

Strategic Plan 2021-2026

Department of Business Administration
Universidad Carlos III de Madrid [UC3M]

July 2021

Summary

This document describes the strategic plan of the Department of Business Administration (from now on, the Department) for the period 2021-2026. The document is a continuation of the previous two Departmental Strategic Plans, designed for the periods 2010-2015 and 2016-2020. It describes the different objectives to be pursued by the department, and the vehicles to achieve those objectives. The document also contains a brief description of the department (accompanied by a self-assessment report prepared by the department in 2019) and an evaluation of the degree to which the objectives set out in the prior strategic plan were achieved.

The overarching objectives of the Department are 1) to achieve excellence in research, and 2) to use our excellence in research to excel as well in education (research-driven education). Through excellence in research and education our final aim is to have a significant contribution to society, educating thousands of undergraduate and graduate students.

Thanks to hiring processes in line with those of the leading international institutions, we have been able to create a stable, diverse and international group of faculty members. These faculty members have allowed the department to be recognized as the leading public business department in Spain, and among the best business schools in Europe.

Our main objective for the next 6 years is to maintain the leadership in Spain and our privileged relative position in Europe. Given increasing competition for the attraction of faculty members, this is not an easy task. In this Strategic Plan we describe the actions that we plan to undertake to achieve the objective of maintaining, and improving, if possible, our relative position.

As in the prior strategic plans, the enablers and actions that will permit the achievement of our main objectives are four interrelated ones:

- 1) People: Hiring competitively at the junior and senior level, and retaining the best faculty members.
- 2) Infrastructure: Providing our faculty members the tools to undertake cutting edge research.
- 3) Financing / Fund raising: Raising the funds to achieve 1) and 2).
- 4) Internationalization: Maintaining and raising our international profile, attracting international faculty members and students, and ensuring the quality of our degrees through international accreditations.

In the rest of the document we describe the actions that we plan to undertake to achieve our main overarching objectives of excellence in research, and excellent research-driven education.

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1. BRIEF DESCRIPTION OF THE DEPARTMENT

The Department of Business Administration is the largest Department of the University and consists of four areas of knowledge (Accounting, Finance, Management and Marketing). It is a research-oriented department that aims to compete at the international level with the best business departments and business schools in Europe. As a key reference, in the business school ranking of UT Dallas, only IESE and IE rank better than Business-UC3M in Spain, and Business-UC3M ranks between the position 20 and 35 for European institutions, depending on the year and the area.

Business-UC3M is committed to diversity. Around half of the faculty members are women, around one third are not Spanish, and around one third hold PhDs from international institutions (some as prestigious as MIT, Harvard, Berkeley, UCLA, Stanford, University of Pennsylvania or NYU). We do not hire our own PhD graduates. Instead, we hire in the organized international job markets of our four areas of knowledge.

The Department has a very strong research background. Our faculty members have published in the leading journals in the four areas (The Accounting Review, Journal of Accounting and Economics, Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Organization Science, Management Science, Strategic Management Journal, Journal of Marketing, Journal of Marketing Research and Marketing Science). There is an increasing trend in the number of publications in top journals, as shown by the many working papers currently having invitations to revise and resubmit at these journals. Our faculty members play also important editorial roles in leading journals.

Being part of a public university, Business-UC3M educates hundreds of students every year in its undergraduate programs (typically recognized as the best in Spain to study business related studies in national rankings), and a good number of postgraduate students. Therefore, the department plays an important societal role, transferring knowledge from research to society, in undergraduate programs that are almost free for students. The value of our teaching is recognized by society at large: our undergraduate degrees have the highest entry marks in the country. Even if we face fierce competition from the best business schools in Europe, we offer our students training with international and excellent faculty. Also, our PhD program is very successful and our PhD students are hired as assistant professors by excellent international universities.

Finally, Business-UC3M is the only public Spanish university AACSB accredited. The MBA is also accredited by AMBA, and the finance and accounting studies are accredited by ACCA.

For a more detailed description of the department we include a self-assessment report prepared by the Department in 2019.

2. OVERARCHING OBJECTIVES

The overarching objectives of the Department are:

1) **To achieve excellence in research**

and, through excellence in research...

2) **To offer excellent research-driven education**

3) **Through excellence in research and education our final aim is to have a significant contribution to society, mainly through the education of thousands of undergraduate and graduate students.**

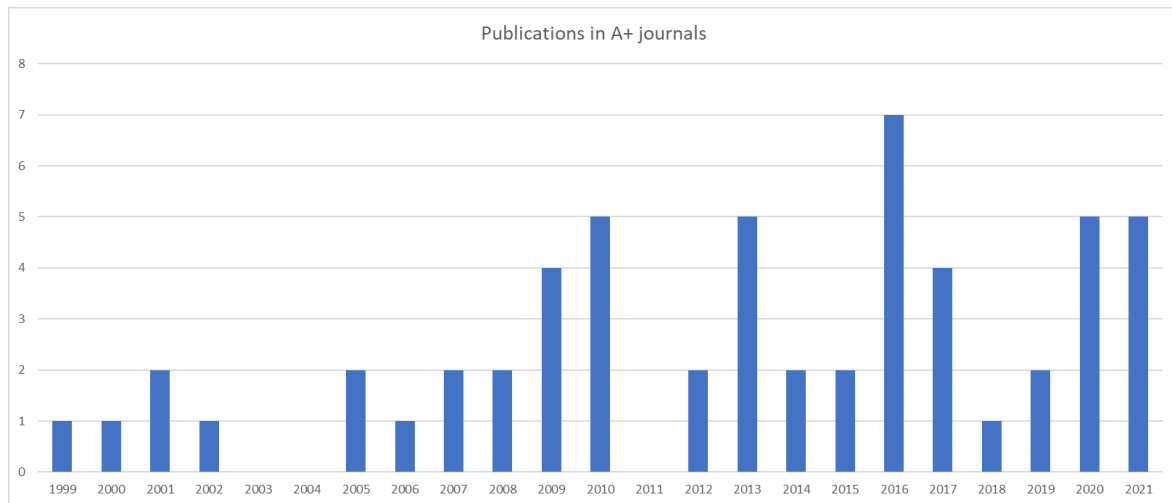
To achieve our overarching objectives, we need:

- A. **HUMAN CAPITAL:** Excellent, diverse and international permanent faculty members, able to impact the academic community through top level publications in their fields, and to transfer the knowledge from cutting edge research to students.
- B. **INTERNATIONAL ORIENTATION & REPUTATION:** Recognition as an international education center of the highest standard, through international accreditations (AACSB, AMBA,...), placed in leading positions in research and education rankings, and with a diverse student body. Our PhD program plays a pivotal role to ensure that we are seen as a leading research school.
- C. **RESOURCES FOR FACULTY MEMBERS AND STUDENTS:** To enable them to carry out cutting edge research. These resources include an active seminar series with leading international speakers, access to research databases and cutting edge teaching materials, access to other research resources (programming software, hardware, participants for experimental research, funding for conferences,...)
- D. **FUNDING:** The three points above can only be achieved if we receive the proper funding from the university or from other sources.

3. CURRENT SITUATION, CHALLENGES AND SPECIFIC OBJECTIVES

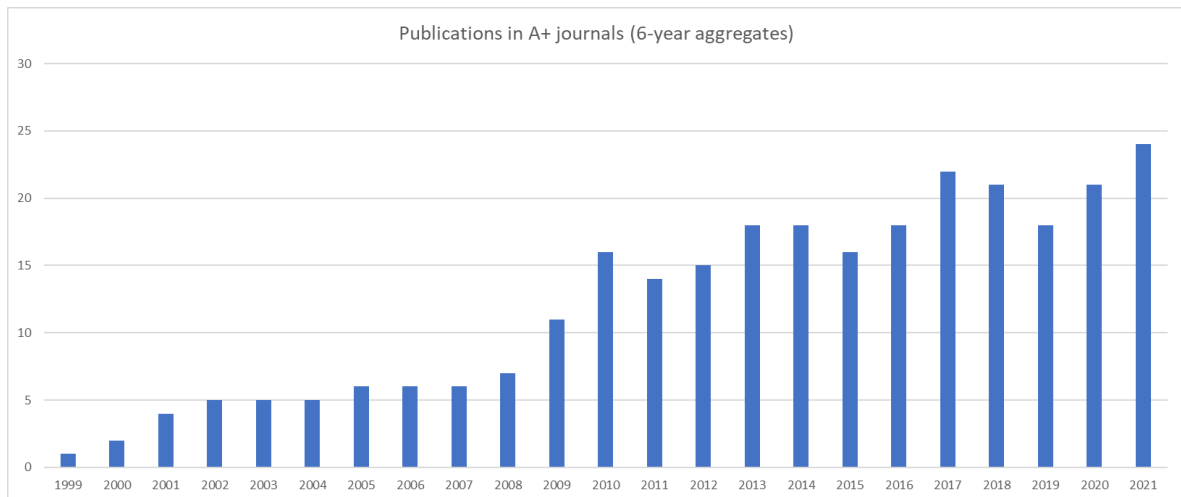
3.1. CURRENT RESEARCH OUTCOMES AND RESEARCH OBJECTIVES

The following graph reflects the evolution of our publications in the journals that we consider as A+:



2021 includes papers already published in 2021 and accepted for publication by May 2021. 1999 is the first year with a publication in an A+ journal. The figure includes publications by faculty members from other UC3M departments (6 publications overall). A+ journals include: The Accounting Review, Journal of Accounting and Economics, Journal of Accounting Research, Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Organization Science, Strategic Management Journal, Management Science, Journal of Marketing, Journal of Marketing Research, Marketing Science and Journal of Consumer Research. Journals from other disciplines considered equivalent to A+ and with publications by our faculty members include American Economic Review, Econometrica, and Journal of Applied Psychology. These publications are not included in the graph.

We can observe an increasing trend in the number of publications and, clearly, a positive evolution. To be able to observe better the evolution, we present next a graph where we use a moving window of 6 years and show the aggregate number of publications in each period of 6 years.



MAIN OBJECTIVE 1:

Our main objective, research-wise, for the next five years is to increase the number of publications in the journals that we classify as A+.

To achieve this objective, we need to facilitate that our faculty members carry out cutting edge research, we need to retain our most successful faculty members, and hire new faculty members with high publication potential.

3.2. CURRENT EDUCATION OUTCOMES AND EDUCATION OBJECTIVES

Universidad Carlos III is widely recognized by society at large as the leading university in business administration in Spain. Three basic indicators show this:

1) National rankings for undergraduate studies: On the one hand, the newspaper El Mundo prepares an annual ranking of undergraduate degrees of Spanish University. Universidad Carlos III is #1 in the ranking in all the business degrees that they consider: Business Administration, Finance and Accounting, and the double degree in Law and Business Administration. This ranking is mainly based on the perceptions of academics and other indicators used by the newspaper. We do not lobby in any way to appear in this ranking.

2) Entry marks of our undergraduate students: our degrees have the highest entry marks in the country. Students all over Spain apply to the universities and degrees of their preference, and they are admitted according to a score composed of a national university entry exam, plus a part that comes directly from high school. The maximum mark a student can obtain is 14. We include below the entry marks to our degrees, and we compare them with those of the other universities in Madrid.

| Degree | Carlos III | U. Complutense | U. Autónoma | U. Rey Juan Carlos | U. Alcalá de Henares |
|---|------------|----------------|-------------|--------------------|----------------------|
| Business Administration Getafe | 12,322 | 10,035 | 10,424 | 8,489 | 9,230 |
| Business Administration Colmenarejo | 11,429 | | | | |
| Statistics and Business | 12,404 | | | | |
| Finance and Accounting | 11,895 | | | 7,487 | 7,150 |
| Management and Technology | 13,147 | | | | |
| Law and Business Administration (Getafe) | 13,226 | 11,034 | 11,782 | 9,587 | 10,257 |
| Law and Business Administration (Colmenarejo) | 12,231 | | | | |
| International Studies and Business Administration | 13,576 | | | | 11,275 |

In 2020, we admitted close to 1,000 students to our undergraduate degrees (the ones described above). That is, we admit a large number of students every year and the very high entry marks are not the result of a very restrictive number of places offered.

3) International accreditations: We are the only Spanish public university AACSB accredited, and one of the only two accredited by AMBA. Our degree in Finance and Accounting was the first (and among the very few) degree in the country to be accredited by an international accounting body (ACCA). It is important to note, though, that points 1) and 2) were already achieved even without having these international accreditations.

4) International recognition of our PhD programme: After graduation, our PhD graduates are hired as faculty members in leading research institutions worldwide: Lancaster University, City University of London (Cass Business School), University of Bristol, University of Warwick, BI Norwegian Business School, Stockholm School of Economics, Universidade Nova de Lisboa, Erasmus University Rotterdam, University of Groningen, IESE Business School, IE Business School, Copenhagen Business School, University of Rhode Island, University of Adelaide, among many others.

5) International orientation and recognition of our professionally oriented master programmes: Our MBA is the only AMBA accredited programme by a public university in Spain, and some of our programmes are well placed in the Financial Times rankings.

Our excellent national and international reputation is what drives these excellent indicators. Therefore, to maintain our privileged position we need to maintain the policies that gave us the recognition as the leading institution in the country: our culture of meritocracy and excellence in research.

Having the best students in the country is a challenge, as these students demand high quality teaching in all respects.

MAIN OBJECTIVE 2:

Our main objective, education-wise, for the next six years is to maintain our position in the national rankings (and international rankings for master programmes), to renew our current accreditations (and potentially seek triple accreditation if we can link it to tangible benefits for the department) and to keep attracting the best students.

To achieve this objective, we need to maintain our reputation as the leading university in Spain in the field. To do so, we need to retain our most successful faculty members, hire new faculty members with high publication potential, and provide faculty members the tools to carry out cutting edge research. All of this is challenging, as we need proper funding. We discuss next these issues.

3.3. SPECIFIC OBJECTIVES: FULL TIME FACULTY MEMBERS

As discussed in our main objectives 1 and 2 above, one challenge that we face is that the number of full time faculty members that we have is small relatively to the overall workload that we face.

In the academic year 2020/2021, the number of full time “permanent” faculty members, including full, associate and assistant professors was 64. From them, 24 are not Spanish, 25 hold PhDs from not Spanish institutions, and 28 are women. Therefore, we count with a well diversified group of permanent faculty members.

The number of teaching modules to be taught by the department per year varies, but it is around 1,000, including lectures and tutorials. The average teaching load of a full time “permanent” faculty member is 6 modules. Most assistant professors have a reduced teaching load of 4 modules, and many senior faculty members have admin responsibilities that reduce their teaching load. However, each full faculty member would need to teach 15 modules so that we could cover the 1,000. The difference is taught by PhD students (a small amount) and, mostly, by adjunct (part-time) professors. Most lectures are taught by full time faculty members, and PhD students and adjuncts teach mostly tutorials.

These large number of modules implies, as well, that full time faculty members, especially more senior faculty members, need to coordinate a large number of modules, which increases their teaching related work (beyond their own teaching), and also increases other more admin related tasks related to the courses that they coordinate.

Our first specific objective is, therefore, as follows:

SPECIFIC OBJECTIVE 1:

Increase the number of full time faculty members so that the workload per faculty member regarding teaching coordination and admin aspects of teaching is reduced. This would therefore increase the time that our faculty members can devote to prepare their own teaching and for research, and should lead to increased student satisfaction and to an increase in research outcomes (not only overall, but also per faculty member).

An increase in the number of faculty members would also bring a number of additional benefits. On the one hand, it would allow us to have clusters of researchers in critical areas, developing critical mass in those area. This would facilitate attracting additional new faculty with research potential. On the other hand, counting with more faculty members would open the door to the possibility of increasing the number of groups that we offer in our master programmes, which would lead to increases in our income.

This objective is challenging for different reasons.

There is a very large gap between the average salary of our faculty members, and the salaries offered by competing institutions (Spanish and European business schools). This salary gap exists because being a public university, salaries are heavily influenced by governmental and regional rules, and even with the small leeway we have to make them more competitive, there are serious constraints to what we can offer.

The constraints are as follows: The budget that we receive every year for the salaries of our faculty members is fixed, and given by the university. Currently, it is around 4.3 million euros. With the current distribution of faculty members (permanent, PhD students and adjuncts) we fully use the amount that is allocated by the university. The cost of each full time faculty member is substantially higher than the cost of an adjunct professor (about ten times more per year).

Therefore, to be able to increase the number of full time faculty members we need an increase in the budget available for faculty members. The university rules to allocate funds to departments are very strict, and it is unclear how we could negotiate with the university an increase in our budget. Still, we should seek ways to increase the university funding for faculty members. One avenue to explore is to link potential increases to our efforts to obtain AACSB and AMBA re-accreditations, and to pursue, for the first time, EQUIS accreditation. That is, we should negotiate with the prospect of becoming a triple-accredited school to obtain additional funding for faculty members. We should also use the fact that it is becoming more difficult for us to obtain funds within university programmes aimed to attract faculty members (like the Conex programme), given that these programs tend to leave out social sciences in general and business in particular.

Given this, a subobjective within objective 1 is:

Subobjective 1.1.:

Negotiate with the university increases to the funds we receive for salaries (or the creation of specific programmes to hire faculty members), either linked to triple accreditation or to other departmental objectives.

Another option to increase the number of faculty members is to ensure that our new hires are able to either partially or fully fund their contracts through external grants. These grants include the national programmes Ramón y Cajal and Juan de la Cierva, and the programmes from the regional government of Madrid (CAM) for attracting foreign talent (Programa CAM de Atracción de Talento). The university has also launched this year for the first time its own programme for attracting talent. For outstanding candidates, it would include as well the ERC grants from the European Union. To ensure access to these grants, we would need to hire candidates with outstanding profiles. We have been partially successful in the past in the access to these grants (3 grants over the last 5 years). This leads to our second subobjective:

Subobjective 1.2.:

Increase the number of permanent faculty members that either partially or fully fund their salaries through external or internal grants.

This is challenging though, as it implies hiring very good candidates with already revise and resubmits or accepted papers in top journals. This increases the costs, as to attract this type of candidates we need to make more aggressive offers, with a higher starting salary. The university allowed us in the past to make more aggressive offers to this kind of candidates (without increasing, though, our overall budget), but the strategy has been only partially successful.

The market for junior candidates in our areas of knowledge is very competitive, with increased competition from private European business schools. Even if we had an increased budget, we

might find it complicated to hire the candidates that would fit well with our department and with potential to publish in top tier journals. This is because of the large salary gap between our typical offers to assistant professors, and the salaries offered by some European business schools, including many geographically very close to us (some even in Madrid).

Given the arguments above, our third subobjective regarding hiring is as follows:

Subobjective 1.3.:

Keep attending the organized job markets in each discipline (either the US or the European ones, or both) as our basic arena to identify candidates, and be able to use our own network of contacts to identify potential candidates that should be as good as the ones that could come from the organized job markets. We should offer candidates a supportive research environment.

Beyond the salary (as described above), we offer a good teaching deal, a good seminar program, better research funds and proper infrastructure (including standard access to databases through WRDS and funds for experimental research), monetary awards for publications in top journals (maintaining our current scheme of monetary awards 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. We should also evaluate our current mentoring strategies for junior faculty members, and consider the possibility of substituting and/or complementing our current informal mentoring activities with formal ones.

Given that our main objective is to contribute to society through cutting edge research, and through research-driven teaching/education, we should not aim to hire new faculty members who are not expected to be able to publish in the top-tier journals in each discipline. This would decrease the number of top tier publications per faculty member and would therefore go against our main objective.

While subobjectives 1.1, 1.2 and 1.3 refer mainly to recruiting, we should also consider retention policies. Retaining faculty members with the best publication records can be challenging, given the very competitive environment of business schools, and the high salaries that they can pay in comparison with public universities. Given this our main objective regarding retention is as follows:

Subobjective 1.4.:

Implement actions to retain faculty members with strong publication records and significant outside options.

We successfully negotiated with the university a new regulation that was already passed in 2020, that allows us to use the funds we generate (through our master programmes, consultancy, and others) to create calls for research awards to reward the faculty members with the most outstanding recent research achievements. This is important because these faculty members typically receive attractive offers from competitors. We used this option for the first time this year, with four research awards of 12,000 euros each per year, for two years. If our income permits it, we plan to devote 48,000 euros per year to this call.

We should also explore other actions (endowed chairs, additional rewards for teaching in master programmes, etc...) that could help in the retention process.

3.4. SPECIFIC OBJECTIVES: INTERNATIONAL REPUTATION AND ORIENTATION

We are an internationally oriented university and department:

-As described above, the department counts with an internationally diverse group of faculty members.

-A large percentage of our undergraduate programmes are offered in English (we also offer bilingual programmes), and the majority of our official master programmes (all except one) are fully taught in English.

-As described above, we are the only Spanish public university accredited by AACSB and AMBA, and one of the few accredited by ACCA.

-We count with a large number of exchange programmes, with hundreds of international institutions, within and beyond the Erasmus programme. We therefore receive hundreds of international students every year, and our students have plenty of options to spend either one semester or one year abroad.¹

-Our former PhD students are working as full, associate or assistant professor in leading institutions across the world.

It is through the research outcomes and reputation of our faculty members that we are able to sustain all these positive indicators. Therefore, to maintain our international reputation we need to be able to maintain our research outcomes, implementing the actions that we describe in Section 3.5. to retain and hire faculty members, and increase our base of full time faculty members.

Regarding international accreditations, we should work to ensure re-accreditations by AACSB and AMBA. Re-accreditations are very challenging, and they would be easier with an increase in the number of faculty members that would allow less demanding admin (and teaching related admin) responsibilities for faculty members. Therefore, success in reaccreditations and the pursue of new accreditations (the triple accreditation, with a future potential accreditation from EQUIS).

¹ Our high research visibility has facilitated that we reach agreements with international universities so that our undergraduate and postgraduate students spend either one semester or one year abroad. We count with more than 100 European exchange agreements (including the leading business schools, Manchester, Strathclyde, Essex, Exeter, Bocconi, Rotterdam, Tilburg, WHU, Mannheim, Lausanne, Stockholm, Católica Lisboa, Porto, BI Norwegian Business School, HEC Paris, ESSEC, Aalto, Copenhagen Business School), and close to 100 non-European exchange agreements, including programmes with the University of California (in its different campuses, UCLA, Berkeley, etc...), Arizona State, City University of New York, Boston College, Purdue, Texas A&M, Miami, Wisconsin-Madison, City University of Hong Kong, University of Sidney, and many others). It is important to point out that our students pay our local fees for the year they might spend abroad in these universities. They do not pay the fee from the foreign institution (which can be substantially larger). We also have agreements with institutions like Banco de Santander to cover the travelling and living expenses for our outgoing students. Finally, we have started a range of agreements so that some of our students can engage in dual degrees (2 years in UC3M and 2 years abroad, with a dual degree). Our first double degree of this type is with Paris Dauphine, and there are several being implemented at the moment (for example, with the University of Essex).

Only with a more solid base of full time faculty members we would be able to maintain the current set of accreditations without jeopardizing other even more important aspects of our objectives (publishing well) that will be more important for our long term future.

Therefore, with proper admin support from the university, and linking re-accreditations to support from the university to enlarge the number of full time faculty members, our second specific objective is:

SPECIFIC OBJECTIVE 2:

Ensure reaccreditation by AACSB and AMBA, and evaluate the possibility of seeking triple accreditation, through accreditation with EQUIS, and start the accreditation process if the evaluation is positive.

Given that this is challenging for the reasons stated above, the following subobjective follows:

Subobjective 2.1.:

Negotiate with the university a programme to make our objectives feasible, linked to reaccreditations and/or the potential search of triple accreditation (through EQUIS). This should include actions to facilitate the hiring of full time faculty members, the retention of faculty members with outside options, the financing of basic research resources (like databases) and that better administrative support is given so that the administrative work of faculty members decreases substantially.

While international accreditations help attract the best national students to our undergraduate degrees, and excellent international students to our postgraduate degrees, the number of non-Spanish full time students enrolled in our undergraduate programmes is very small. This is because Spanish public universities do not target international students for undergraduate programmes. This is a large difference with respect to other university systems (for example, the one in the UK), where international students in undergraduate programmes enrich the experience of local students, as universities are able to offer an international environment in their programmes, and, two, given that non-local student pay a substantially higher fee, non-local students help maintain the national university system.

Subobjective 2.2.:

Explore with the university options to attract a limited number of excellent foreign students to our undergraduate degrees who would pay a differentiated fee.

If we could implement 2.2., the international environment that we offer to our undergraduate students would not come only from the very international group of faculty members and from the interactions with foreign students that visit the university for one semester or one year, but also from the interaction with foreign students who would enrol for the whole duration of the programme. Apart from improving the international environment of the programmes, it would also contribute to raise funds and would help to reduce our financing constraints.

3.5. SPECIFIC OBJECTIVES: RESOURCES FOR FACULTY MEMBERS AND STUDENTS

To achieve our overarching objectives we need to count with proper resources for our faculty members and for our students.

Regarding research resources, these include:

-Seminar series: with excellent speakers that present working papers bound to appear shortly in top journals.

-Data: Including standard access to WRDS, and subscription through WRDS to the main cross-field databases, including Compustat, CSRP, the Bureau Van Dijk packages (Osiris, Amadeus, BankFocus,...), KLD, IBES, BoardEx, Mutual Funds packages, Audit Analytics, etc... These databases can also be used for teaching, and are especially useful for undergraduate and master theses.

-Software: Stata, SPSS and other packages that our faculty members might need.

-Subjects for experiments: Either through the labs in the university (so, in person experiments) or through online platforms like Amazon Turk.

-IT equipment: laptop and desktop computers, high power processing units, cloud computing services.

-Funding for attending the cutting-edge conferences in each area, those events that would provide feedback to improve the paper and visibility within the community.

Regarding teaching resources, these include:

-Access to Harvard Business Publishing (HBP) materials.

The university does not provide a specific budget for these expenses. Overall, we receive approx. 50,000 euros/year to cover functioning expenses (from telephone lines, to toner or paper, computers for faculty members and staff, etc.) This amount is obviously insufficient to cover the research resources. The annual cost of covering these resources varies, but it is in the range of 400,000 euros (without including attendance to conferences).

We currently cover this with the following sources of financing:

- a) Research funds raised by our faculty members in competitive calls, or from arrangements with the private sector in non-public contracts.
- b) Funds raised by our institute (INDEM) through different activities: courses, etc., most remarkably agreements with ESCP for a private master programme, and courses with Aditio to certify the finance competences to work in the banking and insurance industries.

- c) We keep one part of the profits from the master programmes. In the course 2019-2020 we raised approx. 400,000 euros from the masters. This amount is substantially larger than in previous years, and it is not clear that we will be able to sustain it at this level in the future.

Our objective for the next years is to make these resources available to our faculty members, and securing these resources for the long time.

SPECIFIC OBJECTIVE 3:

Ensure the long term sustainability of the access to the research and educational resources key for the department: seminar series, databases, software, participants in experiments, IT and computing resources, funding for conferences and HBP materials.

The financial crisis had a large influence on our resource capabilities. Only recently we have been able to ensure the resources described above, and not only that, we have managed that our income exceeds our expenses. This was thanks to the outstanding performance of our master programmes over the last 3-4 academic years, to the amounts raised by INDEM, and by an increase in the funds raised from research projects. This has allowed us to create some reserves of funds that we should use wisely as an insurance against potential decreases in the income from master programmes, from the activities of the INDEM or from research projects. Therefore, we should be wise in how we use any reserves from INDEM, avoiding agency problems of free cash flows (that the reserves created are not used for purposes that deviate from the objectives set in this plan), so that these reserves can be used to maintain the research resources in case this is needed. In relation to this, our subobjective 3.1. is as follows:

Subobjective 3.1.:

INDEM should maintain its current level of reserves so that they can be used, whenever they are needed, to maintain our research resources in the future. INDEM should make sure that these funds are not used for purposes that deviate from the objectives set up in this strategic plan, and should ensure that these funds are not seized by the university.

3.6. SPECIFIC OBJECTIVES: INDEM

The INDEM is a formally independent institute, formally set up by the department, designed to carry out research and educational activities outside the standard undergraduate and postgraduate programmes. For example, executive education is expected to be carried out mainly through the INDEM, and not through the department directly. While formally independent, it is an inherent part of the department and should serve to achieve the objectives of the department, without objectives of its own.

The INDEM plays a very important role to manage and raise the funds that we need to achieve our overarching objectives. Managing the funds from the master programmes and other departmental activities through INDEM (with some of these activities organized directly by the INDEM) allows more flexibility than if the funds were managed directly by the department. For example, the income from the master programmes could not be used to pay salaries through

the department, but they could be used for salaries though the INDEM. This is the outcome of the university's budgeting system.

Therefore, over the last few years, a large percentage of the income from the master programmes is incorporated to the INDEM's budget, and many departmental activities (including agreements with ESCP for a private master programme, and courses with Aditio for accreditations and executive education) are carried out directly through the INDEM.

Related to Subobjective 3.1. above, which stated that INDEM should maintain its current level of reserves so that they can be used to maintain our research resources in the future, and that INDEM should make sure that these funds are not used for purposes that deviate from the objectives set up in this strategic plan, and should ensure that these funds are not seized by the university, just to emphasize INDEM's role, we set up the following specific objective for the INDEM:

SPECIFIC OBJECTIVE 4:

The INDEM's policies and actions should be driven by the overarching objectives of the department, and should therefore follow the objectives set up in the present strategic plan.

On managing the income that the department creates, the INDEM should therefore search the achievement of the overarching and specific departmental objectives.

On its role to raise funds, through different types of programmes (consultancy, executive education, accreditations for exercising a profession, non-official postgraduate education, long-life learning, etc...) INDEM should also pursue the departmental objectives. One risk of the search for additional funds is that we commit excessive human resources and effort from faculty members for small amounts of funding. This is something that we should analyse carefully when starting new endeavours, especially, once more, given the workload of our faculty members.

3.7. SPECIFIC OBJECTIVES: MASTER PROGRAMMES

As described in the previous sections, one of the main sources of funding for our research resources is the income that we receive from our master programmes.

Currently, we offer six professionally oriented master programs, and one research oriented program:

The six professionally-oriented programs, which are the ones that contribute funds to the department, are the following:

- Master degree in Management (in English)
- Master degree in Marketing (in English)
- Master degree in Finance (in English)
- Master degree in Human Resources Management (in English)
- Master degree in Actuarial Sciences (in Spanish)
- MBA (in English)

All of our professional master's degrees are one-year courses. The tuition fee is around 9,000 euros for EU students (slightly more expensive for the MBA and for non-EU students, and cheaper for the master in actuarial sciences, which follows a 100% public-price policy). The Department receives part of the surplus generated by these programs. The surplus is very sensitive to the number of students enrolled, and it has not been very steady over the last few years. We only have one group per program, and the number of students enrolled varies approximately between 25 and 55. The surpluses from these programs are key to the Department, as they permit financing most of our research expenses. Teaching in these programs (except in the master's degree in actuarial sciences) is not included in the compulsory teaching of faculty members and it is, instead, paid on the side. Some faculty members consider teaching in these programs attractive to complement their salaries. These masters are taught in the Madrid downtown campus of UC3M, called Madrid-Puerta de Toledo Campus.

The programmes have a large number of applications. One option to increase the income generated by these programmes would be to increase from one to two groups. However, given the challenges highlighted before regarding the workload of full time faculty members, this could be problematic and also it might lead to a decrease in the average quality of the students. Therefore, we should only pursue increases in the number of students in the master programmes if we are successful in our objective 1 above of increasing substantially the number of full time faculty member.

Given the difficulties in increasing the number of groups/students, the way through which we could increase the income from these programmes is increasing the fees, implementing at the same time a larger and more comprehensive grant programme for local students and for those in financial hardship. Fees are, however, heavily regulated by the regional government of Comunidad de Madrid.

While the university has explored in the past different options to be able to increase the fees of the master programmes, for example through the creation of a business schools whose degrees would not be under the price restrictions of Comunidad de Madrid, these attempts have not been successful.

Still, either through the creation of a business school or through other mechanisms, we need to ask the university to give the department additional flexibility to set the fees of our master programmes if we believe this is a good option in the future. Given this, we will pursue the following specific objective:

SPECIFIC OBJECTIVE 5:

Even with all the constraints identified above, we should seek to obtain additional flexibility to set the fees of our master programmes.

However, the objective in itself is not to increase the fees of the programmes, but to be able to have the flexibility to do so if needed. And, if we would increase the fees we would implement a more comprehensive programme of grants for local students and for students in financial hardship. Therefore, we also establish the following subobjective:

Subobjective 5.1.:

Any increase in fees in the master programmes should come together with a programme of grants for local students and students in financial hardship to ensure fair access.

Another relevant challenge in our master programmes is that our faculty members not only carry out the tasks of academic directions of the programmes, but they also need to get directly involved in the day to day administration of the programmes, especially in issues related to marketing, recruiting, communication with students, and other significant aspects. A professional direction of the programme (of course with an academic direction above) would significantly improve our programmes, would free time for our faculty members to focus on their teaching and research, and, overall would lead to better decisions in these important areas (marketing, recruiting), which would lead to recruiting better students, allow for increased fees, and, more generally, improve different aspects of the programmes.

Therefore, our final subobjective regarding the master programmes is as follows:

Subobjective 5.2.:

Consider the possibility of hiring a professional administrator for our master programmes.

4. SUMMARY AND CONCLUSIONS

The overarching objectives of the Department are 1) to achieve excellence in research, contributing to advance the academic knowledge in our knowledge areas, and 2) to use our excellence in research to excel as well in education (research-driven education). Through excellence in research and education our final aim is to have a significant contribution to society, mainly through educating thousands of undergraduate and graduate students, and also transferring knowledge to other relevant parties, including firms, investors, governmental bodies, regulators, standard-setters and other interested parties.

The present document describes our main objectives for the six year period 2021-2026. The main objectives include increasing the number of top publications, and maintaining our excellent position in research/education/programme rankings. We describe a number of specific objectives and subobjectives, which can be seen as specific actions, to achieve our main objectives.

5. APPENDICES

Appendix 1. Department's Strategic Plan 2016-2020.

Appendix 2: Department's Strategic Plan 2010-2015.

Appendix 3: Assessment of the compliance with our Strategic Plan 2016-2020

Appendix 4: Report, with an extensive description of the department, prepared for our external evaluation visit of February 2019.