

<b>Institution: London School of Economics and Political Science</b>
<b>Unit of Assessment: 17: Business and Management Studies</b>
<p><b>Section 1. Unit context and structure, research and impact strategy</b></p> <p><b><i>Unit Overview</i></b></p> <p>LSE's Business and Management Studies (BAMS) submission consists of three departments – Accounting, Finance and Management – which collaborate in relevant areas of synergy and have international reputations in their academic disciplines. The departments have two research centres – the Financial Markets Group (FMG), which is affiliated with the Department of Finance and includes the ESRC-funded Systemic Risk Centre (SRC), and the Centre for Analysis of Risk and Regulation (CARR), which is affiliated with the Department of Accounting – and a number of active area-specific research groups. The shared objective across these units is to produce and disseminate world-leading research in business and management with a distinctive social science foundation. The research excellence of the three departments is evidenced in world rankings. For example, Accounting and Finance are ranked fourth globally in the QS university rankings, while Management is ranked eleventh. The research conducted by LSE's BAMS draws upon a diverse range of disciplines and methodologies.</p> <p><b><i>DoA</i></b> (Department of Accounting) has 19 research active faculty members and 7 PhD students. Research is organised around two groups: (i) the Accounting, Organisations and Institutions (AOI) group, whose members study the interrelation between accounting, organisations and institutions using primarily qualitative methods and theories grounded in sociology and organisational studies; and (ii) the Economics of Accounting (EoA) group, whose members investigate accounting issues from an economics perspective using mostly quantitative approaches. Both groups are committed to conducting world-leading research and to enhancing the DoA's visibility among academics, regulators and practitioners alike. Since the last REF, the DoA has strengthened the EoA area to ensure a more balanced presence in all areas of accounting. The membership of CARR has also been expanded to facilitate collaboration and intellectual exchanges between the two areas of research. As a result, CARR's study of institutional, regulatory and risk aspects of accounting has become more interdisciplinary.</p> <p><b><i>DoF</i></b> (Department of Finance) has 28 research active faculty members and 35 PhD students. Research is organised across two main areas: Asset Pricing and Corporate Finance. These areas communicate closely with each other, and a number of Finance faculty work at their interface. The DoF has significant visibility and recognition within the regulator and practitioner communities. Such outside visibility is achieved primarily through the activities of the Financial Markets Group (FMG). Among other things, the FMG runs academic/practitioner conferences, hosts renowned academic visitors and practitioners, provides research and data assistance, and supports the development and management of research grants. Since the last REF, the DoF has continued to increase its strengths across all areas of Finance, achieving a balance between Asset Pricing and Corporate Finance as well as between theoretical and empirical work.</p> <p><b><i>DoM</i></b> (Department of Management) has 51 research active faculty members and 10 PhD students. The DoM is organised into six groups, reflecting its size and the heterogeneity of its research areas: Employment Relations and Human Resource Management (ERHR), Information Systems and Innovation (ISI), Managerial Economics and Strategy (MES), Marketing (M), an embryonic Operations Management Group (OM) and Organisational Behaviour (OB). Since the last REF, the DoM has undergone a series of changes, resulting in a more cohesive, synergistic department that pursues a strategy of making appointments with cross-group interests. Some of the groups have been restructured and new ones formed. For example, the former Management Science group has moved to the Department of Mathematics, reflecting its increasing orientation to applied maths; instead, an Operations Management group has been established in the DoM focusing more directly on management issues. Marketing has successfully transitioned from an incubator group into full independence, currently consisting of seven faculty with further</p>

expansion anticipated. Faculty in Entrepreneurship Studies have been distributed across the groups reflecting their multidisciplinary nature. The DoM federal structure is coordinated through a departmental research committee with departmental seminars and other cross-group activities encouraging integration. Six colleagues from the Department of Psychological and Behavioural Science with particular interest in management issues and publishing in management journals are also included in the BAMS submission.

The research centres affiliated with the DoA and DoF are financially supported by both internal funding and external grants (e.g., Horizon 2020, ESRC and UK Foreign and Commonwealth Office grants in the case of CARR; and European Research Council (ERC) and ESRC grants in the case of the FMG). They are overseen by management committees to ensure that the centres meet their stated research objectives. Both centres are seamlessly integrated into their affiliated departments, organising workshops and conferences and engendering academically-excellent and practically-relevant research.

While the UoA consists of three different departments, research sometimes cuts across them. For example, there are a number of collaborations between faculty in Finance and Management, such as between Paravisini (DoF) and Rappoport (DoM) on the effect of credit crunches on economic activity, and de Meza (DoM) and Webb (DoF) on selection effects in financial markets. Faculty in BAMS also work with colleagues in the Economics Department, e.g. Garicano (DoM) and Vayanos (DoF) work with Reis (Economics) on the design of European safe bonds (see impact case study); similarly Eyster (Economics) and Madarasz (DoM) work on behavioral economics; and Yuan (DoF) and Zhang (Economics) on security design. PhD students likewise interact frequently, including attending courses across the BAMS departments and in Economics. Finally, there is also collaboration with departments that are scientifically more distant. For example, some researchers in CARR (e.g., Mennicken) work with colleagues in Sociology and Government. In 2022, the three departments will be moving to a new building with state-of-the-art research and teaching facilities, which will encourage further collaboration among the departments.

In addition to the co-authorships across the three departments, there are extensive co-authorships within each department. Co-authorships within the DoA include the work of: (i) Cascino and Correia on default prediction and business groups; (ii) Cascino, Correia and Tamayo on disclosure in alternative financing markets; (iii) Cascino and Tamayo on labour market effects of licensing; (iv) Mennicken and Miller on organizations; and (v) Palermo and Power on risk culture. Co-authorships within the DoF include the work of: (i) Kondor and Vayanos on liquidity and arbitrage capital; (ii) Lou and Polk on co-momentum and on high-frequency returns; (iii) Gonzalez-Urbe and Paravisini on entrepreneurship and tax incentives; and (iv) between Oehmke and Zhong on capital structure. Co-authorships within the DoM include the work of: (i) Thomas and Stanton on online labour markets; (ii) Li and Narasimhan on cash compensation; and (iii) de Meza and Reyniers on insurance. All of these papers have either been published in world-leading academic journals and are included in the BAMS submission or are under revise-and-resubmit in such journals. In addition to the successful co-authorships between faculty members, there are equally successful co-authorships between faculty members and PhD students (examples in Section 2). The large number of co-authorships within departments reflects a vibrant exchange of ideas as well as a collegial and nurturing environment.

### ***Strategic Aims and Achievements***

The three BAMS departments share the objective of producing world-leading, impactful research. The UOA is not prescriptive as to the specific topics that faculty work on, or the methods that they use, but quality is at the forefront of what we do. Importantly, the emphasis on quality, as opposed to merely quantity, of research is now well embedded among all research faculty in the three departments.

The number of publications in leading journals submitted by the three departments to this REF assessment is indicative of an ambitious research culture. Notwithstanding the limitation of journal rankings, the number of publications in journals ranked 4\* by the Chartered Association of Business Schools (CABS) since the last REF is 23 for Accounting, 58 for Finance, and 66 for Management; the number of publications in the next highest category of CABS 4 journals are 15 for Accounting, 15 for Finance, and 55 for Management. Faculty often serve as editors or associate editors in those journals, which is testimony to the international standing of our faculty. The grants that faculty in the three departments have secured also reflect the strength of the research that is being conducted. For example, six personal ERC consolidator grants of up to €2m each have been awarded to BAMS faculty during the REF period. Finally, the impact case studies in the BAMS submission are also an indicator of the strength, relevance and diversity of the research that BAMS faculty conduct.

Going forward, the main objective of the three departments is to further enhance the research environment to ensure that both new recruits and current faculty continue to flourish.

### ***Supporting Research and Impact***

The three departments, as well as the School, are mindful that the production of world-leading research is facilitated by the right research infrastructure and a supportive environment. Aspects of research support include:

- *Active seminar series:* The three departments separately run weekly seminar series with external speakers, as well as periodic informal seminars in which faculty present their work in progress. Seminars foster productive interactions between faculty members in the three departments, as well as with external speakers from leading universities around the world. While the mix of speakers vary across seminar series, typically more than half of the speakers come from North American universities, and there is also a good representation from the UK and Europe. Given the diversity of research interests, some of the external seminar series cater to specific groups within a department. In addition, some seminars are run jointly with the School's research centres. For example, the DoM holds a weekly seminar in conjunction with the Centre for Economic Performance (CEP) in which leading international speakers present their work. Finally, the three departments conduct weekly seminars with their PhD students.
- *Academic and policy conferences:* The departments host a series of conferences. The DoF organises or co-organises an average of four academic conferences per year, mostly via the FMG, as well as some policy conferences. The DoA typically organises two academic conferences annually (e.g. the most recent on Blockchain in collaboration with a leading academic journal) and, under the auspices of CARR, frequent workshops and highly selective regulator forums. DoM co-organises an annual entrepreneurship conference with CEP and STICERD. Single conferences have been held on trade diversification in the UK and Canada, mobile money, and financial development. The conferences hosted by the three departments and their research centres attract high-profile academics, regulators (e.g., governors of central banks around the world, accounting standard setters), politicians and civil servants (e.g. ministers of finance or economics, or top civil servants in such ministries) and a wide variety of practitioners depending on the topic.
- *Visitors:* The departments have visitor programmes under which selected external visitors are provided with financial support and desk space to spend time at LSE. Past visitors include, in DoA: Wayne Landsman (North Carolina), Maria Lumiotti (UT Dallas) Danielle Macciocchi (Utah), and Naomi Nordstrom (Melbourne); in DoF: Jonathan Berk (Stanford), Pete Kyle (Maryland), Antoinette Schoar (MIT), Stan Zin (Carnegie Mellon); and in DoM: Eric Hurst (Chicago), Sara Lombardi (Florence), Jugal Garg (Saarbrücken), Hironobu Sano (Rio Grande do Norte).
- *Data:* A sizeable fraction of the research conducted in the departments is empirical, which the departments support by: (i) making funds available to faculty to acquire data as part of their individual research budgets; (ii) using departmental funds to buy data when

the data are of use to multiple faculty members; and (iii) working with the School and the LSE Library to acquire and support databases when these are of use to multiple departments.

- *Financial assistance to fund research:* Faculty receive discretionary research funds from their departments (£5K-£10K per year) to purchase data, hire research assistants, travel to conferences and visit co-authors in other universities. Funding is also available from the research centres for the areas in which these specialise, and from sources outside the three departments such as other centres in the School (e.g. STICERD) or the School's general funds. Research proposals by faculty in the early stages of their career receive special consideration and support in all of the above schemes.
- *Research committee:* As mandated by the School, each department has a Research Committee, in which the above arrangements are reviewed annually, and new ideas and initiatives proposed.

**Approach to impact:** The UOA believes that real-world impact often arises organically from first-class research and, hence, supports such research via the means indicated above. In addition, BAMS actively promotes interaction between academics, policy makers and practitioners with the twofold aim of increasing awareness of real-world problems among academics and of disseminating the academic research conducted in BAMS to these audiences.

Some impact case studies in BAMS have indeed grown from first-class research conducted within the departments. For example, Ian Martin's leading work on extracting market beliefs from derivatives prices, published in the *Journal of Finance* and the *Quarterly Journal of Economics*, attracted the attention of members of the Bank of England's monetary policy committee and of their counterparts in other central banks. Other impact case studies have grown out of more direct interactions between academics and policy makers or practitioners. For example, the impact case of Cascino started as a collaboration with the European Financial Reporting Advisory Group (EFRAG) and the Institute of Chartered Accountants of Scotland (ICAS), who initially funded the research and consequently organised a series of engagement events to disseminate the findings.

The beneficiaries of the research conducted within BAMS include policy institutions in the UK, such as the Bank of England and the Financial Conduct Authority; international policy institutions, such as the European Central Bank and the European Commission; regulatory and professional bodies, such as the International Accounting Standard Board; national governments, and practitioners in various sectors of the economy. More details on the projects and the beneficiaries are in Section 4.

The interaction with policy makers and practitioners is promoted in several ways:

- Conferences and public events that bring together academics from BAMS with policy makers and practitioners. These conferences are organised primarily by the research centres (FMG, SRC, CARR). For example, in recent years FMG has organised conferences with the Bank of England, the Financial Conduct Authority, and the Bank of International Settlements; CARR has run regulator forums with participants from, among others, the Financial Conduct Authority, Bar Standards Board, Legal Services Board, Food Standards Agency and the General Medical Council.
- Faculty are also encouraged to achieve impact by interacting with policy makers and practitioners, e.g. by funding their travel and covering the cost of practice-focused events. Some of the funding comes from the School through its Knowledge Exchange and Impact (KEI) funding and training initiative. Additional funding comes from the departments. For example, the DoM makes resources available to its faculty to support development and implementation of innovative initiatives related to KEI. KEI funding is allocated on an open call basis inviting applications from the faculty, fellows and PhD students.
- National and international media coverage of research within BAMS helps make our work accessible to wider public audiences. High-profile media coverage has included



extensive discussion of work by Willcocks on automation, by Canonico on home working, and by Riza on career satisfaction and success. Public engagement with research via media coverage is also an important feature of several of our submitted impact case studies, for example by Garicano and Vayanos et al. on Eurozone bonds. As measured by Altmetrics, LSE seems to have the highest media attention of any UK BAMS unit.

In line with the School's wider approach, the departments recognise and promote the importance of an open research environment. UoA members deposit their research in LSE Research Online, with items deposited with a full-text increasing by just over 25% for this REF period. Our research is made available online in other formats e.g. through research centre discussion papers series.

Members of the UoA regularly deposit research data into trusted data repositories. Examples include, Matteo Gallizzi who has deposited with the UK Data Archive and Saul Estrin who has deposited with Harvard Dataverse. UoA members have also used Open Science Framework (OSF) to deposit and share research data openly (e.g. Ilka Gleibs). In addition to sharing within a recognised data repository, faculty also strive to make data more discoverable by sharing code and data on their website and publishing in journals with an open data requirement.

Finally, BAMS follows the standards of research integrity set by the School, including ethical, legal and professional frameworks, obligations and standards. Research involving human participants or identifiable personal data is subject to scrutiny under the auspices of the LSE Research Ethics Committee. New faculty receive mandatory training on Equity, Diversity and Inclusion (EDI) and have the opportunity to undertake additional training.

The LSE Library provides support and advice on using data for research. It subscribes to a range of high impact datasets including, Bloomberg, Compustat, Datastream, CRSP, ICPSR and Orbis to support the BAMS faculty's research, the last of which also includes Orbis Historical, a resource that LSE is the only UK university to subscribe to.

## 2. People

### ***Staffing Strategy and Staff Development***

The DoA faculty consists of 8 Assistant Professors and 1 Lecturer, 5 Associate Professors and 5 Professors. In DoF, there are 7 Assistant Professors and 1 Lecturer, 9 Associate Professors and 11 Professors. In DoM, the breakdown across the ranks is 18 Assistant Professors, 16 Associate Professors and 17 Professors. The distribution of faculty across the ranks in BAMS is balanced and is less top-heavy than the School average. Assistant Professors/Lecturers comprise 33% of the faculty (against 28% in the School). Conversely, Professors comprise 36% of the faculty (41% in the School). The percentage of Assistant Professors/Lecturers is higher than in the last REF, reflecting significant recruitment effort at that rank, cultivating new blood and future promise.

Since the last REF, the DoA has hired three Associate Professors in the EoA area and four Assistant Professors across different areas of accounting research. The DoF has hired seven Assistant Professors, five Associate Professors, and one Professor. The DoM has hired eleven Assistant Professors, three Associate Professors, and two Professors. In their recruitment activities, the three departments strive to achieve a balance across academic areas within respective disciplines, as well as across seniority ranks.

All three departments recruit in the global market through world-class recruitment and appointment processes. Recruitment of new Assistant Professors is done via campus visits with a seminar presentation. A shortlist of 20-30 candidates is decided by each department, and these candidates are interviewed at the meetings of the corresponding associations, or so-called 'rookie camps'. For the DoA this happens at the European and American Accounting Association camps; for the DoF at the meetings of the American Finance Association; and for the DoM at the

meetings of the Academy of Management (where LSE holds an annual reception) and the American Economic Association or the European Economic Association. Recruitment for seasoned faculty takes place after an extensive search for candidates who fit the required profile in terms of field and seniority. Candidates are generally flown in to spend time in the department and to give a seminar. All faculty are involved and provide input into the appointment process. Throughout the recruitment and promotion processes, careful consideration is given to equality and diversity. All departments adhere to strict EDI policies. The departments work directly with the Pro-Director of Faculty Affairs and the Vice Chair of the Appointments Committee to promote gender balance and inclusivity on short lists.

Supporting faculty, particularly at the junior level, is a critical aspect of a successful recruitment, retention, and promotion strategy. Newly hired Assistant Professors enjoy reduced teaching loads (typically, half of the normal load for two years). They are also provided with extra research funds, and their applications for departmental research funds are commonly given priority. The administrative duties of Assistant Professors are kept to a minimum and are designed to increase their visibility in the profession (e.g., by organizing the seminar series) or to integrate them further in the life of department (e.g., by assigning them to critical committees but shielding them from the work). All Assistant Professors are assigned a senior mentor to advise them on their research trajectory, on how to respond to comments from journal referees, and on how to improve visibility in the profession. Formal feedback is given annually by the Head of Department, based on input from the mentor and other colleagues. Feedback increases in detail and frequency after five years into the appointment, before Major Review in the eighth year. In the last three years before Major Review, a committee of Professors reads the work of each Assistant Professor under consideration and provides detailed comments on research progress and on the likelihood of passing Major Review. Major Review hurdles are of an international standard with the final decision taken by a School committee in the light of extensive external assessment and internal reading. The faculty not supported for promotion at the Major Review stage must leave LSE.

Since the last REF, the DoF promoted two out of seven faculty members who were at the major review stage. Over the same period, the DoA promoted two out of six faculty members, and the DoM four out of seven faculty members, to Associate Professor. The remaining faculty members moved on to reputable academic institutions at different ranks, including: as Professors to the University of Leicester and the University of Warwick; as Assistant Professors to Boston University, Cass, Maryland, Rutgers, Queen Mary and the University of Bath; and as a Lecturer to King's College.

In addition to these provisions, junior faculty benefit from several services provided by the School. These include: (i) a central orientation programme and training for the postgraduate certificate in teaching offered by EDEN (LSE's Educational Enhancement unit); and (ii) workshops offered by EDEN and HR under the LSE Academic Career Development Scheme to support early-career researchers in conducting their research, strengthening their impact, and managing their career. The School also offers sabbatical leave of one term after eight terms served; generous parental leaves; and research leaves that can be accrued for completion of well-defined, funded projects. Faculty may also be granted leave of absence to stimulate and facilitate exchanges between academia and business, industry, or the public sector. For example, Veronica Rappoport (DoM) was given leave to return to her native Argentina to take up the post of Deputy Governor of Argentina's Central Bank for a limited period.

Success in research and impact is acknowledged in internal newsletters by the Heads of Department and in the annual Academic Staff Contribution process resulting in contribution pay as appropriate and equitable. The School's policy on Personal Financial Rewards also rewards faculty who have been successful in obtaining external grants.

**Research students**

Research students are an integral part of the three departments' dynamic research culture. There is an infrastructure of general skills training and provision for research students at School level (the PhD Academy) complemented by departmental support. Initially, students enrol into an MRes programme for one or two years (depending on their background). During this time, they take a variety of courses in economics (or other appropriate subject), statistics and econometrics as well as doctoral level subject-specific courses. Training involves the development of quantitative as well as qualitative skills. Upon successful completion of the MRes, students are transferred to the doctoral programme and are required to complete their thesis within four years (or less). The DoM offers them the opportunity to be appointed as Research Fellows for one additional year after the PhD completion to strengthen their research portfolio before entering the academic job market.

When PhD students join the programme, they are assigned a supervisor. The supervisor is the Director of the PhD programme for the first two years, which is when the PhD students mostly take courses. After the second year, PhD students find a main and a secondary supervisor depending on their research interests. Meetings with the supervisors take place regularly (multiple times in a term).

In addition to the supervisory arrangements, student progress is actively monitored in the departments through PhD Assessment Reviews and reported to the Research Degrees Unit. Timely reviews provide early warnings of any problems and inform re-registration and upgrading decisions. A termly meeting is held in which the progress of each PhD student is reviewed. Students have to complete and submit a form summarizing their progress ahead of each meeting. This meeting is in addition to the feedback that students receive when meeting with their supervisors (every few weeks) and when presenting at the PhD workshop (once a year and possibly more often).

Research students are fully integrated into the departmental activities. PhD students are invited to attend the departments' internal and external seminar series and often meet external speakers (for example, for breakfast). In all three departments there is also a weekly seminar series where PhD students present their work. Supervisors are required to attend the presentations of their PhD students and to provide feedback to the students just after the seminar. PhD students are also encouraged to join the research centres. Finally, there is occasional co-authorship between PhD students and faculty, leading to journal publications. Examples of such collaborations are Martin's paper in the *American Economic Review* with PhD student Kremens (DoF), Chabakauri's paper in the *Journal of Financial Economics* with PhD student Han (DoF), Cascino and Tamayo's paper in the *Journal of Accounting Research* (2021) with PhD student Vetter (DoA) and Ashwin's prize-winning paper with PhD student Alexander in the *ILR Review*.

All three departments require PhD students to do some teaching and course marking, and to complete a course on teaching skills through EDEN, with the view of improving their teaching and presentation skills. The departments also provide additional interview training for PhD students in the year when they go to the job market.

The PhD programme in the DoM has undergone a major reorganization to unify practices, provide a common taught core and raise admission standards. The programme was suspended for two years, and then relaunched as an integrated programme in Management, offering specialisms in Employment Relations and Human Resources, Organisational Behaviour, Marketing, and Information Systems and Innovation. A key feature of the new programme is that during their first two years research students rotate and work across different Faculty Groups to gain from a broad exposure to their research interests, while at the same time taking a set of seminars and coursework intended to develop the ability to conduct rigorous academic research. Students also become familiar with some of the key research methods used in areas of study other than their own. This approach promotes an interdisciplinary perspective as well as social

interaction among the students, and provides a distinct departmental identity. In addition, reflecting one of the School's major strengths, a new PhD programme in Economics and Management is being initiated with the Department of Economics at LSE. Starting in 2022/23, taught courses will be provided by both departments and taken in common with students from Economics. Supervisors will be drawn from both departments.

Placement of PhD students in BAMS has been successful. Since the last REF, 13 PhD students graduated from the DoA. Out of those, 11 were placed in academia and 2 in government or industry. Placements in academia include INSEAD, King's College, Lancaster University, University of Illinois at Chicago, and University of Mannheim, while placements in government or industry include The British Council and Goldman Sachs. There were 23 PhD students who graduated from the DoF, of whom 16 obtained placements in academia and 7 in government or industry. Placements in academia include London Business School, INSEAD, Stockholm School of Economics, University of Amsterdam, Washington University at St Louis, University of Maryland, University of Washington, and University of Hong Kong. Placements in government or industry include the Bank of International Settlements and Citibank. Thirty-two students graduated from the DoM. Twenty-five obtained placements in academia, and seven in government or industry. Placements in academia include Henley Business School, University of Liverpool, Portland State University, Bournemouth University, Bocconi University, IE Madrid and University of Surrey Business School. Industry jobs include Vice President for Global Technology at JP Morgan Chase in New York; Managing Director of Education at Elsevier; and posts at Deloitte, Morgan Stanley, Bank of China, and Santander Bank.

Selection criteria to our PhD programmes are stringent. In each of the three departments, the Director of the PhD programme allocates applications to at least two faculty members, who scrutinize the assigned applications carefully. Decisions are made on the basis of the evaluations of the selectors and the PhD programme Director. In the DoA and the DoM, PhD applicants are also invited to present their research proposals and meet the faculty as part of the selection process.

Financial support for PhD students comes from several sources. One important source is ESRC scholarships. There are also scholarships provided by the School and by funds that departments raise through charitable giving and other sources. Roughly 60% of the BAMS PhD students are funded by the departments, 20% by LSE Scholarships, 10-15% by ESRC, and the remaining 5-10% by named privately-funded scholarships.

### ***Equity, Diversity and Inclusion***

BAMS is committed to EDI in recruitment and promotion processes, and actively seeks out minority applicants. The gender balance is roughly comparable with the rest of the School (34% of the faculty are female, compared with 37% in the School), and the percentage of BAME faculty is significantly higher than in the rest of the School (31% in BAMS compared with 17% in the School). Benchmarking exercises that were conducted within the three departments indicate that they compare well relative to competitors in terms of gender balance.

The three departments follow School policies in leave arrangements for caring responsibilities, health conditions and other personal circumstances, and subsequently support their return to work by providing further time for research via extra research leave (usually one term). Similar provisions apply to research students whose studies can be interrupted.

The BAMS interim and final portfolio selection of outputs was monitored for EDI balance among the authors of those outputs. It was found to be representative of the UOA's composition in terms of gender, but slightly unrepresentative in terms of ethnicity (26% of outputs were from BAME authors who make up 31% of the faculty). The latter imbalance, however, is due to the fact that several of the BAME authors are Assistant Professors who have had less time to develop their output portfolio, especially given the long publication lead times in our academic areas. Overall, our portfolio selection appears to be representative conditional on each faculty's



outputs. To eliminate any subjectivity bias, we also used several bibliometric measures.

### 3. Income, infrastructure and facilities

#### *Income*

BAMS raises a substantial amount of research income from external (normally peer-reviewed) sources, which fund individual faculty research as well as research centres. A dedicated Research Development group within the School's Research and Innovation Division works closely with the three departments on developing innovative strategies to secure funding for research. The School's policy on Personal Financial Rewards provides a powerful incentive for faculty to seek grants, as the ability of the departments to grant buyouts is limited (DoF does not grant buyouts; the DoA and DoM grant limited buyouts only, typically up to a limit of 25%). Since the last REF, the BAMS area has received approximately £16.6m in research grants, from which £1.8m in DoA, £9.9m in DoF, and £4.9m in DoM.

In the **DoA**, most of the external funding is obtained through the Centre for Analysis of Risk and Regulation (CARR), which is integrated in the department as an interdisciplinary research hub. CARR has attracted over £1.5M in research income over the REF period. Funded projects include: (i) collaborative work on "Transboundary Crisis Management in the EU" funded by a Horizon 2020 award (CARR €600,000; total award €2.4m); (ii) collaborative work on "Quantification, Administrative Capacity and Democracy" funded by an ESRC Open Research Area (ORA) grant (CARR €662,000; total award €2.3m); and (iii) work on "Regulation of Logistics Infrastructure in Brazil" funded by a UK Foreign and Commonwealth Office Prosperity Fund (£247,533). CARR received additional funds from the British Academy, Deutsche Bank, ESRC, Food Standards Agency, Research Council of Norway and UK Statistics Authority amounting to £307,023. Individual faculty members have also received funding from several sources, including LSE's HEIF allocation, ICAEW, ICAS-EFRAG, Inquire Europe, Institute for Fraud Prevention, Principle Responsible Investments, and Risk Institute. The total grant revenue for the DoA during the REF period has been close to £1.8m.

The **DoF** received £9.9m of research grants during the REF period. Most of the funding came through the FMG, the department's research centre. A major source of funding is the European Research Council (ERC): five DoF faculty have been awarded an equal number of grants, totalling £4m (Yuan, Martin, Kondor, Oehmke, and Paravisini). Another source of funding is the Economic and Social Research Council (ESRC): the SRC (co-directed by Danielsson and Zigrand) is funded by an ESRC grant, and two additional DoF faculty (Dasgupta and Zhong) have been awarded ESRC grants as well, amounting to a total grant value from the ESRC of £2.4m during the REF period. Additional revenue to promote research comes from private donors, such as Paul Woolley, who has founded the Centre for the Study of Capital Market Dysfunctionality, included within the FMG. Paul Woolley's donation to the centre during the REF period has been £2.3m. These revenue streams have been complemented by smaller grants from public and private sources. Whereas DoA hosts the administration of CARR activities, FMG has, due to its size, a dedicated administrative team to lend support to research grants, seminars and projects.

The **DoM** received £4.9m of research grants during the REF period. Funded projects/schemes include: (i) Yuchman's Research Professorial Fellowship from the British Academy (£749,557); (ii) Macchiavello's work on "Sharing Gains from Trade: Global Markets and Farmers Welfare in Developing Countries", funded by ERC (£1,663,340); (iii) a collaborative project with UCL on "Interface Reasoning for Interacting Systems" funded by EPSRC (Venters, £632,509); (iv) a WV grant for work on "Changes in the Governance of Garment Global Production Networks" (Ashwin, £168,182); (v) an EPSRC funded project on "*Delivering Digital Drugs*" (Cornford, £717,415); and (vi) Barkema's project on "Multipliers for Employment Creation: the IT-Industry in Kenya" funded by the Netherlands Organisation for Scientific Research (£394,828).

Research projects funded with external funds have directly led to journal publications. For

example, in the case of the DoF, the five ERC grants have supported 11 publications so far in Economics and Finance journals. The Paul Woolley Centre within the FMG accounts more than 35 publications in those journals since its inception in 2007, half of which date from 2014 onwards. In the case of the DoA, the funds raised through CARR and individual grants have supported four publications in Accounting and Finance journals, while in the DoM publications arising from external funding include articles in the *Quarterly Journal of Economics*, the *International Labor Relations Review* and *Journal of Business Ethics*.

Importantly, many of the funded projects have had a significant impact on non-academic audiences, as evidenced by a series of impact case studies submitted to REF 2021 in which the research was externally funded. An example is the ICS by DoF's Martin on using derivatives prices to estimate market expectations about future returns and tail risks, which draws on his ERC-funded research. In the DoA case, the research of Cascino on the conceptual framework was externally funded by EFRAG and ICAS while the work of Palermo and Power on risk cultures was supported by the Chartered Insurance Institute (ICI), Chartered Institute of Management Accountants (CIMA) and the Lighthill Risk Network. For DoM, a safety culture methodology developed by Reader, supported by EUROCONTROL and the HORIZON2020 fund, has been utilized by Air Navigation Service Providers, Airlines, Airports, and Airframe manufacturers across the EU. Other policy assessments funded by the EC, the FCA and Bank of England have been undertaken by means of specially designed experiments.

### **Research Infrastructure and Facilities**

The three Departments, as well as the School, endeavour to provide the research infrastructure necessary to conduct world-leading research and foster collaborations among faculty, PhD students and visitors. This is delivered through a combination of departmental facilities and seminar spaces, as well as data libraries, IT infrastructure and dedicated support, including a department-dedicated Academic Support Librarian and IT experts. In addition, the School is investing considerably in external servers as part of a big data project, which will provide extensive data storage. This will be particularly valuable for BAMS faculty given the extensive amount of empirical work that is being undertaken and the large datasets that are being analysed.

Our affiliated research centres (CARR and FMG) also play a pivotal role in the provision of research infrastructure. They offer dedicated spaces to conduct research and hold seminars, conferences, and meetings as well as to host research fellows and officers, visitors, and PhD students, thereby enriching the intellectual environment of BAMS. The provision of databases by the research centres and, more generally, the School is very good.

An important pillar of our research infrastructure is the Behavioural Lab for Teaching and Research (BL), which was founded by DoM and is now directed and administered by DoM and the Department of Psychological and Behavioural Science (PBS). With the growth of experiments in social science, this has just become a School-wide resource. The BL is a purpose-built lab designed to study human behaviour in a controlled environment. It facilitates world-class behavioural research by providing state-of-the-art physical and online facilities for researchers. The BL is open to researchers from across LSE and beyond and is the cornerstone of an interdisciplinary research community in behavioural science. The BL has a large (N= 3,940) and diverse active participant pool for both physical in-lab as well as online studies. The pool is unique in its diversity across age, nationality, and profession. The BL participant pool is a microcosm which is ideally suited to test EU-wide and global interventions and behaviours. The Lab has strict ethical standards and terms of reference and expects participants to be treated fairly and be appropriately compensated for their time (the hourly participant fee is £10). It has recently acquired various cutting-edge technologies such as virtual and augmented-reality equipment, as well as artificially intelligent voice-assistant systems. Work conducted in the BL by a PhD student, Heasman, won the Economic and Social Research Council's (ESRC) Future Promise prize in 2018.

BAMS supports KEI activity in a number of ways. In DoM, a dedicated communications team supports the dissemination of departmental research. For example, an agreement with Forbes magazine enables faculty research to be posted to the Forbes.com platform. The Communications team partners with a PR company that specialises in the promotion of academic research and expertise. This partnership has resulted in various types of media work, including interviews, comments, features, op-eds, podcasts, videos. A blog entitled “Management with Impact” is organised to disseminate research findings originating from the department. The DoM also has dedicated research web pages that act as a ‘shop window’ for its activities. The Communications team keep track of noteworthy stories pertaining to faculty research and in collaboration with LSE’s central Communications and Press offices helps write news stories to promote LSE management research. The Communications team also works closely with the editor of LSE’s *Business Review* publication, the Knowledge, Exchange and Impact team, and the Public Affairs office – all of whom help in the promotion of departmental research to wider audiences. Amongst a variety of School KEI grants to BAMS, funds enabled the dissemination of public management methodologies to Latin America (Barzelay, £29k) and a project at the Science Museum (London) where over 2000 adults and children played a spending game devised as part of “Live Science” in January and February 2019, helping to break down the taboo around talking about money (Kappes, £14K).

#### **Section 4. Collaboration and contribution to the research base, economy and society**

The three departments have several procedures in place to support collaborations between their faculty and researchers in other institutions. As noted in Section 1, all three departments have visitor programmes under which selected external visitors are provided with financial support and desk space to spend time in the departments. Co-authors of faculty in the three departments often visit within these programmes. Faculty in the three departments also have discretionary research funds to visit other institutions.

The extent of research collaborations is reflected in the departments’ publication record. For example, there are about 30 researchers from European institutions and the same number from North America among the co-authors on the DoF’s 58 publications in CABS 4\* journals. For the DoA, 16 of its CABS 4\* publications are co-authored with faculty across the world, while all 44 of DoM’s CABS 4\* publications have at least one co-author from an overseas institution.

Faculty in the three departments not only engage with colleagues in other universities but also with policy makers and regulators, as well as with practitioners across a wide swathe of the private sector. The extent of this interaction is reflected in the impact case studies as well as in other research projects.

**DoA** faculty often engage with regulatory and professional bodies such as the IASB, EFRAG, European Commission, CIMA, ICAEW and SNAI, as well as practitioner constituencies such as Grant Thornton, Moody’s, Standard & Poor’s, BNY Mellon, National Bank of Greece, Bank of Portugal, RBC Global Asset Management, Citadel, Citigroup Global Markets, and AQR Asset Management. For example, Cascino’s research on the IASB Conceptual Framework, which was sponsored by ICAS and EFRAG grants, has informed the ICAS and EFRAG’s responses to the revisions to the Conceptual Framework. Likewise, Palermo and Power’s work on risk culture in financial organisations has been used by banks when reassessing their risk management strategies. The DoA’s research on responsible investments and corporate social responsibility, which has been published in the *Journal of Finance*, the *Review of Financial Economics* and *Management Science*, is also attracting considerable interest among practitioners and regulators. For example, Li and Tamayo have both given keynotes at the Biscay ESG Submit and BNY Mellon, among others, and Tamayo has been a contributor to the Summer School on Sustainable Finance of the European Commission aimed at practitioners and researchers. Other engagements with EU bodies include: (i) Kamath’s advisory role to the PANA committee (set up by the European Parliament) on the independence of auditing, tax advice and legal services; (ii) Kamath’s study, commissioned by the EC, on administrative burdens of micro companies; and (iii) Mennicken’s engagement with the European Commission (Regulatory Scrutiny Board) for

her work in quantification. More generally, the DoA's work on regulation and accounting has been noticed by professional bodies, financial institutions, and regulators. Examples include the ICAEW (e.g., Correia for her work on leases; Tamayo for her work on real effects of accounting), IASB (Cascino for his work on the conceptual framework), Bank of England (Mennicken for her work on accounting and global financial governance), Barclays Bank (Bhimani for his work on digitalisation and finance), and Shanghai National Accounting Institute (Van der Stede for his work on corporate governance). Van der Stede also serves on the CIMA President's Advisory Board as the sole academic among several top executives of major private and public sector organisations (e.g., from Balfour Beatty, Diageo, HSBC, NHS, QinetiQ, Rolls Royce, and Unilever).

**DoF** faculty engage routinely with policy makers and researchers at the Bank of England (BoE), the Financial Conduct Authority (FCA), and other UK government agencies. Examples of research that prompted this interaction or benefitted from it are: (i) Martin's work—published in journals such as the *American Economic Review*, the *Journal of Finance*, the *Journal of Financial Economics*, and the *Quarterly Journal of Economics*—on backing out the beliefs of market participants about future market returns based on the prices of financial derivatives has attracted the attention of members of the Monetary Policy Committee at the BoE. (ii) Vayanos' work—published in journals such as *Econometrica* and the *Review of Financial Studies*—on evaluating the price impact of demand shocks on the term structure of interest rates has attracted the attention of policy makers and researchers at the BoE and other central banks, interested in evaluating the effects of quantitative easing on the term structure of interest rates. (iii) Paravisini's work on consumer lending—published in journals such as the *Journal of Financial Economics*, the *Review of Economic Studies* and the *Review of Financial Studies*—has benefited from data provided by the BoE, and attracted much attention by researchers there. (iv) Gonzalez-Uribe's work on public policies to promote entrepreneurship—published in the *Review of Financial Studies*—has attracted attention by officials in the Department of Business, Energy & Industrial Strategy, the HMRC, and the British Business Bank.

DoF faculty also engage with the practitioner community. Research exemplifying that interaction is Lou and Polk's work on a measure that identifies how "crowded" a trade is. Their measure has been incorporated into indices of crowdedness by several investment banks. The Lou and Polk paper, currently in second review at the *Journal of Political Economy*, was a runner-up at the prestigious AQR Insight research award.

In the **DoM**, Ignacio Palacios-Huerta's research, published in the *American Economic Review*, has led FIFA to experiment with his ABBA penalty-kick sequence in professional football games and is under consideration for general adoption in international games. Faculty from DoM have advised companies on digital transformation. This includes work undertaken by Sorensen for Huawei, Rackspace & Gowling and Mastercard. Whitley has carried out research for the World Bank on Financial Inclusion and Digital Identity and on alternatives to biometrics to determine identity uniqueness. Estrin wrote a field guide for DfID on privatization policy in developing countries that has also been adopted by the World Bank. In addition, Estrin received a grant from Leverhulme to work on the impact of mobile money and financial development. The research was presented at a major conference at LSE in 2017. Participants included academics, central bankers and regulators, DfID and other public sector and business representatives.

Kappes' Live Science residency project at the Science Museum provided education in financial literacy engaging with children aged 8 and up on their spending money plans. She also conducted a project studying the roots of financial resilience in childhood at the V&A Museum of Childhood working with children aged 4-12 and their parents. The Behavioural Research Lab organises annual Junior Researcher Days inviting children to take part in activities designed to enthuse them about behavioural research.

Research from DoM faculty has led to numerous advisory roles. Janardhanan is a member of the HR Advisory Council for the Dhan Foundation. Ashwin is a member of the Tesco advisory group on Human Rights; an organiser of the New Conversations Project concerning working



conditions in the apparel industry with participation from principal stakeholders; a member of the Fashion Question Time panel of the House of Commons, of the UN Global Forum on Business, and of the Human Rights panel on 'Labour Governance in the Garment Industry'. Soane advises ITV studios and Datacom. Scott's co-authored book on the international payment system is routinely used for staff induction at SWIFT. She has also engaged with various financial service professionals on digitization in the financial services industry. Steinberg acted as a Project Lead on a National Audit Office project to evaluate the UK's 4G spectrum auction. He was also a Supporting Advisor on the resulting NAO report to Parliament. Whitley advises GOV.UK on personalisation; is a member of a consortium developing an Online Age Checking Code of Practice (PAS 1296) for BSI; a consultant to the Department of Digital Culture Media and Sport (DCMS); a member of the Open Policy Making Process for the Digital Economy Bill; has undertaken research for the Financial Services Consumer Panel of the FCA; and is a member of the Open Banking Consumer Forum. Gallizi is a member of the Research Ethics Panel of the UK Financial Conduct Authority. Liebenau has engaged with various governments on digital economy initiatives, e.g. the Lithuanian government and the Indonesian government and central bank. Soane's work with the Bank of England has contributed to wider discussions about remuneration policy.

The influence of BAMS research beyond academia is demonstrated by Altmetric Explorer data. During the REF period, research by BAMS faculty generated over 13,000 links (not just mentions) in outlets including policy documents, news stories, Twitter, blogs, and Wikipedia. This is well in excess of other UK BAMS entries. Examples of work attracting attention are Yuchtman's *Understanding Mechanisms Underlying Peer Effects: Evidence From a Field Experiment on Financial Decisions*; Vayanos' *Bond Supply and Excess Bond Returns*; Kappes' *Estimating the Reproducibility of Psychological Science*, and de Meza's *Neither an Optimist Nor a Pessimist Be: Mistaken Expectations Lower Well-Being*.

BAMS faculty contribute significantly to their wider profession through their participation in editorial boards of academic journals, organizing committees of conferences, committees awarding prizes and grants, and so forth. They also receive recognition for their research in the form of fellowships in academic societies, best paper awards, career and service awards, among other acknowledgments.

**DoA** faculty have served as Editors or Associate Editors in *Accounting, Organizations and Society* (Miller, Power), *Contemporary Accounting Research* (Van der Stede), *European Accounting Review* (Correia, Tamayo), *Journal of Business Finance and Accounting* (Tamayo), *Management Accounting Research* (Van der Stede, Editor-in-Chief); and on the editorial boards of the *Accounting Review* (Li, Van der Stede), *Accounting, Organizations and Society* (Bhimani, Mennicken, Van der Stede), *Review of Accounting Studies* (Correia, Li), *European Accounting Review* (Cascino, Mennicken, Van der Stede). Van der Stede was also on the Board of Directors of the American Accounting Association (2017-20). More generally, the contributions of DoA faculty are often recognised by peer academics. For example, Miller and Power became Fellows of the British Academy during this REF period and Tamayo a CEPR Research Fellow, while Van der Stede was the recipient of the 2019 Outstanding International Educator award of the AAA. Several faculty members have been awarded Honorary Doctorates: University of Aalto (Bhimani); University of Paris-Dauphine and Copenhagen Business school (Miller); and Turku University (Power). In addition, DoA faculty have been awarded numerous best-paper prizes. For example, Van der Stede was awarded for the second time the American Accounting Association Notable Contribution to Management Accounting Literature Award (2017); Li won the Principles for Responsible Investment Forum Best Article Award and the International Centre for Pension Management Research Award (2018); Raghunadan won the best paper award at the *Review of Accounting Studies* 2020 conference; and Tamayo won the BlackRock Prize (2015), and European Corporate Governance Institute Prize (2016) for her 2017 *Journal of Finance* article, which is the most cited article published in the journal since 2016.

In the **DoF**, Jenter, Kondor, Oehmke, Paravisini and Polk have served as Associate Editors of the *Journal of Finance*. Kondor, Martin and Paravisini have served as Associate Editors of the

*Review of Economic Studies*, on which Vayanos has served as Managing Editor and subsequently Director. Axelson has won the prize for the best corporate-finance paper published in the *Journal of Finance* (Brattle prize) in 2014 and 2015, and Martin has won the prize for the best asset-pricing paper published in the *Journal of Finance* (Dimensional Fund Advisors prize) in 2019. Polk won the prize for the best asset-pricing paper published in the *Journal of Financial Economics* (Fama-DFA prize) in 2018. Lou and Polk were runners-up in the AQR Insight award in 2014, and Martin was a finalist for the same award in 2017. Gonzalez-Urbe and Paravisini won the Jaime Fernandez de Araoz award in 2017, and Martin won the Wharton School – WRDS Best paper award that year. Vayanos was elected as a Fellow of the British Academy in 2014. He also served as a Director of the American Finance Association during 2012-15, and as a member of the organizing committee of the Nobel conference on Money and Banking.

**DoM** faculty also serve on multiple editorial boards: *Management Science* (Thomas), *Journal of Political Economy* (Yuchtman), *Economic Journal* (Yuchtman), *Economica* (Macchiavello, Yuchtman), *Review of Economic Studies* (Yuchtman), *Strategic Management Journal* (Thomas), *British Journal of Industrial Relations* (Marsden, Booth), *MIS Quarterly* (Scott), *People Gender & Society* (Ashwin), *Human Relations* (Booth), *Work, Employment and Society* (Kuruvilla), *Industrial and Labor Relations Review* (Kuruvilla), *Information Technology and People* (Whitley), *AIS Transactions on Replication Research* (Whitley, Senior Editor), *Journal of the Association for Information Systems* (Whitley), *Journal of Law Economics and Organization* (Macchiavello, co-editor), *Journal of Development Economics* (Macchiavello), *Production & Operations Management* (Steinberg, senior editor), *Academy of Management Discoveries* (Dobrow), *Academy of Management Learning & Education* (Dobrow), *Academy of Management Review* (Dobrow), *Personnel Psychology* (Dobrow), *Journal of Risk and Uncertainty* (Gottlieb, co-editor), *Perspectives on Public Management and Governance* (Barzelay), *Policy Design and Practice* (Barzelay), *Evaluation and Program Planning* (Barzelay), and *Journal of Business Venturing* (Estrin).

Coyle-Shapiro is currently President of the Academy of Management (AoM) and has recently been elected an AoM fellow. Booth is a member of the Executive Committee of AoM Gender and Diversity in Organisations Division. Sorensen is Trustee of The Association of Information Technology Trust (AITT). Yuchtman is President of The Association of Comparative Economic Studies. Jia a board member whilst Estrin was President of the European Association for Comparative Economic Systems (2014-2016) and was recently elected a Fellow of the Academy of International Business.

Prizes include best paper, American Association of Wine Economists (de Meza) and Riza and Weisman won the Best Overall Paper Award in the Careers Division at the AoM Conference. Booth received the Labour and Employment Relations Association (LERA) 2020 John T. Dunlop Outstanding Scholar Award. A paper authored by Narasimhan was a finalist for the INFORMS Society for Marketing Science Long Term Impact Award. The paper by Ashwin and Alexander won the LERA 2021 James G. Scoville Best International/Comparative IR Paper Award. Soane's co-authored book *Employee Engagement in Theory and Practice*, Abingdon, Oxon: Routledge won the prize for Best Engagement Book awarded by the Employee Engagement Network. Janardhanan received "Emerging Global Academic Excellence Award" conferred by Institute of Electrical and Electronics Engineers. Whitley is the Association for Information Systems Sandra Slaughter Award winner. Yuchtman was awarded a British Academy Global Professorship (2019-2023).

All three departments regularly contribute to LSE's public lectures, blogs and podcast series covering a wide range of areas of interest. Some of DoM's public lectures include Caroline Webb's lecture *How to Have a Good Day* in 2016 (attendees: 460, full capacity), Eric Schmidt's *From LEO to DeepMind: Britain's Computing Pioneers* in 2018 (attendees: 460, full capacity), Saj Jetha's *Work Smarter Not Harder: Hacks to Take You a Long Way at Work* in 2019 (attendees: 400, full capacity). The public lectures are recorded and available online, e.g. total number of downloads for the lectures held during AY 2019-20 was 67,000. DoM faculty routinely

write blogs for various platforms, e.g. LSE Business Review, Behavioural Science, LSE Network Economy Forum, NEMODE, LSE Human Rights Blog, Management with Impact, and contribute to podcast series (e.g. LSE IQ).

The faculty from the three departments have engaged in many consulting projects in the public and private domain. For example, Cordella's work on industry analysis undertaken for the Inter-American Development Bank (2018) helped to generate new knowledge and create new capacities in the Bank to successfully introduce Information and Communications Technologies (ICTs) in the justice systems in the region of Latin America and the Caribbean. Reader and Gillespie's research for the Behavioural Insights Team led to the development of a complaints analysis tool for the West Midlands Police. Barkema conducted a qualitative study for the Cherie Blair Foundation for Women to develop evidence-based insights and an evaluation of the Road to Women's Business Growth in Nigeria project.

BAMS faculty have been actively engaged in KEI activities during the REF period made possible by KEI funds from the School. Recent examples include the development of a podcast to disseminate new research in organisational economics; interactive workshops with alumni and HR professionals to disseminate findings of surveys and case studies concerning workplace conflict; customised content development for management training modules for SMEs in emerging markets; collaboration with the Instituto Republica Centre for Governance to disseminate across Brazil the latest research and training in public administration; disseminating findings on financial reporting quality indices; applying research findings to corporate governance at LSE; research with the UK's Food Standards Authority to strengthen regulation, improve food safety and protect public health in the UK; work on the effect of Brexit on the UK Financial Sector and the City of London, and engaging children with the principles of financial decision making.