8 Economics

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8.0 Introduction

8.0.1 Departments in Panel 8

Panel name: Economics
Time of evaluation: Week 45, 5.-8. November 2007
Units in panel:

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- 8.2 Department of Economics *(Kansantaloustieteen laitos)*
- 8.3 Department of Accounting and Finance *(Laskentatoimen ja rahoituksen laitos)*
- 8.4 Department of Marketing *(Markkinoinnin laitos)*

8.0.2 Panellists

Chair **Böhm, Volker** – Professor, Ph. D.
Department of Business Administration and Economics, Bielefeld University, Bielefeld, **Germany**

Vice-Chair **Riley, Patricia** – Professor
Annenberg School for Communication, University of Southern California, Los Angeles, CA, **USA**

Brodie, Rod – Professor
Department of Marketing, University of Auckland, Auckland, **New Zealand**

Kryzanowski, Lawrence – Professor
Concordia University Research Chair in Finance, John Molson School of Business, Concordia University, Montreal, Quebec, **Canada**

From Left : L. Kryzanowski, V. Böhm (Chair), P. Riley, R. Brodie

8.0.3 Recommendations for the whole panel

Doctoral Education:

- Design the program to be regionally specific and value added to the doctoral education offered in Helsinki
- Create specialty classes for summer that would bring students from Helsinki and international students to Oulu to increase visibility
- Add more international contacts for research topics
- Have the students go abroad earlier in their program—preferably year 2 (Note: This may mean that students in some programs like Economics might need a broader set of compulsory options or field choices for their doctoral training or this could include bringing more international scholars to Finland)
- Students that plan to publish in top tier international journals need basic quantitative training
- Ph.D. committees should have more than one local supervisor.
- The regulations ought to ensure that students get external evaluations within 6 to 8 weeks

Issues relating to young faculty:

- Need more opportunities for internationalization—support for visiting appointments and international travel
- Need more mentoring of young faculty
- A more progressive remuneration system should be considered for young faculty so that they do not need multiple jobs

Structure/Infrastructure issues that should be considered as the faculties grow:

- Need a full-time Dean
- Consider giving research higher visibility by creating a position for Vice Dean of Research
- Technology and Research transfer—commercializes research
- Position for helping the Dean of Business develop relationships with business

Programmatic Issues:

- Consider new specialty MA programs that are interdisciplinary—Service Science (like IBM's relationship with Berkeley and Stanford)
- Consider relationships with the Thule Institute in order to create research programs that could focus on sustainable organizations that would ask normative and policy questions
- Consider deeper relationships with IT faculty to look at changes in organizations as locales of change due to new ICTs
- Looks at Service Science as a model for additional development—it coordinates interdisciplinary issues that could better utilize other faculty on campus.
- Size is only limited by quality as long as you have good business opportunities
- Identify some masters students who could produce a scientific thesis that could be published and consider expanding the current theses
- Will need more specific performance indicators for international accreditation

For future reviews/accreditation teams:

- It would have been helpful to have the curriculum vitae (of professors) in advance

8.0.4 Executive Summaries

Department of Management and Entrepreneurship (8.1) - Numerical Rating: 4

Statement of the scientific quality of the research: Overall, the research that is being conducted in both Organizational Behavior and Logistics is inherently interesting, composed of very timely and important topics and well argued. Of the 18 journal articles and the 30 chapters and conference proceedings, about one third are in good international publications, about a third are in fine publications and others are in more localized publications. There are chapters in very prestigious international handbooks and some in well-recognized proceedings.

Interaction between research and education: The interaction between research and education appears to be generally sound. The topics that the faculty are working on are appropriate for graduate education. We were not given lists of the courses but the doctoral students felt they were being exposed to all relevant material and were generally happy with their supervision. Our key concern is that students were not receiving sufficient training in quantitative methodologies.

Recommendations for the future: The department should develop a strategic plan that includes a differentiation strategy and a growth plan that includes areas of study that should be incorporated into the department. It should also keep an updated list of potential faculty recruits. Next it should set goals for the upcoming accreditation process and develop a strategy to make use of all the department's resources to achieve these goals. A center for international business and ICTs should be considered as that would take advantage of current academic strengths in the department and the larger university as well as local business.

Department of Economics (8.2) - Numerical Rating: 4

Statement of the scientific quality of the research: Research topics and publication areas of the department are rather heterogeneous, ranging from dynamic macro to a variety of very specific topics in applied microeconomics: health, telemedicin, energy, regulation, environmental economics. Out of 32 publications in international refereed journals 7 to 10 have appeared in journals classified as 'good', and many in 'fair' international journals, justifying an overall rating of 4.

Interaction between research and education: The supervised doctoral studies do not generate an impact on the publications. It would be desirable to improve the positive impact on the quality and scope of a more focused research agenda exploiting more efficiently the specialties of the members.

Recommendations for the future: The choice of topics in the two areas of research (macro and applied micro) should have more focus on key questions. There should be an early comparison with the work of international researchers while the work is in progress, to guarantee a high international standard and quality control to attain the necessary precondition for successful publication. The senior researchers may play a more active role in guidance for the doctoral students to help them advance more rapidly. They should promote more international contacts for doctoral students. There is need for an earlier and more intensive exposure to other international researchers.

Department of Accounting and Finance (8.3) - Numerical Rating: 5

Statement of the scientific quality of the research: The publication record is good given the small size of this department in terms of the number of researchers and the newness of their Ph.D. program. Although there are no publications in first-level journals, the majority of the papers are in solid second-level international journals. The publication strategy seems sound based on the evolution of topical interests in accounting and finance. Going forward, the unit should shift its focus from increasing the volume of journal publications to increasing the quality of those publications.

Interaction between research and education: The department has a clear mission statement that guides its efforts to emphasize the importance of rigorous thinking and analysis to its students. The department uses international best practices in terms of the use of research articles as it satisfies its educational mandate. Scientific research is introduced into upper level classes at both the undergraduate and graduate level. The mathematical rigor inherent in the research increases as a student progresses from the undergraduate to the Ph.D. level.

Recommendations for the future: The department needs to work on establishing greater ties with international researchers through more collaborative work and involvement in organizing conferences and colloquiums. The department needs to formulate a more comprehensive strategy for publishing some of its research and that of its doctoral students in first-tier journals and more of its research in near first-tier journals.

Department of Marketing (8.4) – Numerical Rating: 5

Statement of the scientific quality of the research: The assessment for the 2001-2006 period was based on the various rankings provided by the Research Office and a qualitative assessment based on reading the best publications. At least one third of the publications are at a 'good to high international level' and virtually all of the others are at least a 'fair to good international. While this leads to numerical ranking of 5 and the Department has the potential to reach a 6 in a future assessment period.

Interaction between research and education: The Department appears to fully embrace a research based teaching approach delivers high quality courses that are attractive to students. The applied nature of the research ensures a high level of relevance to industry and so graduating students have favourable employment opportunities.

Recommendations for the future: This relatively young and talented Department has considerable potential to develop into a unit that makes distinctive local and international contributions and could become one of the outstanding units in the Business School. They could play a key role in the University's strategy of regionally relevant applied cross-disciplinary research. To realize these opportunities, the Department will need to build on it strengths, overcome its weakness and counter the threats which have been discussed in the previous section. While certain actions need to occur within the unit, the future success of the unit is highly dependant on the support of the Business School and University administrations. The Department should have an integrated role in the Business School's larger strategy for success.

8.1 Department of Management and Entrepreneurship

8.1.1 Scientific Quality of the Research - Numerical Rating: 1 2 3 $\boxed{4}$ 5 6 7

Note: This rating was challenging as the Department of Management and Entrepreneurship is very young and extremely small (1 Professor in each of two areas). The department is comprised of two rather different units—one area of emphasis is Organizational Studies/Behaviour and the other area is Logistics—and until quite recently, the department did not do any significant teaching or research related to entrepreneurship.

8.1.2 Statement of the scientific quality of the research

Overall, the research that is being conducted in both Organizational Behavior and Logistics is inherently interesting, composed of very timely and important topics and well argued. Of the 18 journal articles and the 30 chapters and conference proceedings, about one third are in good international publications, about a third are in fine publications and others are in more localized publications. There are chapters in very prestigious international handbooks and some in well-recognized proceedings.

8.1.3 Supporting Comments

- *Publications*

The complete list of publications demonstrates that both areas are publishing regularly and contributing approximately equally to the overall productivity of the department. There are no years without significant work being produced. The large number of conference presentations also suggests that research productivity could be even higher if some additional time could be devoted to research.

The selected list of publications and the best publications were the same which is not unexpected in a very new and small program. The best publications were all good examples of their particular research genres. The article on ethics by Keleman and Peltonen (2001) displayed a sophisticated understanding of the philosophical differences of Bauman and Foucault's approaches to morality and ethics and the implications of these more post-modern perspectives with respect to the totalizing influences of modern organizations. Similarly, Peltonen's (2006) "Critical Theoretical Perspectives on International Human Resource Management," exposes some important issues in multinational organizing and sets up a research agenda for both power analytics and global/local identity constructions of employees and managers. Bask and Juga's (2001) article on semi-integrated supply chains was a well articulated argument opposing the dominant position of total integration and posed instead an alternative conception of networks of channels and services coordinated through ICTs. Another article, "Managing Competitive Software Component Supplier Relationships" by Ulkuniemi and Pekkarinem (2005) displayed a fascinating paradox in a complex process—as managers are attempting to deconstruct standardized purchasing systems in order to achieve benefits of flexibility and enhanced pricing for organizations, they must nonetheless comprehend the system as a totality in order to be successful. The articles together were a mix of "good" to "fine" scholarship but they need to be supplemented by additional projects that push their work into the next tier of journals and the soon to be published special issue in the Academy of Management Review is a good example of this progress.

Because the department is new, no doctoral dissertations have yet been completed and it is difficult to assess any larger, programmatic strategy for their research.

- *Methods and Topics*

The topic areas in Organizational Behavior are very current and very important. Concerns regarding globalization, knowledge communities, corporate change and cultural identity are in line with topic areas at top tier European schools that are qualitatively focused. The Logistics topics are similarly current and driven by business relevance and they have the advantage of fitting in with the university's information technology focus. The Organizational Behavior publications are solely qualitative, which is the tradition in Finland and in Northern European universities more generally. Professor Peltonen is a recognized expert in qualitative methodology. The Logistics publications in the best articles selections are all qualitative although some in the publications list are quantitative. In a university with a heavy focus on science and new technology, consideration should be given to developing other areas of management like strategy that are quantitatively focused. Moving in this direction does not need to signal large conflicts with the current work in Organizational Behavior as most quantitative scholars these days are post-positivists and able to articulate the limits of their theoretical assumptions and the strengths and weaknesses of their methodologies. Although the interpretive turn in organizational studies remains prominent in many European universities, the rational theorists and the post-positivists that make up the majority editorial boards of the top tier international journals are creating renewed interest in quantitative methodologies, particularly network analysis and structural modelling.

- *Doctoral Training*

Doctoral training differs between Logistics and the Organizational Behavior area. The Organizational Behavior students are part of a national program while the Logistics students (currently just one student) have to pick up coursework from other universities and in other departments. The new research Center in Logistics and Transportation should help fill in some gaps in that program. As was previously mentioned the department has not yet completed any dissertations so completions rates cannot be computed. The two areas currently have 8 Ph.D. students. The students were pleased with their supervision and felt they were getting sufficient advice regarding their projects. Not all students seemed to understand the importance of studying abroad so that should be reinforced.

- *Research Activity*

The department is extremely small. There is already a plan to begin some research in entrepreneurship but additional planning is necessary. Thought should be given to growing the number of interdepartmental or cross-university projects in order to help grow the number of publications until additional staff can be hired to do research.
2.3 Interaction between research and education

The interaction between research and education appears to be generally sound. The topics that the faculty are working on are appropriate for graduate education. We were not given lists of the courses but the doctoral students felt they were being exposed to all relevant material and were generally happy with their supervision. Our key concern is that students were not receiving sufficient training in quantitative methodologies.

8.1.4 Overall evaluation

The current faculty are doing a good job but the unit needs to be expanded. It needs to cover other critical areas of management and should consider including organizational theory, business strategy, leadership, law and human resources management in addition to a more significant focus on entrepreneurship and small business management. The current faculty cannot conduct all the teaching and research necessary to make such a department successful.

♦ *Strengths and weaknesses – Opportunities and threats*

The unit did a fine job with its SWOT analysis. The popularity of the Management courses demonstrates both good teaching and the importance of this arena of education. The goodwill of the local business community is also an important strength. Key challenges include the narrowness of the department (not really noted by the faculty), the reliance on too much short-term funding for graduate students, and the heavy teaching and supervision loads of the small number of current faculty is particularly limiting. Finally, the difficulties surrounding the fragmentation of the current unit (having two such disparate areas in one department) will begin to diminish once new areas of teaching and research are brought to the department.

8.1.5 Recommendations for the future

The department should develop a strategic plan that includes a differentiation strategy and a growth plan that includes areas of study that should be incorporated into the department. It should also keep an updated list of potential faculty recruits. Next it should set goals for the upcoming accreditation process and develop a strategy to make use of all the department's resources to achieve these goals.

A center for international business and ICTs should be considered as that would take advantage of current academic strengths in the department and the larger university as well as local business.

♦ *Research - both single disciplinary and interdisciplinary research*

More international collaborations are needed and more interdisciplinary research is needed. The topics will expand as additional staff are hired.

♦ *Development of research environment and infrastructure*

A much clearer research program should be articulated. Larger research teams might also enable the faculty and doctoral students compete for larger grants and conduct more high profile studies that have a greater probability to getting in to top tier journals. Faculty should consider projects that are also in line with the university strategic focci in order to gain synergies from faculty in other units and take advantage of university resources. Find the money to hire a grant writer to help keep the supply of funds for research and doctoral students at a high level.

♦ *Research active staff*

We did not meet any of the other staff—just the two professors. It is clear, however, from the publication list that they are active but could be contributing more to the research program.

♦ *The role of doctoral/post-doctoral training in research*

Currently doctoral students are choosing topics that strike their fancy. A more specific research program might help create synergies among the students which would then help achieve the department research goals.

8.2 Department of Economics

8.2.1 Scientific Quality of the Research - Numerical Rating: 1 2 3 $\boxed{4}$ 5 6 7

Research topics and publication areas of the department are rather heterogeneous, ranging from standard questions in macroeconomics (cycles in OLG models) to a variety of very specific topics in applied microeconomics: health, telemedicine, energy, regulation, environmental economics. Out of the 32 publications in international refereed journals during 2001-2006, 7 to 10 have appeared in journals classified as 'good', and many in 'fair' international journals, justifying an overall rating of 4. The remaining papers show a wide spread of topics and variability in quality.

8.2.2 Supporting Comments

The Department of Economics is the oldest and most established group in the School. In terms of the number of researchers - professors, assistants, and doctoral students - it is a small group, even by Finnish standards, with only two professors plus one acting. Given the administrative duties placed on the department (dean, vice rector) during the evaluation period, its research responsibility rested to a large extent with the younger researchers. In addition, diverse teaching responsibilities to non majors created additional demands on the group.

This general situation of the department seems to have induced a separation of research activities from teaching, serving primarily undergraduates with no active graduate teaching in Oulu. The separation could be overcome in the future by offering more research oriented activities to the students through regular seminars and presentations by the senior members and by visitors.

♦ *Publications*

The research themes reflect a wide and a rather heterogeneous list of topics indicating, possibly, a relatively low degree of interaction and of cross competence and communication between the members of the group. The common underlying quantitative orientation serves as an assuring asset and guarantees quality for potential publication in leading journals. The overall size of the publication record is good and the placement of the articles in the respective journals is well balanced. When there are jointly authored publications, there is a noticeable improvement in the quality of papers. The department reports that there has been an increase of papers accepted for publication that are forthcoming in leading journals which indicates an upward trend in both quality and scope of research output.

♦ *Methods and Topics*

The research topics and methods pursued in macroeconomics include:
- the role of financial markets
- fiscal policy and business cycles
- effects of aging, fertility in dynamic economies (more recently)

and in applied microeconomics (mostly empirical) in
- energy economics
- regulation
- environmental and regional economics

These are internationally relevant areas with more potential than has been brought out in the Oulu publications so far. Some of the international publications have arisen directly out of some of the dissertations, proving the high quality of the research carried out by the PhD's.

♦ *Doctoral Training*

The department has a strong and effective participation in the Finnish Doctoral Program of Economics (FDPE) with the Oulu doctoral education being well integrated with the other participating schools. The fact that all entering students have to pass three major advanced courses (micro, macro, econometrics) typically given in Helsinki, sets high international standards for the program comparable to those of leading US universities. However, compared with more structured PhD programs, the average time for completion in Oulu is more than three or four years after the 2 year compulsory coursework which is on the high side.

The number of dissertations over the period of evaluation is relatively small (five in seven years) even when considering the small number of active professors/researchers as advisors (2-3). The distribution over the interval 2001-2006 indicates that there is a relatively slow beginning to the doctoral career. This may be the reason for the relatively long period of completion of five to six years. More efficient supervising and structuring of their research program during the development phase of the dissertation is desirable.

There is a need for a more international orientation at the beginning stages of the doctoral education. First and second year students should be confronted to a greater extent with the level and topics of leading specialists in their field of research. For example, they could be exposed to more courses offered by outside leading academics, studies abroad at other top tier universities.

8.2.3 Overall evaluation

The overall research activity is at a good international level. Subjects, methods, and presentations are of high quality in all respects. Published articles are visible internationally. Their numbers and levels could be improved substantially, while the total number of research papers and publications is at an adequate level for the size of the group.

The research quality varies to some extent between the areas. The choice of topics in macroeconomics could be improved so that it better reflects modern trends in the field.

♦ *Strengths and weaknesses – Opportunities and threats*

With its senior members, the unit contains three leading researchers with an international profile who would be able to guide young researchers to achieve internationally publishable results in their respective fields. It should be their primary concern to search for synergies out of their own competence and capabilities together with other researchers in order to maintain a critical mass in Oulu. Given the quality of the young students, their own capabilities and further international contacts, their high quality research will be enough to ward off outside threats from institutional mergers in Finland.

8.2.4 Recommendations for the future

It is the impression of the panel that the overall quality of the Department's research has improved over the past few years leading to a more focused research agenda and a more effective interaction between the members.

The choice of topics in both major areas of research (macro and applied micro) can become more aligned on key questions discussed in the leading journals, allowing a more direct comparison of the research with the international scene while the work is in progress. This will guarantee high international standards and enhance quality control of the overall research effort. This should lead to more successful publications.

The senior researchers should play a more active role in the guidance and structuring of the doctoral students in order to help them progress/advance more rapidly. The faculty could be more engaged in promoting international contacts for the doctoral students.

There is the need for doctoral students to receive an earlier and more intensive exposure to other international researchers.

8.3 Department of Accounting and Finance

8.3.1 Scientific Quality of the Research - Numerical Rating: 1 2 3 4 $\boxed{5}$ 6 7

The numerical rating is for a solid 5 ranking with an upward bias expected going forward.

8.3.2 Supporting Comments

♦ *Publications*

The publication record is good given the small size of this department in terms of the number of researchers and the newness of their Ph.D. program. Although there are no publications in first-level journals (generally, taken to be an exclusive collection of only 4 refereed journals), there are a number of papers in solid second-level journals, such as the Journal of Financial Intermediation. The publication strategy seems sound based on the evolution of topical interests in accounting and finance. Although there are years in which no refereed journal articles were published in accounting or finance, the rate of scholarly output appears to be increasing over time. Going forward, the unit should shift its focus from increasing the volume of journal publications to increasing the quality of those publications.

Being primarily empirically oriented, the publication strategy has been to exploit informational advantages derived from the use of databases available on share ownership and trades of Finnish stocks by the Finnish Central Securities Depository and trade-and-quote (TOQ) data from the Helsinki Stock Exchange (HSE). Although this is done with above-average success, it could be pursued more rigorously. However, the implementation of this strategy does limit access to the top journals in the field since articles about small markets and/or economies are often not accepted for publication by these journals as "being of limited interest to their readership." The researchers in the department are fully aware of this trade-off and are beginning to rebalance their research portfolio towards a greater emphasis on studies of a more international nature. This should increase their chances of obtaining some realizations in first-level journals.

♦ *Methods and Topics*

The accounting research is broader in scope than in finance, and it varies from different aspects and implications of international accounting to the use of accounting systems in firms and governmental organizations. This has led to publications dealing with the market impact of accounting disclosures (e.g., interim earnings), earnings management, and so forth.

The finance research focuses on the behaviour of firms, markets and individuals. This has led to publications dealing with conditional beta estimation in thin markets, winner/loser trading strategies, trade behaviour around earnings announcements and so forth. However, the classification of research into these two categories is quite arbitrary. For example, if we examine the articles listed under "2b.2." for 2006, we find articles dealing with interim earnings announcements involving Professor Vieru that are classified under accounting and under finance. This provides evidence that the grouping of finance and accounting into one department, as opposed to two departments in many schools internationally, has resulted in both multidisciplinary research and some synergistic benefits.

The five "best" published articles contained in volume 2 are all in solid second-tier, international journals. The best of these journals is the Journal of Financial Intermediation. All of these articles are empirical and econometrically sound, and in some cases quite sophisticated. The underlying theory on which the formulated hypotheses are based is sound. Some papers include model building. Some of these papers are of sufficient sophistication that they would have been published in first-tier journals if they had used more international datasets. Financial resources for research, such as the provision of databases and journal submission fees, are not perceived as being impediments to the publication of research output.

♦ *Doctoral Training*

The Ph.D. program has been small in number over the evaluated period with 2 theses completed in 2004 and 1 thesis finished in 2005. This is a good performance record given the field of study and the small number of possible thesis supervisors. Although there appear to be no co-authored publications with the two Ph.D. students that completed in 2004, there are 4 such articles with the Ph.D. student that completed in 2005. While this is an encouraging sign, more effort needs to be expended in ensuring that articles from supervised Ph.D. theses are published in international peer-reviewed journals. The number of Ph.D. students currently in accounting and in finance has recently grown. Thus the number of graduates expected will increase during the next few years. The quality of the program is highlighted somewhat by the success of each of these two areas in obtaining position fundings from their respective National Programs.

While the supervision of Ph.D. dissertations has (and will continue to be) time consuming, the supervising professors have attempted to minimize the impact on their research output by trying to focus the doctoral dissertations on their current research interests and thrusts.

While participation in the National Program in both areas has greatly facilitated the economics and quality of the respective Ph.D. programs, the doctoral training effort can be further enhanced in various ways. First, both programs should seriously consider the implementation of comprehensive exams that are written by doctoral students on their course work. Second, a greater effort should be made in ensuring that doctoral students spend at least one term at a foreign university with experts in their planned area of dissertation work.

♦ *Research Activity*

The department is small in terms of North American standards consisting of 2 or 3 senior staff over the period plus 4 to 5 others (doctoral students and post-doctoral staff). All of the department members appear to be active in research. The department has achieved above-average visibility in international refereed journals, especially among international researchers interested in small market/economy problems, and the behaviour of individuals in markets and markets themselves. While the department members have had some interactions with foreign scholars, this could be developed further to augment their academic output. The department has also had reasonable success in terms of procuring outside research funding.

Teaching loads in terms of course preparations, deliveries and class sizes have been a somewhat negative drag on research productivity. The absence of paid research leaves has also been a time constraint on the researchers in this department that does not exist for its international competitors. The University and/or faculty should seriously consider instituting a paid leave program where productive research-active faculty are able to further concentrate on their research activity. This would provide a signal that research productivity was highly regarded.

8.3.3 Interaction between research and education

The department has a clear mission statement that guides its efforts to emphasize the importance of rigorous thinking and analysis to its students. This includes an appreciation and understanding of research conducted by others at the undergraduate level as well as the conduct of conceptually rigorous and carefully implemented empirical research by the students themselves at the graduate level. The department uses international best practices in terms of the use of research articles as it satisfies its educational mandate. Scientific research is introduced into upper level classes at both the undergraduate and graduate level.

The mathematical rigor inherent in the research increases as a student progresses from the undergraduate to the Ph.D. level.

8.3.4 Overall evaluation

For a small unit, the department has produced an interesting, econometrically sound and internationally visible body of published literature on various topics in accounting & finance.

♦ *Strengths and weaknesses – Opportunities and threats*

The department has already established a good record in research publication and involvement as editors, editorial board members and referees for a number of international journals. However, the department is both young and small. As such it has not yet realized much of its potential. As the department matures, it will become increasingly visible to the international scientific community. As a small unit, the department is subject to considerable key-person risk and funding variation risk. The department also appears to have capacity constraints in terms of its doctoral program although it has an excess of qualified applicants.

8.3.5 Recommendations for the future

The department needs to focus on ensuring that doctoral theses result in more articles published in international, peer-reviewed journals. The department needs to work on establishing greater ties with international researchers through more collaborative work and involvement in organizing conferences and colloquiums.

♦ *Research - both single disciplinary and interdisciplinary research*

The department is already appropriately diverse in that it is involved in a wide range of topics in accounting and finance. The department should be wary of fragmenting its research activities. However, efforts should be made to explore collaborative research projects with other faculties in the University.

♦ *Development of research environment and infrastructure*

The department should continue to foster the level of collaboration between the groups conducting finance and accounting research. The department should consider hiring a few research assistants from upper level master students both to encourage such students to do doctoral studies and to facilitate the work of current doctoral students. Members of the research active staff should be encouraged to hold weekly or biweekly seminar presentations in which senior staff, postdoctoral staff, doctoral students and others are encouraged to present their research for critical feedback. These seminars are often referred to as "brown bag" sessions since they can be held over the noon hour. The department should attempt to develop further datasets that are unique so that they allow the department to research topic areas that can not be addressed using the datasets commonly used by researchers in accounting and finance.

♦ *Research active staff*

The department should consider the addition of staff proficient in the application of quantitative techniques and econometric methods (including the programming of such) to the research active staff. The staff positions to be added during the next year should move the research active staff towards a better critical mass and enhance its research output.

♦ *The role of doctoral/post-doctoral training in research*

The rules on joint work between supervisors and doctoral students should be relaxed to ensure more collaborative work while ensuring that doctoral students do not feel compelled to enter such collaborative arrangements.

8.3.6 Other issues

The department needs to formulate a more comprehensive strategy for publishing some of its research in first-tier journals and more of its research in near first-tier journals.

8.4 Department of Marketing

8.4.1 Scientific Quality of the Research - Numerical Rating: 1 2 3 4 $\boxed{5}$ 6 7

8.4.2 Supporting Comments

♦ *Publications*

The list of publications represent the three programs of research: 1) management of business relationships and value creating networks, 2) electronic business, and 3) industry specific theory development. In each of these areas there a sufficient number of publications to demonstrate viable research programs. One of the three, "management of business relationships and value creating networks" has the strongest international profile with the other two areas having emerging profiles.

The 9 best publications are of a "good to high international level." The department report rates these publications as "A-level" journals according to the Vienna list, yet none of these publications are on the commonly understood elite/top tier lists. These "best" publications are considered to be in the top 10 to 20% of the 100-odd academic marketing journals on most listings.

It should be noted that publication in the elite A+ journals are US based journals (e.g., Journal of Marketing, Journal of Marketing Research, Marketing Science, and Journal of Consumer Research) by Scandinavian academics is rare. Thus the research output for this unit can be regarded as very good achievement for a Department from this region.

The publication portfolios of the sub-professorial staff demonstrate potential. As could be expected, a greater proportion of their publications are in refereed conference proceedings which are at least rated at a "fair to good international level".

The Department had averaged one PhD completion per year until 2006 when there were 3 completions. This level of output compares favorably across the Faculty but is not high when compared with internationally active research departments.

The overall publication strategy is characterised by fewer higher level journal publications and a larger volume of lower level publications in journals and conferences proceedings.

♦ *Methods and Topics*

The three programmes of research: 1) management of business relationships and value creating networks, 2) e-business, and 3) industry specific theory development draw heavily on the IMP research approach which involves the use of case studies and other interpretive methods. The electronic business research stream also uses quantitative methods but most of the applications lack sophistication. All of the professors are involved in at least two of these research programs.

The research projects listed on the department website (e.g. Valuenet, Motti, FUMMAS and CEIT) are well defined and involve cross-disciplinary collaboration with units from other Faculties in the University including the Departments of Information Processing Science, Electrical and Information Engineering, Public Health Science and General Practice. These collaborations have attracted an impressive amount of research funding. However, the preparation of the funding applications has taken considerable administrative time and the applied nature of the projects has meant it is more difficult to publish the research in higher level journals. If this research is going to lead to publication in top tier journals more attention needs to be given to integrating theory and high-level concepts.

♦ *Doctoral Training*

The Finnish National Doctoral program for Marketing appears to provide useful course work preparation for the Doctoral student's thesis research. However, it is of concern that students are not required to complete both quantitative and qualitative research courses and take more courses that would broaden their knowledge of the latest developments in the Marketing and Management disciplines. To achieve this, the program needs greater alignment with the course work offered by the top North American PhD programs.

The PhD students said they were happy with the quality of their thesis supervision and said they had sufficient contact and guidance from their supervisors.

The topics of the theses fitted well with the three Department research programs although the notion of programmatic research was not well developed.

Our investigation led us to conclude that quality of the Doctoral training was good but there is scope for improvements. To bring about these improvements there needs to be a more coordinated School PhD program. This will be elaborated in the recommendations for the School as a whole.

♦ *Research Activity*

In the period 2001 to 2006, the Department has grown from 10 to 24 research staff with the number of research active staff growing from 4.7 to 15.3 and the number of professors increasing from 2 to 4.8.

All of the professors have well defined publication portfolios and their best publications have good levels of citations which indicate they are having international impact. This includes the emerging e-business journals which have yet to establish rankings.

There is a satisfactory level of productivity by the professors with an average output of at least one quality journal article per year plus other articles or refereed conference papers. Co-authorship is largely with colleagues in the department and at other Finnish universities but not with international colleagues.

8.4.3 Interaction between research and education

The Department appears to fully embrace a research based teaching approach delivers high quality courses that are attractive to students. The applied nature of the research ensures a high level of relevance to industry and so graduating students have favourable employment opportunities.

8.4.4 Overall evaluation

The assessment for the 2001-2006 period was based on the various rankings provided by the Research Office and a qualitative assessment based on reading the best publications. At least one third of the publications are at a 'good to high international level' and virtually all of the others are at least a 'fair to good international. While this leads to numerical ranking of 5 and the Department has the potential to reach a 6 in a future assessment period.

The unit has also performed well internally in the broader areas of "peer esteem" and "contribution to the research environment."

In all three areas the unit has achieved international recognition which is commendable. In the management of business relationships area, this has been achieved with publications in the major Business to Business journals (IMM, JBR, JBBM), through founding the Nordic workshop on Relationship Dynamics, and by editing a Special Issue on Exchange Relationship Dissolution for the Journal of Marketing Management. For the area of e-business the unit has won best paper awards at a number of specialist international conferences and Nokia has provided a grant for writing a text book on e-Commerce. For the third area of industry specific theory development in 2006 an article was nominated for the best article award for the Journal of Service industry Management.

It is also noted that the unit is making a solid contribution by reviewing for international journals and conferences. However these have been ad hoc reviews and the unit has yet to achieve appointments to the editorial boards of the journals in which they publish.

♦ *Strengths and weaknesses – Opportunities and threats*

The SW0T analysis in the Unit's report provides a realistic assessment of the Department. One strength is the Department's capability to collaborate with other units in the University to obtain external research funding and to do cross disciplinary research. Another strength comes from the flexibility and energy of the well trained younger staff. A third strength is the ability to attract high-quality PhD students. A fourth strength is the potential that lies in the Department's international research networks.

Weaknesses relate to the "newness" of the Department to the University and hence the lack experience of most of the senior staff and lack of established resources. This has meant that some of the newer professors are spending a lot of time on administration at a time when they should be focusing on research. The recent rapid expansion of the Department has achieved through short term funding and thus there could be a lack of job security for junior staff and sometimes there is only partial funding for post docs. Thus there is a danger that staff in less secure positions or with lower remuneration packages could be lost. Finally the Department's underlying area of qualitative Business-to-Business research has meant it is more challenging to publish in the established top tier journals that have traditionally favored consumer research based on quantitative methods.

The threats to the department relate largely to the insecurity associated with external funding where funds are only available on a short term basis and renewal is highly competitive. Another threat is that the academic contribution of the management and marketing disciplines appear to not be well understood by other units in the university that are doing applied industry research.

8.4.5 Recommendations for the future

This relatively young and talented Department has considerable potential to develop into a unit that makes distinctive local and international contributions and could become one of the outstanding units in the Business School. They could play a key role in the University's strategy of regionally relevant applied cross-disciplinary research. To realize these opportunities, the Department will need to build on it strengths, overcome its weakness and counter the threats which have been discussed in the previous section. While certain actions need to occur within the unit, the future success of the unit is highly dependant on the support of the Business School and University administrations. The Department should have an integrated role in the Business School's larger strategy for success.

♦ *Research - both single disciplinary and interdisciplinary research*

1. Develop a more focused and explicit research strategy to build on the solid publication record in good international journals and target the top tier journals. To achieve this, the Department needs to have an integrated higher level theoretical perspective that links more closely with the latest international trends in the discipline. The recent initiatives in Service Science area provide one such opportunity. Attention needs to be given to how the Department's three programs of research (management of business relationships and value creating networks, e-business, and industry specific theory development) jointly contribute to this endeavor.

2. Continue to maintain and develop the excellent cross-disciplinary initiatives and applied research with other faculties in the University. More explicit attention needs to be given to articulating the methods by which this research can be targeted at higher level journals as well as the emerging e-Business journals. Further attention also needs to be given to how

these programs of research can be developed to fund ongoing PhD research and how the funds can be used to proactively develop international collaborations.

3. Both the senior and junior faculty members should place a priority on reviewing for international conferences and undertaking ad hoc reviews for the journals in which they publish. This will enable them to gain appointments to the editorial boards of these journals.

4. The unit needs to develop a more focused strategy to foster research collaborations with leading international academics which should result in placing their research in top international journals.