Dear Executive Board,

Recently, we received the Research Review of CentER (TiSEM) over the period 2008-2013. The Committee based its report on the self-evaluation provided by CentER and their visit to CentER (TiSEM) on March 17 and 18, 2014. We thank the evaluation committee for their efforts and for the overall thorough job they have done. We are happy with the overall positive evaluation. However, the committee also raised a number of concerns and made recommendations, which we address below, one by one.

2.A. THE INSTITUTE

For your convenience, we reproduce each comment in italics, followed the School MT’s response in plain font.

1. The Institute

*The Committee notes that CentER developed into a prominent research institute and has been very successful in creating an active research community and environment, including effective graduate programs and excellent support facilities. At this point in time, however, the role of CentER is less clear. Almost all TiSEM staff members are a member of CentER, and a large part of its activities and decisions is delegated to the departmental level. CentER’s main role now seems to be to organize the graduate programs and to offer research facilities such as Centerlab and Centerdata, and not so much to stimulate high-quality research. During the various discussions at the site visit, the Committee heard that virtually all staff members and PhD students identify themselves as members of a department, rather than of CentER. The Committee advises TiSEM to consider whether it is satisfied with the current situation and what role it wishes CentER to fulfil in the future vis-à-vis the departments and researchers.*

This issue is already high on the agenda of the School’s MT. The MT’s proposal is threefold: (a) increase the involvement of faculty with the decision-making with regard to research policies; (b) activities and roles that do not cross multiple departments are decentralized (including the associated budget) to the departments; and (c) apart from offering high-quality back-office support, CentER as a research institute is strengthened by launching a few new cross-departmental activities and roles, next to and on top of those already in place (e.g., CentERlab and CentERdata). Of course, the details of the proposal will change over the course of the discussion within the School, but this does imply that the School is currently undertaking a serious re-thinking of CentER’s current set-up and identity.

*The issue of branding TiSEM’s research requires attention. While in the past CentER was the only research institute, TiSEM’s researchers now also participate in several other institutes that were listed earlier in this report and prefer to identify themselves as members of a department instead of CentER. TiSEM’s ambition is to produce research in the various fields of Economics and Business that is internationally prominent. The Committee advises TiSEM to consider whether marketing these research efforts would be furthered by a clear brand name, such as CentER used to be.*

This is related to the above. The School’s MT will investigate this in the Autumn of 2014.

*The current leadership structure is not clear in all groups. The Committee was surprised to note that in a number of departments, the roles of Education Coordinator and Research Coordinator are*
combined in one person (not always a full professor), and often the role was limited to that of organizing the seminars. Furthermore, it gained the impression that research is not always high on the agenda of all Heads of Department. It is of the opinion that this issue of leadership needs some attention.

In the context of CentER 3.0, many activities, responsibilities, roles and tasks are likely to be delegated to the departments, with a clear distinction with what is organized at the cross-departmental level of CentER (see above). Basically, this implies that the management structure at the level of the School as a whole – with a Dean, Vice-Dean of Research and Vice-Dean of Education – will be mirrored at the department level. Regarding research, this implies that a Head of Department will be assisted by a management team member with the explicit role to lead and manage research.

2. Quality and academic reputation

The Committee (…) observes that taking the number of citations as a measure of quality favors older staff members and places groups with younger staff members at a disadvantage.

Here, the School’s MT respectfully disagrees, as we believe that citations are a sensible measure of “academic impact”. Of course, citations should not push other parameters into the periphery. This is why both the absolute number of citations AND the weight attached to citations are capped. Note that the current research budget allocation model is under review. The aim is to move from the current emphasis on quantity to a higher weight on quality.

As it seems there are varying publication standards across the programs, the Committee recommends taking a critical look at the journals that are classified as top core journals.

This will indeed be done in the context of the review of the current research budget allocation model, which is planned to be completed in the autumn of 2014, to be implemented as of the budgetary year 2016.

3. Resources

Some research groups informed the Committee that they set their publication requirements at a higher number of top core publications than others. The Committee advises tightening the criteria across the board and thinks this would be good policy in the context of TiSEM’s ambition to be in the top 3 in Europe.

The committee’s remark refers to the fact that tenure criteria vary among the departments. In our new HR policy for tenure, the MT has set thresholds for excellence across the board; it is up to the departments to tighten these requirements by taking into account the international benchmark in their specific field.

Using one list of top core and top journals for all research groups may not be the best way to prove quality of performance, since the types of articles and acceptance policies differ significantly across the various sub-disciplines. In this context, TiSEM should also look at the criteria used at the very top schools to which TiSEM aspires to belong.
See above. An issue under discussion in the context of this review is whether or not to standardize AIS across disciplines. Given that some disciplines are much larger and diverse than others (e.g., Economics vis-à-vis Accounting), however, simple standardization may well introduce other (unwanted) biases.

The allocation system of research funds and research time over the departments is quite complicated. The Committee found it difficult to grasp to what extent and in which way research productivity (on the basis of past performance) leads to the allocation of research time.

The intended shift from an emphasis on quantity to one on quality will make the model substantially simpler. Moreover, the allocation of the department-level budget should be clearly distinguished from that of individual-level research time. This distinction will be clarified in the new system.

The [allocation] model builds heavily on citations, which gives it an element of conservation, as mentioned above: citations favor achievements of the past and are therefore disadvantageous for departments with young staff.

See above: (a) the weight of citations is capped; (b) allocation of budget at the departmental level is different from that of time at the individual level; and (c) the model will be adapted to shift emphasis to quality.

There may be an imbalance in teaching loads and research budgets between the business programs and those in economics, with the higher teaching load for business and more research income (on historical grounds) for economics. (...) The Committee advises TiSEM to consider whether funds should be reallocated to highly productive, upcoming, smaller departments and to the departments with larger student numbers.

Not only is the research budget allocation model being evaluated, but apart from that will the School's MT implement a new, simplified and transparent budget allocation system across the board (including education and valorization). The aim of this new system is to have an allocation model that is more simple and transparent, removing all hidden cross-subsidies from one department to the other.

4. Productivity

No comments.

5. Societal relevance

No comments.

6. Strategy for the future

The relatively low salaries in the Netherlands are and will become even more of a threat to the sustainability of high-quality research in economics and business. It will be increasingly difficult to compensate the impossibility to offer competitive salaries with a stimulating research environment. It is crucial to keep this research atmosphere at the current high level, but at the
same time be able to offer internationally competitive salaries. The incentive system should allow young and active groups to have a good chance to grow.

The international ‘war for talent’ in highly competitive domains such as Business and Economics is an issue that will remain high on the agenda of TiSEM, particularly as other countries move forward quickly. Being successful in this ‘war’ is a \textit{conditio sine qua non} for any School that aspires to be in Europe’s top. Although not fully pre-determined by national agreements, the room for offering higher salaries in the Dutch university system is rather limited. Hence, the attractiveness of working at a Dutch university – and this is not different from TiSEM – should derive from other advantages, such as access to research funds, ample research time, excellent support facilities, et cetera. To the extent possible, within budgetary and (university) policy constraints, TiSEM strategy is explicitly aimed at maximizing these advantages. This holds true for both tenured senior faculty, as well as young and upcoming talent.

\textit{The Committee notes that staff is stimulated and supported in applying for grants, but that the downside risks (loss of valuable research time) fall onto the staff members while the upside benefits (income) are for the departments.}

The School’s MT respectfully disagrees with this comment. First, the individual risk is oftentimes being compensated for (in terms of extra research budget or shift in the task portfolio). Second, the benefit (the grant plus reputation) accrues to both the individual and the department.

7. PhD training and supervision

\textit{PhD placements in top international schools seem to differ across departments, although information on this question was hard to obtain in the interviews. It seems several departments need to give their PhD placements more attention and must improve on this dimension in line with their ambition to be ranked as a top European school.}

In the context of CentER 3.0, the proposal is that this task will explicitly delegated to the departments, which can be expected to be intrinsically motivated to facilitate top placements.

2.A. THE RESEARCH PROGRAMS

Below, in plain font, the responses from the departments are included. Whenever deemed convenient, further complementary responses from the School’s MT are added in italics.

1. Accounting

The department of Accountancy agrees with the findings of the Research Evaluation Committee. More importantly, we share their concerns about the financial constraints that the department is facing. We fear that, in the short run, these constraints will negatively affect the research environment within the department and hinder the department in her competition with international peer research groups. In this respect, the department will take action to attract more external funding. To increase internal funding, we also expect the management team of TiSEM to take appropriate action.

\textit{Concerns like these raised by the Accounting department, relating to the vulnerability of research funding and performance by smaller research groups, are taken on board in the overall review of}
the School’s budget allocation system, including the research allocation model, as well as in the
tailor-made fundraising policies (e.g., the extra investment in CentER AR). However, in the current
times of declining first-stream revenues, each and every department should invest in such activities
themselves (of course, facilitated by School policies and infrastructure, such as CentER’s back-office
services).

2. Econometrics

No comments.

3. Economics

The Committee indicates that the importance of top 5 publications in economics journals is not
sufficiently stressed. In the past, a distinction that was made – beyond the current ones as
related to tenure criteria and the allocation of research time on the basis of journal impact –
involved the provision of a cash bonus of EUR 2,500 to a researcher that achieved a top 5
publication in economics. This policy was dropped as the cash bonus also applied to the top core
publications in fields other than economics, which made the policy very expensive. Perhaps it
makes sense to rethink the policy and then let it apply only to the top 5 journals in economics.

As indicated above, the current research budget allocation and incentive system is being carefully
evaluated, with the aim to shift emphasis from quantity to quality. Moreover, the new system will
explicitly distinguish allocation of research budgets across departments from provision of
incentives to individuals.

Currently the economics group recognizes top publications as defined by all the research groups
in TISEM. Some of these research fields are indeed rather far away from economics. A possible
suggestion could be to, say, only recognize publications in closely related fields such as finance,
and not in less related fields such as, say, information management.

This is up to the involved departments to decide. Of course, introducing such differences implies
consensus on the extent of relatedness across sub-domains. Not only does this impose extra
restrictions on what is and what is not incentivized, but apart from that may the current “vector of
relatedness coefficients” change over time rapidly, together with the research interests of faculty
(and faculty entry and exit).

The Committee remarks that it is a challenge to ensure a smaller diversity in productivity across
members of the research group. To ensure that staff members keep a clear incentive to remain
productive researchers, we possibly could rethink how we allocate teaching and management
tasks to ensure that a fall-off in research productivity leads to a higher teaching load or
additional management tasks.

Again, this is up to the involved departments to decide. Of course, at the School level, incentives –
with a focus on quality – will be in place to complement and support any departmental-level policy.

The economics group, as part of the overall faculty, is in the process of reformulating the criteria
for tenure, and for promotion to associate and full professors. This provides us with an
opportunity to ensure that there are appropriate incentives at different steps of the career to
remain active in research. Perhaps we should have more emphasis on true top publications to be
able to obtain tenure and promotion to maintain research productivity over the career, thereby reducing diversity in productivity.

The proposed policy of the Economics group is perfectly in line with the School’s intention to shift toward incentives that reward research quality.

4. Finance

No comments.

5. Information Management

No comments.

6. Marketing

No comments.

7. Operations Research

The external committee noted that most of the group’s publications focus on mathematical methods, the relevance of which is not always very clear. Although many of the group’s publications focus on mathematical methods, their relevance could be seen via various applications (as listed in the report) in which the developed mathematical methods are applied. Certainly, the two most recognized applications are the following ones. In 2012, Hein Fleuren, together with ORTEC and TNT Express, won the prestigious INFORMS Franz Edelman Award. On top of that, Ruud Brekelmans and Dick den Hertog, together with the Dutch Delta Program Commissioner, won this award in 2013. The OR group is the first in the world to have two Edelman winners. Further, during the period under review the OR group had two endowed chairs (Henk Akkerman and Goos Kant) and two sponsored chairs (Hein Fleuren and Herbert Hamers), and a number of sponsored PhD students. (Note that there are five sponsored chairs in total at TiSEM.) Also, several members of the group are currently involved in EU research projects.

The School’s MT is of the opinion that societal relevance of research is important and agrees that the research evaluation committee’s assessment of the OR group’s relevance underestimates the group’s performance on this aspect. This emphasis on societal impact (or valorization) is perfectly in line with the School’s new strategy.

The external committee remarked that the choice of research subjects is traditional. They also note that it is not clear how the group will be able to attain the same level of funding in a more competitive world, where many new topics require attention. Although some of the research subjects are traditional, many members are also working in the most recent developments in the field including polynomial, semidefinite, and robust optimization. Such optimization problems are now becoming more and more relevant in applications because of developments of computational platforms that are required for solving them. A few members are also studying models of terrorist networks, which is clearly a hot topic. Compared to the other research groups, the OR group has been very successful at attracting indirect funding. In addition, several members of the group are currently involved in the preparation of a proposal for an Innovative
Training Network, within Horizon 2020. Therefore, we are confident that we will be able to attain (at least) the same level of funding in the future.

8. Organization & Strategy

As the committee remarks in the first paragraph of its report on the Organization & Strategy research group, this group is relatively small, both given the breadth of the research area and compared with benchmark schools in Europe and the US. We fully agree with this observation, but we have the impression that the committee has not taken this into account in all of its recommendations.

In the second paragraph the committee states that “a significant amount of energy dedicated to increasing the total volume of production was not directed to output that had a potentially high impact on the field”. We think this statement fails to take into account the exigencies of gradually replacing government-funded support by income generated from contract research (which the committee puts forward as a positive development in the section on “Relevance”). The Organization & Strategy group is reorienting itself in order to cope with the new reality of having to attract more funding from the market and has so far been successful in doing so, without suffering a decrease in publications in top core journals. We believe that the assessment of the committee is not completely balanced in this respect.

Under the heading of “Viability” the committee points at “the loss of some very senior scholars”. We think that this remark is misguided. If we look at the period 2008-2013, we suffered the loss of only one senior scholar, and that was because of retirement. Other senior positions were very small and intendedly temporary. Moreover, in the review period, two highly prolific senior scholars were recruited.

Finally, we think the numerical assessment of the committee in the fields of “Quality” and “Viability” is not a fair representation of the position in which the Organization & Strategy group finds itself. Regarding “Quality”, the O&S group is seen by the committee as the weakest of TiSEM (with the exception of IM), and much weaker than in the previous assessment (when we scored a “5”). We have difficulty understanding this. We also believe it does not reflect the relative status of the Tilburg O&S group vis-à-vis our competitors, both in the Netherlands and internationally. Regarding “Viability”, we think that the committee has insufficiently factored in that at present the O&S group has an extremely vital group delivering top core publications, including freshly-tenured faculty like Tatarynowicz, Mulotte, He, Golovko and Bode. Compared to the situation a few years ago, when top core publications were delivered almost exclusively by about four senior faculty members, this seems to us a big leap forward in terms of viability.