

Contingency Plan

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

Update December 2021

Summary

In 2019 the Department of Business Administration at Universidad Carlos III de Madrid (Business-UC3M) prepared its first contingency plan. This plan included a description of the possible risks faced by the Department, including an assessment of the probability of occurrence of each risk, and their consequences. The plan also described the actions that the department would implement should any of those risks materialize.

Since then, we have updated the plan annually. While some of the updates have been small, given that some risks do not vary significantly across time, new risks have emerged, like uncertainty related with the covid pandemic. In addition to re-assessing the risks already identified, and including additional risks as necessary, we have suggested measures and evaluated the measures already taken to minimize the probability that the risks materialize. Next, we summarize this information as well as describe the actions that we have taken to ensure that if some of the risks materialize their impact is minimized.

The present document contains the update corresponding to December 2021.

SECTION 1: RISKS RELATED TO UNDERGRADUATE PROGRAMMES

Hazard	Comments	Likelihood of Occurrence					Severity			Course of action
		Very Likely	Likely	Moderate	Low	Very Low	Severe	Moderate	Minor	
UNDERGRADUATE DEGREES										
1.1. Drop in the number of applications	Due to Spanish demographic trends			X				X		<ul style="list-style-type: none"> •Lobby educational authorities to allow enrollment of international students in undergraduate programs (regardless of national entrance exam). This action, described in our initial contingency plan of 2019 is already implemented by the university, and from 2022 we will start receiving foreign students in our undergraduate degrees that will enroll for the full degree (not just for a visit) •Implement a sustainable, long-term, comprehensive communication and promotional plan •Utilize new teaching models (e.g. online/blended) to reach both traditional and non-traditional students •Market new programs

1.2. Drop in the national rankings (El Mundo Ranking)	Prestige damage in local market					X		X		<ul style="list-style-type: none"> •Review programs to develop novel degree options, including programs that emerge from interdisciplinary areas. The Management and Technology degree has been extremely successful, with many more applicants than available slots, and thus, a highly demanding entry mark.
1.3. Reduction of agreements with international universities	Prestige damage in local market					X		X		<ul style="list-style-type: none"> •Intensify academic and administrative contact with other universities.
1.4. Drop in number of applications from non-local students because of covid	Relevant if students (and their families/tutors) prefer not to travel and stay close to home, or if travel restrictions apply at some point (even within Spain)		X					X		<p>In the first year, after full lock-down, the number of applications has in fact increased, so at least by 2021 the risk has not materialized. We have taken actions to reduce the uncertainty of non-local (and also local students) by taking early decisions and advertising with substantial time the teaching model chosen by the university for each academic year (trying to maximize in person teaching), but at the same time we have ensured that non-local students, if with covid-related problems,</p>

										will have support from the university.
1.5. Drop in student satisfaction because of covid	If because of covid classes need to move online (like during lock-down: March-June 2020) student satisfaction might suffer.		X					X		-Training faculty members in the use of online teaching platforms (i.e. Blackboard collaborate) and online teaching apps (like Kahoot and many others). The university has made available many online teaching courses for our faculty members, and purchased the relevant software licenses to improve the learning experience of students in online models. For hybrid cases, the university has also installed in the classroom the equipment needed for appropriate hybrid teaching (digital blackboards, cameras, etc...).

SECTION 2: RISKS RELATED TO POSTGRADUATE PROGRAMMES

Hazard	Comments	Likelihood of Occurrence					Severity			Course of action
		Very Likely	Likely	Moderate	Low	Very Low	Severe	Moderate	Minor	
GRADUATE PROGRAMS										
2.1. Drop in applications to master's programs	Due to demographic trends and lower unemployment rates.			X			X			<ul style="list-style-type: none"> •Focus on the non-EU market. •Implement a sustainable long-term comprehensive communication and promotion plan
2.2. Reduction of students' fees	If the political environment does not result in a supportive policy framework (uncertainty because of changes in the national and regional governments)			X			X			Lobby educational authorities to allow competitive fees or improve public funding

2.3. Drop number of non-local students because of covid	Relevant if students (and their families/tutors) prefer not to travel and stay closer to home, or if travel restrictions apply at some point (even within Spain)		X				X			See 1.5. Graduate studies are also offered 100% face-to-face and blended, according to the type of master's program, number of students and the presence of international students. Relevant examples are the MBA and MSc in Marketing, with a significant number of international students.
2.4. Drop in student satisfaction because of covid	If because of covid classes need to move online (like during the lock-down: March-June 2020) student satisfaction might suffer.		X					X		-Training faculty members in the use of online teaching platforms (i.e. Blackboard collaborate) and online teaching apps (like Kahoot and many others). The university has made available many online teaching courses for our faculty members, and have purchased the relevant software licenses to improve the learning experience of students in online models. For hybrid cases, the university has also installed in the classroom the equipment needed for appropriate hybrid teaching (digital blackboards, cameras, etc.).



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SECTION 3: RISKS RELATED TO FUNDING ALLOCATION BY THE UNIVERSITY

Hazard	Comments	Likelihood of Occurrence					Severity			Course of action
		Very Likely	Likely	Moderate	Low	Very Low	Severe	Moderate	Minor	
DEPARTMENT FUNDING										
3.1. Reduction of funds to cover salaries	Changes in the distribution model used by the university to allocate funds across the different departments.			X			X			<ul style="list-style-type: none"> •Develop combined BS/MS /PhD programs and joint degrees within UC3M (Make course offerings more efficient by eliminating course duplication and developing new models to share instructors) •Lobbying activities to make the distribution model based on research merits, department prestige, international orientation, etc...
3.2. Reduction of funds to cover functioning expenses	Changes in the distribution model used by the university to allocate funds across the different departments.			X			X			<ul style="list-style-type: none"> •Intensify efforts to attract funds from private sector using the Institute INDEM. •Lobbying activities to make the distribution model based on research merits, department prestige, international orientation, etc...

SECTION 4: RISKS RELATED TO THE HIRING AND RETENTION OF FACULTY MEMBERS

Hazard	Comments	Likelihood of Occurrence					Severity			Course of action
		Very Likely	Likely	Moderate	Low	Very Low	Severe	Moderate	Minor	
FACULTY (Recruitment and Retention)										
4.1. Difficulties hiring at the junior level	The public system sets restrictive caps on salaries.		X				X			Make UC3M more attractive through other means: teaching load reduction for productive faculty, actively pursue grants to complement their salaries.
4.2. Difficulties hiring at the senior level	The public system sets restrictive caps on salaries.	X						X		Make UC3M more attractive through other means: teaching load reduction for productive faculty, actively pursue grants to complement their salaries.
4.3. Difficulties to retain our current faculty members	The public system sets restrictive caps on salaries.		X				X			Make UC3M more attractive through other means: teaching load reduction for productive faculty, actively pursue grants to complement their salaries, offer research awards to outstanding faculty members, and direct compensation for publications in good journals

SECTION 5: RISKS RELATED TO DECREASES IN FUNDING

		Very Likely	Likely	Moderate	Low	Very Low	Severe	Moderate	Minor	
RESEARCH FUNDS RAISED BY OUR FACULTY MEMBERS IN COMPETITIVE CALLS										
5.1. Funding cuts from national/regional government calls	High public debt and possibility of new economic-financial crisis in Spain			X			X			<ul style="list-style-type: none"> •Actively pursue that the department is recognized as a Maria de Maeztu (or similar future program) unit. •Actively seek funds from European Union programs. •Lobby authorities to increase students' fees, especially in master programs.
5.2. Funding cuts from private sector	Low development of relationship with the industry			X			X			Engage with businesses, educational partners, and other community members to develop stronger entrepreneurial opportunities.

Some of the risks we identify in the Table above, especially 2.1., 2.2., 2.3., but also 3.2., 5.1. and 5.2. would entail that, if materialized, the funds needed to maintain our research activities would be substantially reduced. Without these funds, the likelihood of losing faculty members to competing institutions increases, and thus, the risk of not being able to attract new faculty members who can publish in top journals increases. Given that these risks are not negligible, the main action we have undertaken over the last three years is to build a reserve fund (both within the INDEM and in the Department) so that we can maintain our research infrastructures for several years even if our income drops dramatically. These reserve funds account, currently, for approximately our basic research needs over a three years-window.

The reserve fund would allow us to maintain our basic research during three years even if we would not receive any income for research/operating/functioning expenses, neither from master programs or directly from the university, over those three years.