*
- *Monetary awards for publications in top journals: We will maintain the current scheme of monetary awards (paid through the “instituto”) to publications in top journals.*
- *It is important to stress, though, that offering very good teaching deals and increased salaries is very costly for the department and that we have little support from the university to do this. Therefore, we should actively seek the support from the university, and, in any case, the policies that we implement should not jeopardize the financial stability of the department.*

In each of the last three academic years (2016-2017, 2017-2018 and 2018-2019) we have hired (starting in September of the respective academic year) 2 faculty members at the junior level:

2016-2017:

-Andrea Bafundi (Italian, Male, from IE Business School Madrid)

-Paulo Maduro (Brazilian, Male, from New York University)

2017-2018:

-Magdalena Dobrajska (Polish, female, from Copenhagen Business School)

-Crystal Lee (South Korean, female, from University of Texas at Austin)

2018-2019:

-Jesper Rudiger (Danish, male, from University of Copenhagen)

-Raffaele Morandi (Italian, male, from IE Business School Madrid)

It is noteworthy that there are no Spaniards among the six new hirings, and only two from the six come from Spanish institutions.

We have negotiated with the university and have obtained the university's support to offer more attractive packages to candidates with revise and resubmit or accepted papers in leading journals, especially in finance and accounting, where there has been a more pronounced shortage in candidates, and we have targeted candidates with revise and resubmits or publications. As described in the strategic plan, the objective is that, while these packages will be initially costlier for the Department (since the higher salaries are charged to the Department's faculty-related budget), we expect these candidates to be able to raise funds to partially or totally fund their salaries.

With this strategy, we have hired three candidates (half of the overall hires) who already had at least a revise and resubmit in a top journal. These were the cases of:

-Magdalena Dobrajska (one publication in Organization Science and a revise and resubmit in Strategic Management Journal).

-Jesper Rudiger (a revise and resubmit in American Economic Review with a finance topic).

-Raffaele Morandi (a revise and resubmit in Strategic Management Journal, and a revise and resubmit in Organization Science).

It is also noteworthy that we have been able to attract two candidates from top US institutions (University of Texas at Austin and New York University).

The case of Magdalena Dobrajska is the perfect example of how this strategy can offer very positive results. Magdalena obtained a very competitive grant from the Comunidad de Madrid (the regional government) from the programme called "Atracción de talento" (Talent Attraction). With the funds obtained with this grant, the salary costs of Magdalena covered by the department have decreased substantially (from around 65,000 euros to around 25,000 euros, during 4 years). Apart from funding her salary, that grant awarded her about 200.000 euros as research funds. With these funds, we have fully funded the stipend of a PhD student for 4 years.

Apart from the hiring of these six new faculty members, it is noteworthy that we have attended international formal job market seminars in all of our four academic areas. In Management, we conduct job market interviews every year at the Academy of Management annual conference in August. In Finance, we have conducted job market interviews at the January annual meetings of the American Finance Association in years 2016-2017, 2017-2018 and plan to do so as well in January 2019. In Marketing, we have conducted interviews at the American Marketing Association career fair in 2016-2017 and the EMAC job market in 2016-2017 and 2017-2018. Finally, in Accounting, we have attended both the US-based Rookie Camp organized by the American Accounting Association, which takes place every year in Miami, as well as the newly organized job market of the European Accounting Association (Talent Workshop). This new formal job market has proven to be extremely successful in attracting excellent candidates with an interest in working in Europe. Therefore, it is likely that in the future we might focus on this job market only for our hiring in Accounting.

## ***B) Retaining “senior” faculty with a strong research record***

*One of our greatest challenges may be to retain tenured faculty (or Assistant Professors in the last years of their tenure track) with a strong publication record (see below what I mean but strong publication record). To achieve this goal, a necessary condition is to ensure that faculty members with a strong publication record are paid sufficiently relative to the potential offers that they may receive.*

*To be able to pay them sufficiently, we will have to tap different sources of funding:*

- Academic Board of the Master Programs (or alternative formula). We propose creating a common academic committee for all our master programs. The role of this committee would be to advise and monitor the executive directors of the master programs, but committee members would have no administrative duties or be involved in day-to-day activities. Committee members would be selected exclusively from faculty members with a strong publication record. This would also allow us to reward Professors with strong publication record, and at the same time, the master programmes would benefit from the input from these highly reputed academics.*
- Hourly pay in master programs. Establish a higher hourly rate for faculty with a strong publication record. This could also be applied to junior faculty members that either meet the criteria or are in the right path to meeting the criteria.*
- Endowed chairs. Of course, the department should continue to lobby for medium or long-term chairs for tenured Professors.*
- Research grants. Some research grants allow for money to be devoted to complement the salary of key researchers or to pay for reduced teaching to devote more time to research. We should exploit this possibility.*
- Monetary awards to top publications: We will maintain the current scheme of monetary awards (paid through the “instituto”) to publications in top journals.*

*We should note that an additional benefit of the policy of paying more to faculty with a strong publication record is to provide incentives to publish in top journals. We think of this policy mainly as a way to meet the participation constraint of faculty with potentially attractive outside options, but it will probably also have this additional incentive effect.*

*In this sense, it is important to stress that we have been losing important faculty members over the last five years (Andrea Fosfuri and Marco Giarratana to Bocconi, Jordi Surroca to Groningen, Manuel Fernández Bagüés to Aalto). So we should take the threat of losing our key human assets very seriously.*

We have implemented the following actions to retain our current faculty members:

- 1) We have designed a programme to complement the salaries of the faculty members that lead the department in terms of research. This programme will achieve the same objectives as those of the academic board common to our master programmes proposed in the strategic plan, but it differs in its implementation. The new programme has been designed as a 2-year call for departmental research

awards. This call would allow us to increase the salary of one (or two, if the salary increase is shared) faculty member in each of the four areas of the Department, 12,000 euros per year. The programme counts with an external fully independent expert panel, who will select the faculty member in each of the Department's areas that has excelled the most in terms of research. The only formal requirement imposed on the expert panel is that for a candidate to be eligible, the candidate must have published at least one article in an A+ publication in the area. The programme will be financed by the INDEM institute. The programme has not been implemented yet, because we are in the process of obtaining the University's authorization. The programme has now been under consideration by the university for almost a year, and while we believe that it will be eventually implemented, the university is reluctant to implement this kind of incentive programme at the departmental level.

- 2) We have successfully negotiated with the university a salary increase to faculty members with a Ramón y Cajal Grant (from the Spanish Ministry of Education). With this agreement, the faculty member's salary increases, but this does not affect our personnel budget.
- 3) We have maintained the scheme whereby faculty members receive either a monetary award or a temporary increase in salary for each publication in an A+ journal.
- 4) We have maintained two endowed chairs, partly financed by the university, a full time one (Jose Marín) and a part time one (Luis Gómez Mejía).

### ***C) Promotion processes***

*Given that our objective is to publish in the previously identified top journals, it is important that we design our promotion processes to ensure that they are based almost exclusively in publications in these journals. While publishing in these journals has not been common in Europe especially in some disciplines (accounting, marketing, also finance to some extent), for promotions to associate professorships, some upper level second tier journals could also be considered, depending on the particular staffing needs of the department at the time of the promotion decision. However, the promotion decisions to full professorships should be based (research-wise) on publications in these journals.*

Since 2016 there has been five promotions, two to Associate Professors (one in Accounting and one in Finance), and three to Full Professors (two in Marketing and one in Accounting). In all cases, the candidates had publications in A+ journals. It is also noteworthy that, except in the case of the promotion to Associate Professor in Accounting, all candidates had A+ publications in their own knowledge areas.

#### ***D) Benchmarking with competitors***

*To achieve the strategic objectives, a good starting point may be to rigorously learn from institutions that (with similar institutional constraints) have achieved the desired objectives.*

*For example, regarding strategic objective 1, several European public universities could be identified that have dramatically increased their publication count in top (3) Finance journals in the last five or ten years (Tilburg, University of Amsterdam, Erasmus, Mannheim, Frankfurt (Goethe), Warwick, EPF Lausanne, and I would add Pompeu because of being in Spain). As a prior step to formulating our strategies, I propose studying how they did it:*

- Has the boost in publications come from one or two faculty members or has it been more widely distributed? From junior faculty or senior faculty? New hires or existing faculty? With coauthors from US institutions?*
- Has it coincided with organizational changes? Has it been preceded or followed by large grants? By expansion of their master programs?*
- Have the institutions been able to retain top researchers? Have they increased their pay significantly? What else have they done to attract or retain top researchers?*
- If they pay more, where did they get the funding? How did they get around institutional constraints?*
- Did the changes coincide with the appointment of a heavy-weight chair/dean? Or they did not require the involvement of such a heavy-weight figure?*

*While one probable answer to why they have been able to grow substantially is that the universities/governments have increased substantially their financing (the clear case, for example, of German universities), we still think this analysis would greatly help us define the actions needed to achieve the strategic objectives.*

To rigorously learn from institutions that might face similar constraints and that have been successful in improving their research performance substantially over the last few years, we will organize a formal evaluation of the Department by a panel of experts.

The panel of experts will be composed of four senior and very highly respected academics (one in each of the Department's areas of knowledge) from institutions with an outstanding record in recent years.

We will share with the panel our strategic plan, as well as a self-assessment report, in which we will describe and assess quantitatively the Department's performance. We will invite the panel to visit the Department and will arrange meetings with senior officers of the university, senior faculty members, junior faculty members, and PhD students. The panel's visit will result in a document, in which the panel members will evaluate the Department and propose suggestions for improvement.

We have already invited the four members of the panel, and they have agreed to visit the department on January 31, and February 1, 2019. We have also consulted the university and we have the full support of the university to carry out this initiative.

The panel members are the following:

-Willem Buijink (Tilburg, Accounting).

-Xavier Freixas (Pompeu Fabra, Finance).

-Ruth Aguilera (Northeastern University, Management).

-Peter Leeflang (Groningen, Marketing).

We have included faculty members from three European research-oriented universities that have been successful in publishing in the top journals in their fields and in attracting high quality faculty members. The fourth member of the panel comes from the US. We thought it was also important to have a view from a researcher from a non-Ivy league US university with an excellent research record, and who, at the same time is both familiar with the Spanish university system and highly respected in her field (as showcased by the fact that she is the senior editor of *Organization Science*, one of the A+ journals in Management).

### 3.1.2. Excellence in research: Infrastructure

#### Access to databases

*A large part of the leading research in economics, business, finance, accounting, and related disciplines, is based on the intensive analysis of data. The subscription to the data, the retrieval process, the treatment of the data so that it is ready for adequate usage in research with the proper statistical-econometric techniques has become extremely expensive. In fact, it is so expensive that the most prestigious universities (Harvard, Chicago, Berkeley, Stanford, Yale, Northwestern, UCLA, MIT, NYU, and many others) have given up the possibility of developing their own infrastructure for data accessing, gathering and treatment, and they use (through a subscription service) the infrastructure developed and maintained by the Wharton School, at the University of Pennsylvania. This infrastructure for data gathering and treatment is called WRDS (Wharton Research Data Services), and it can be accessed and used through the internet, paying an annual subscription.*

*Currently, we do not have the financial resources to access the data we need for our research projects through WRDS. Instead, over the last 10 years, the Department has undertaken a large effort to “replicate” what WRDS offers, contacting directly the providers of the data, and using the different interfaces that they provide, instead of using WRDS. In this fashion, the cost of the data decreases substantially. But, at the same time, this creates important costs for our faculty members and PhD students. The same data collection process in WRDS can take one hour, while if done through the interface of the provider might take several days. Also, WRDS decreases the probability of introducing errors in data matching processes, and it reduces from weeks to hours some of the data treatment issues, allowing the researchers to focus their efforts on the important research tasks. In many occasions, the referees from the top journals might feel that if not through done through WRDS, the research might be less reliable.*

*Therefore, our main objective regarding infrastructures is to be able to raise the necessary funds to subscribe to WRDS with the current amount of databases. If we are not able to maintain the current databases, and if we are not able to subscribe to WRDS, maintaining our current relative position in the rankings will be extremely complicated.*

We have been awarded a large research grant, from the Spanish Ministry of Economics and Innovation’s programme on “Large research infrastructures”, to finance a substantial part of the cost of our databases. The grant is for two years (2017 and 2018), and we have already reapplied for the period 2019-2020. The grant, which is partially financed with EU-Feder funds (FEDER UNC315-EE-3636), has allowed us, for the first time, to subscribe to the data platform WRDS. We have thus become the first public Spanish university to subscribe to WRDS. Access to WRDS greatly simplifies access to databases

and should allow us both to increase our research productivity and to attract junior faculty who demand access to this platform.

Given that the outcome of the re-application for funds is uncertain, we are already working together with the University Library and the University's IT services in a contingency plan to be able to maintain the WRDS subscription even if we do not obtain the re-financing from the "Large research infrastructures" programme.

We have developed a scheme whereby all of our master's programmes pay a fixed amount to the Department's library account, which can be spent in databases in the current year or saved to be used for that purpose in future years. This is an important improvement that we have negotiated with the university, because until we reached this agreement, all amounts paid into our library account had to be expensed in the same year. This improvement is allowing us, over the two years where we have the extra funds from the large research infrastructures programme, to create a buffer in case we need to fully fund the access to WRDS and the other databases.

### 3.2. Excellence in education

*The four basic objectives for the department over the period 2016-2020 are:*

- 1) To successfully finish the AACSB accreditation process.*
- 2) To maintain the AMBA accreditation.*
- 3) To maintain the leadership position of our undergraduate programmes in the main ranking for Spanish universities (published by the newspaper El Mundo).*
- 4) To raise the international visibility of our master degrees.*

*Regarding 1 and 2, we are committed to devote the necessary resources to successfully carry out all the tasks related to the accreditation processes. In particular, we will continue to implement a series of measures (for example, a reduced teaching load for faculty members who lead or who are especially involved in the accreditation processes) to ensure that the proper effort is taken in the accreditation processes.*

Regarding each of the four points above:

- 1) We have successfully completed the AACSB accreditation, becoming the first Spanish public university accredited by AACSB. The re-accreditation will take place in 2021, and those involved in the re-accreditation have a reduction in their teaching loads so that they can devote enough time for the task.
- 2) The reaccreditation with AMBA will take place in July 2019.

Regarding accreditations, it is important to highlight that we have also been accredited by ACCA (Association of Chartered Certified Accountants). This certification is, for now, only for the degree in Finance and Accounting. The main benefit of the accreditation is that our students will obtain exemptions from the ACCA exams (from all of them except the taxation paper) to become CPA in a large number of countries.

- 3) We have been consistently ranked first in Business Administration and Finance & Accounting in the El Mundo rankings (El Mundo does not provide rankings for the other bachelor degrees offered by the Department).
- 4) Our master's degrees have high international visibility, as proven by the following facts. The average percentage of international students in our master's programmes was 59% in 2016-2017 and 61% in 2017-2018. This average includes the master's degree in Actuarial and Financial Sciences, which is a special degree because it is taught in Spanish and accredits students as actuaries. If we omit this degree, the average percentage of international students in our master's programmes was 66% in 2016-2017 and 68% in 2017-2018.

We have also engaged in a variety of practices to enhance the international visibility of our Master's degrees:

- Pay-per-click advertising in Google Adwords
- Social media advertising.
- Attendance to graduate studies fairs, both national and international.
- Master's week event: The University organizes open days to promote all its Master's degree programmes. Program directors present their Master's degree programmes and offer individualized counselling to interested students. This event focuses on attracting excellent undergraduate students from Universidad Carlos III.
- Creation of brochures and videos with engaging content distributed through the University's website.

*Regarding our undergraduate programmes, we propose to implement the following actions to maintain our leadership position in Spain and to improve the quality of the different programmes:*

*a) Schemes to incentivize high quality teaching:*

*To foster teaching quality in the Department, the University and the Department work together in two lines of action. On the one hand, The University and the Department have established additional payments linked to teaching performance. Both types of actions are in line with the objective of incentivizing teaching efforts and rewarding teaching quality. Apart from the monetary award, we believe it is important that the department makes also a public acknowledgement to faculty members with outstanding teaching performance. At the University level, the University also rewards the best performing (teaching-*

*wise) faculty members, with awards up to 5,000€ per faculty member, to those faculty members in the 5% with better teaching assessments. The University takes into account not only the teaching surveys, but also other indicators (for example, the introduction of teaching innovations). Our objective is that we continue to carry out an annual call of awards for the best teaching scores in the department. To the extent that the financing constraints allow it, the awards will come together with a small payment, and, more importantly, the department will make sure that the recipients of the award are sufficiently recognized through the departmental website and social networks.*

The University has maintained the current incentives for high quality teaching. The bonuses for teaching performance can be substantial, reaching up to 5,000 euros.

We have reintroduced in 2016-2017 the department teaching award programme. This program recognizes the performance of the five best (according to the results of the teaching evaluations filled out by students) full time faculty members, part-time faculty members and Phd students. The full time faculty members who receive the award are also granted a small monetary prize.

*b) Schemes to incentivize the preparation of high quality teaching materials:*

*The University organizes several activities to improve teaching. These activities include an annual call for teaching innovation projects (the last call was particularly oriented towards the development of MOOCs, Massive Open Online Courses), and courses that cover different aspects of teaching. We will explore ways to incentivize our faculty members to participate in these calls.*

Several of our faculty members have participated in recent University calls for teaching innovation programs. The faculty participating in these programmes obtains support from the university for the development of the programme. Participation in the teaching innovation programmes is also a factor determining the compensation bonus awarded by the University for teaching performance. In the last two academic years, the following faculty members led teaching innovation teams (we include the title of the innovation programmes):

- 2016/17: Juana Aledo Martínez: “Due Diligence Challenge”
- 2017/2018:
  - Lola Cristina Duque Zuloaga: “Behavioral Lab”
  - María José Sánchez Bueno: “The use of online tools applied to the case study methodology as a way to learn and develop management concepts”.

*c) Erasmus programme and other international mobility programmes for students:*

*c.i) As described in the section on the current situation of the department, the programmes led by the department count with a really large number of partnerships with European and non-European institutions for the exchange of students. Our aim should be, at this stage, to try to be selective and create additional partnerships only with high quality institutions. Also, we should critically evaluate the existing partnerships to ensure a high level of quality. We commit to spend the proper resources to work together with the international office to ensure high quality in all international exchanges.*

We have worked together with the international relations office to assess the performance of our current partnerships and to engage only into new ones with high quality institutions. Two of our permanent faculty members devote their admin time to this task.

We currently offer our students visiting positions in 120 universities in Europe and 129 universities in the rest of the world. Some examples of the universities in Europe are Warwick and Manchester (in the UK); HEC, EMLYON Business School and EDHEC Business School (in France); University of Lausanne (in Switzerland), Tilburg University and Erasmus University (the Netherlands); Mannheim University, University of Cologne, and WHU-Otto Beisheim School of Management (Germany); and Bocconi (in Italy). Outside of Europe, we offer universities such as: the University of California, Boston College, University of Southern California, University of Wisconsin Madison, Texas A&M, and Georgia Tech (in the US); Queen's University and University of Calgary (Canada); University of New South Wales and University of Sidney (Australia); Singapore Management University (Singapore); City University of Hong Kong and Shanghai University of Finance and Economics (China); University of Seoul (Korea), University of Sao Paulo (in Brazil); ITAM (México); or University of Buenos Aires and Universidad Torcuato di Tella (in Argentina). In 2017-18, we had 262 students from the business administration degree going to visit other European universities, and we welcomed 294 foreign students.

We actively work with the international relations office and the Deans' office to assess the performance of our current partnerships. We closed 6 partnerships in 2015 because they were not demanded by our students. We consider about 3 or 4 new partnerships every year and we end up formalizing 1 or 2 based on the profile of the institution, namely, its location, ranking, and whether the courses offered match the courses in our programs.

*c.ii) Also, we should keep our current involvement in the mentorship of the students that go abroad (to help them in selecting the proper courses, etc...), and in the mentoring on the students that visit our department.*

We hire every year three part-time faculty members whose only task is mentoring the students that go abroad. They help them get in contact with the international relations office at the foreign university. They also help students organize their

schedules, find housing, and get in contact with students that have been in the exchange program in previous years. These part-time faculty members also help students with any problem that might arise during their stay at the foreign university. Regarding the incoming students, the international relations office takes care of their paperwork and schedules during their stay at Universidad Carlos III.

*d) Agreements for international dual degrees:*

*Our intention is to continue to explore the possibilities of, within the the very rigid Spanish university system, offering dual degrees with high quality international institutions. We will continue working together with the Baruch College, at the City University of New York, to be able to offer a dual degree.*

Since September 2016, Universidad Carlos III initiated an international double degree program with Université Paris-Dauphine (UPD). This Double Degree UPD-UC3M program enables Bachelor's students with high academic standing and an excellent command of Spanish, French and English to simultaneously obtain a diploma from both universities. The curriculum includes all of the traditional core disciplines: Macroeconomics, Microeconomics, Public Law, Private Law, Introduction to management, Sociology and Accounting, with accommodations and additions made to take into account Spanish specificities. Courses are taught in Spanish, English and French at the Getafe Campus of UC3M and are part of the curriculum at Université Paris-Dauphine. It is oriented to the area of Economics and Business Administration and currently has 66 freshmen and sophomores.

In addition, since the academic year 2012/14, Carlos III University has been offering a double degree in Business Administration with EBS Business School, one of the leading private business schools in Germany (located both in Wiesbaden and Oestrich-Winkel). Third-year students at Carlos III in the degree of Business Administration can finish their studies at EBS Business School (i.e., they can study at EBS during the second quarter of their third year and during their fourth year). Upon finishing their studies, they obtain their degree from both universities.

We are also currently considering opening a double degree with the University of Essex in the UK. We are in the process of evaluating their program and checking for the convalidations of all the subjects. The idea is that the students would do their first year in their university of origin and they would visit the other university for the rest of their degree.

e) *Attraction of the best students:*

*e.i) The University and the Department are aware that an important ingredient that contributes to enhance the learning process for all students is that the average student is also excellent. That is, we not only need excellent faculty members and programs, we also need excellent students. Given this, the University carries out a series of activities, jointly with the Department, to attract the best students. The activities to attract the best under-graduate students include visits to high schools in Madrid, participation in education fairs, and a continuous improvement of the visibility of the University/Department through the official website, which includes very detailed information about all the programs.*

**Table 1. General admission figures at Carlos III University in Madrid**

Year	Openings	First-option demand		Number of admitted students	
		No.	%	No.	%
2018	3.604	6.261	173,7	3.859	107,1
2017	3.575	5.995	167,7	3.763	105,3
2016	3.555	5.800	163,2	3.798	106,8

Before assessing the degrees offered by the Department, we would like to point out that the attractiveness of Universidad Carlos III for students has continuously increased in the past years and sets it apart from the other public universities in Madrid . As can be observed in the above table, 6,261 students applied to the different degrees at Carlos III as their first option in June 2018, a figure which exceeded in 73.7% the number of vacancies offered by the university (3,604 vacancies). The gap between students who pick a degree as their first option and the openings is significantly smaller in all other public universities in the Madrid region.

**Table 2. General admission figures at other public universities in Madrid (June 2018)**

University	Openings	First-option demand	
		No.	%
Universidad Alcalá de Henares	1.105	1.181	106,9
Universidad Autónoma de Madrid	1.592	1.775	111,5
Universidad Complutense de Madrid	4.221	4.907	116,3
Universidad Politécnica de Madrid	2.345	2.652	113,1
Universidad Rey Juan Carlos	4.713	4.256	90,3

To provide a metric of the attractiveness of the degrees offered by the Department, one can look at the cut-off grades for admission into the different programmes. As the next

table shows, cut-off grades for the degrees offered by the Department are significantly higher than in any other public university in Madrid.

**Table 3. Cut-off grades at public universities in Madrid (June 2018).**

Degree	Cut-off grade					
	Carlos III	U. Complutense	U. Autónoma	U. Politécnica	U. Rey Juan Carlos	U. Alcalá de Henares
Business Administration Getafe	11,203	8,972	9,790		7,608	8,127
Business Administration Colmenarejo	10,232					
Statistics and Business	10,307	6,913				
Finance and Accounting	10,344				7,080	5,725
Management and Technology	12,344					
Law and Business Administration (Getafe)	12,579	10,154	11,346		9,118	9,418
Law and Business Administration (Colmenarejo)	10,726					
International Studies and Business Administration	13,216					

*e.ii) In addition to the current set of actions to attract the best students, we should keep exploring additional lines of action to attract the best students to our undergraduate programmes, with the objective of increasing the number of students from outside the Autonomous Community of Madrid, and also from abroad. Contacting the best secondary schools from the different Spanish regions is something that we should seriously consider to identify the best students so that they are aware of the distinctive characteristics of our programmes. This is something that, through the university, has been done often within the Autonomous Community of Madrid, but that we should definitely negotiate with the university so that the programme is widened to include the rest of the country.*

**Table 4. Origin of admitted students (in the first year of the degrees at Carlos III)**

Year	Number of admitted students from outside Madrid		Average grade	Average grade of admitted students outside Madrid
	No.	%		
2018	1.757	45,5	11,612	11,867
2017	1.546	41,1	11,32	11,804
2016	1.508	39,7	10,85	11,412

As can be observed in the above table, the proportion of students admitted to the degrees in Carlos III has been rising in the last years, as well as the average grade of those students, which is on average larger than the one of students from Madrid who are admitted to Carlos III University. The proportions are even larger for the degrees offered by the Department.

*e.ii) We should also explore the possibility of attracting non-EU high quality students, who would enrich the cultural diversity of the university and that, at the same time, would increase the financing.*

*Regarding our master programmes, we propose to implement the following additional actions that we expect will contribute to increase the quality of the programmes:*

- 1) Creation of an “Academic Board of the Master Programs” (or alternative formula). We propose creating a common academic committee for all our master programs. The role of this committee would be to advise and monitor the executive directors of the master programs, but committee members would have no administrative duties or be involved in day-to-day activities. Committee members would be selected exclusively from faculty members with a strong publication record. The master programmes would benefit from the input from these highly reputed academics, who will also monitor the well-functioning of all our master programmes.*

We are still discussing the implementation of the Academic Board with the University.

2) *Standardized reporting. We suggest requiring some standardized reporting in the reports produced for the programs' main stakeholder (i.e., the department). For example several standardized tables with variables such as: # students of different types; revenues from different kinds of students; costs at some level of disaggregation; database canon paid; # of teachers; # of hours of teaching; hourly rates paid; disaggregated compensation of the management team; and, very importantly, amount of money that the university and the department have received from the master program. Providing some additional structure to the report could be good, but we think these tables are essential.*

Reporting has been fully standardized. The University has a standardized budget report form that includes: number of students of different types; revenues from different kinds of students; costs at some level of disaggregation; database canon paid; number of teachers; number of hours of teaching; hourly rates paid; disaggregated compensation of the management team; and, very importantly, the amount of money that the University and the sponsoring department have received from the master program.

However, these accounts are not currently available for the Department with the above-mentioned detail.

3) *We should continue the possibility of developing the business school of the university. We should investigate this possibility seriously (especially if we see that target institutions have grown thanks to one / have been able to create one). In the absence of a business school, we could lobby strongly for changes in the organizational structure / routines of the existing Graduate School, which could benefit our master programmes. Finally, we could study if we would have greater flexibility if the master programs were integrated in the "instituto" INDEM.*

There has been no significant progress in this direction.

4) *We should explore seriously whether it would be adequate to enlarge the number of students enrolled in each master. This would increase substantially the economic returns of the programmes for the department.*

We have obtained approval to increase the maximum enrolment for the following master's degrees: Management (from 40 to 60), Finance (from 40 to 60), Marketing (from 40 to 60), Human Resources (from 30 to 40).

5) *Currently, all the teaching in the master programmes (except for the master in actuarial sciences and the master in business administration and quantitative methods) is paid on the side and does not count for the official teaching load of faculty members. We should explore the possibility of allowing faculty members to teach in all masters within their workload. This would allow the masters to increase the number of permanent professors teaching in the programme, and at the same time will have a positive effect in the income generated by the masters, which can then be accrued to the department.*

The department has developed a normative framework that allows teaching in the master's degrees to count towards the fulfilment of the teaching load. A few members of the faculty have opted for this possibility.

### 3.3. Enablers: People, infrastructure and financing

*Given that we already described in the prior Section 3 our objectives regarding people and infrastructure, in the current section we will just describe very briefly again the objectives regarding those two pillars, and we will focus mostly on the actions that we propose to undertake on increase the flow of funds to the department.*

#### 3.3.1. People

*As previously discussed in Section 3.1.1, to achieve our objectives we should be able to hire new faculty members that will be able to publish in the top journals for each discipline, and we should be able to retain our current faculty members that have been very successful publishing-wise, and that, therefore, have increasing outside options. As the actions to achieve those two objectives are described in detail in Section 3.1.1., we will not repeat them here. However, it has to be emphasized that, to achieve those two objectives that department needs the funds to offer competitive packages (salary-wise and with other conditions).*

See our previous description about hiring in pages 3 and 4 of this document

### 3.3.2. Infrastructure

*Also as described in Section 3.1.2., we should work to obtain the necessary funds to ensure that we can access the databases that are key to a large part of the research work of the department, and through the appropriate means (through WRDS).*

*An additional issue that we have not discussed previously is that we should also negotiate with the university to obtain additional administrative support, with additional administrative staff that should be proficient in English. While we are satisfied with the individual performance of our current administrative staff, for the proper functioning of a department of our size, with around 170 faculty members including part-time adjunct professors, we need more administrative support. Currently, our admin team is made of 5 members, only one of them being actually fluent in English. We need to pressure the university to obtain more admin support and with staff that is fluent in English.*

This point introduced one additional issue, the increase in our admin support, and also the need to improve the ability of our admin staff to work in English.

Regarding this issue, it was important to mention that out of the 5 full time admin members described in the point above, 4 were fully financed by the university, and the fifth was partly financed by our Institute (Indem). Our this period, we have been able to negotiate with the university the hiring of an additional member fully funded by the university. This new member started working in the Department in April 2016. After a one-year evaluation of her activities, and while we were satisfied with her performance (she was perfectly fluent in English), we decided to hire a different person, who is now working full time in the Department, fully funded by the University and who is also fluent in English. The University has committed to maintain this additional person in the Department.

Apart from this, the Department and the University have implemented several English courses for the other remaining 5 faculty members, who, over the last 2 years, have improved their working knowledge of English, both at the written and at the spoken level.

Finally, with our own funds, we have hired an additional 7<sup>th</sup> member for our admin team (Estela Martínez), who has been working mostly as a project manager for our ongoing projects, and who has been providing additional support in applications for research funds. She has been assigned to the research Grant Unit that we describe further below. This is costly given our limited funds, and we will need to assess whether this is sustainable and whether we will continue devoting this funds for this purpose in the future.

### 3.3.3. Financing / Fund raising

*While our ability to hire and retain the faculty members that will help the department to achieve its objectives is clearly linked to the availability of enough funds to offer competitive packages, our ability to increase grant money is clearly tightly related with our ability to meet challenges 1 and 2 (hire and retain) and causality goes both ways. We can only substantially increase grant money only if we publish more in the top journals, so clearly the main way to improve our chances of getting such money is to hire and retain top researchers and ensure that our faculty has the means, the time and the incentive to try to publish in top and A journals. Absent that, there is little we can do.*

*Therefore, the success of the department will be linked to the increase of our ability to raise grant money.*

*Our main objectives for the 2015-2020 period related to fund raising are as follows:*

- 1) Actively pursue that the department is recognized as a Maria de Maeztu (or similar future programme) unit. We participated for the first time in the call of 2015, we received extremely positive feedback from the referees.*
- 2) We should actively seeks funds from European Union programmes. This should be the main objective, fund-raising wise, in the long term, for the department.*

*To achieve those two objectives, and to be able to raise funds also through other smaller programmes, we plan to implement the following schemes:*

- A) Grant unit. However, we think that we can greatly increase our chances if we take increasing grant money as a top-priority strategic action. In my opinion, this entails creating a unit fully devoted to this task. The tasks of the unit would be:*
  - Be aware of **all** relevant calls: public and private, Spanish and European.*
  - Prepare a calendar of calls so that the right candidates can prepare applications well in advance.*
  - Select candidates for grants. Of course, each faculty member can apply to any grant he or she wishes, but the unit should ensure that the candidates with the highest chance of getting grant apply for the grant. “Ensuring” means letting the candidate know, pushing the candidate if pushing is needed, and advise applicants to maximize the probability of success.*
  - Advise the applicants. The unit should keep older applications; research lists of grantees to see which profiles were successful in previous calls; prepare and provide candidates with application templates; and revise applications.*
  - Build and help build a network of contacts with other institutions (including non-academic institutions) for the purpose of applying for grants that require several institutions.*
  - Communicate with OTRI. The unit should use OTRI as much as possible, but I think that candidates should not have to worry about dealing with OTRI. That should be done by the unit.*
  - Manage most of the paper work having to do with the management of grants.*

*The Grant Unit should have a person in charge, and possibly one additional faculty member per research area (other than the one of the person in charge). Further, it **should** have the full-time administrative support of at least one “gestor de proyectos” (who helps both with the administrative tasks having to do with current grants and with the grant search and application); and an intern, if possible. Part-time administrative support from the secretaries will likely be necessary.*

*The amount of money from grants may be potentially much larger than the one from the master programs, so we should take this unit very seriously. This entails, at least:*

- *Setting clear goals*
- *Reporting to the department council.*
- *Consider a teaching reduction for the person in charge if the work load is clearly greater than a “usual” administrative task.*

*B) We should consider providing additional incentives to the faculty members that lead the applications for the Maria de Maeztu (or equivalent) or European Union programmes.*

*In the past, we have been very successful in obtaining funds from several programmes from private and public institutions. We have to make sure that faculty members keep participating in these calls, which include:*

*-Juan de la Cierva and Ramón y Cajal programmes, to finance the salaries of assistant professors.*

*-Grants from the Fundación Ramón Areces.*

*-Grants from BBVA and Banco de Santander.*

*-Research projects from the Spanish Ministry of Economics and Innovation.*

*-Research projects from the Autonomous Community of Madrid.*

The two main funding objectives were to actively pursue the Maria de Maeztu recognition and to seek European funds.

The Department has achieved these objectives, since the Department has submitted in each of the last two years very competitive proposals to the Maria de Maeztu and the ITN European Training Networks calls. In the latter case, the Department led a team of beneficiaries at the highest level in Europe: London School of Economics, Tilburg University, Humboldt University Berlin, University of Mannheim and HEC Business School Paris, in 2017, adding Bocconi University to the 2018 call.

Despite the success in the preparation of competitive proposals, the end result has not been satisfactory, since the Department has neither achieved a Maria de Maeztu nor a ITN, despite receiving overall good evaluations from reviewers.

Although not as a coordinating institution, the department has received funds from the European H2020 program through CORDIS and the project Challenging the ICT Patent Framework for Responsible Innovation, where we act as a partner of the team.<sup>2</sup>

In terms of the particular A) and B) objectives:

A) The department set out the goal of creating a Grant Unit. This unit has been created. The unit is led by Full Professor Beatriz Garcia-Osma, and there is a staff member, Estela Martinez, who has been appointed to conduct the tasks detailed above. The creation of the Grant Unit has resulted in raised awareness of all national and international calls, with the outcome being exceedingly positive, in particular, the department has raised funds, since 2016, from the following sources:

- a. A total of 17 projects have been funded by the Ministry, totaling 573,538 EUR. These projects include:
  - i. 9 Excellence (Excelencia) projects from the Ministry
  - ii. 5 Challenges (Retos) projects from the Ministry
  - iii. 1 Equipment (Equipamiento) project from the Ministry
- b. A total of 4 projects by the Madrid Autonomous Community, totaling 381,002 EUR. These projects include:
  - i. 2 Regional research Projects
  - ii. 1 Grant from the talent attraction program “Programa Atracción del Talento Investigador” for one of our recent hires in Marketing. Apart from the funds added above, this grant also funds partly the faculty member’s salary for four years.
- c. A number of smaller grants in internal UC3M calls have also been obtained, as well as some funding to support the organization of conferences and workshops.

B) In terms of additional incentives for those leading applications, this initiative has not been implemented yet, as the department has not yet succeeded. However, the Department is fully committed to reduce the teaching and admin loads of those faculty members leading EU projects.

The department has also succeeded in raising funds from private institutions in this period (one grant from Fundacion Ramon Areces). Very importantly, the department has also obtained one Ramon y Cajal grant in the 2018 call, which is an extremely competitive and well-funded grant.

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<sup>2</sup> [https://cordis.europa.eu/project/rcn/206079\\_es.html](https://cordis.europa.eu/project/rcn/206079_es.html)

In summary, despite the disappointing outcomes obtained in the Maria de Maeztu and H2020 ITN calls, the department has met the objective of presenting proposals of high quality to these calls. It has also met the objective of creating a Grant Unit that raises awareness and helps to identify those candidates suitable for obtaining funds, as showcased by the success in obtaining one Ramon y Cajal in the 2018 and one Programa Atracción del Talento Investigador CAM grant.

APPENDIX. FULL TEXT OF THE STRATEGIC PLAN