

3. INSTITUTIONAL DEVELOPMENT PLAN FOR THE NEXT 4 YEARS

Vision: By the end of 2015, INCSMPS will be one of the most highly achieving, dynamic and flexible scientific research institutions in economic and social sciences in Romania, a national excellence pole that will articulate strong partnership networks, capable of generating a critical mass of knowledge as a support for decision making, national development and international acknowledgement.

3.1. Scientific SWOT analysis

Conditioning and values – determinatives of the objectives and action directions of INCSMPS’s strategic plan for the next four years

Internal Conditioning	
Strengths:	Weaknesses
<ol style="list-style-type: none"> 1. Registered Mark (Registered Trademark) in the official Bulletin of Industrial Property, Sections Marks no 9/ 2006, deposit M 200511802; Deposit Data 18.11.2005; number of Mark 072369; 2. High level of scientific expertise in key thematic areas; 3. The accordance between the thematic areas of the institute’s research and the present needs and demands of the economies and societies (The global economic crisis emphasized some of them); 4. The accordance between the main research directions and the needs of the coordinator ministry and administration; 5. The knowledge critical mass accumulated in new innovative research domains with major development potential in the near future; 6. High capacity of accessing financing through competition, both internally and internationally (75% success rate in national competitions and 50% success rate in international competitions); 7. High expertise of the staff and scientific products with high potential of transferability that may be sources of income on the short term; 8. The human resource is mainly young (average age - 40 years), highly qualified and specialized in key areas (45% of research staff have PhDs and 24% of the research staff are doctoral students) 9. Internal policy focused on improving the education and continuous training of researchers: organizing foreign languages courses (Cambridge), but also courses for developing the skills for the use of statistic software SPSS, STATA, GIS-ARC GIS; 10. Internal policy focused on the development of researchers career paths, especially for the young researchers; 11. Continuous positive trend of attracting young talent and women into research careers (80% of the staff are women); 12. Potential to create ‘virtual centers of excellence’ in the form of strong and durable partnerships between 	<ol style="list-style-type: none"> 1. Increase of the risk of scientific knowledge capital erosion, on medium term, due to the evolution of the national RD market; 2. Increase of the share of part time contracts for young talent and women; 3. Weak links with research units in its expertise field, at European and international level; 4. Lack of human and material resources for promoting a scientific publication in its area of expertise; 5. Lack of own structure for doctoral and postdoctoral formation in its area of expertise; 6. Lack of financial resources that would allow the participation to conferences and prestigious international publications; 7. Insufficient links with business and society and rigidities in their functioning; 8. The need to enlarge the RD dedicated space in order to develop activities of transfer and lifelong learning.

<p>INCMSPS and the socio-economic environment, through project-based cooperation;</p> <p>13. National and international visibility proven by the number of scientific publications, articles in collective volumes, ISI indexed articles and participation to international scientific manifestations;</p> <p>14. Proven capacity in organizing relevant scientific events, with international visibility;</p> <p>15. Adequate material base and specific research infrastructure appropriate for the development of complex research projects;</p> <p>16. The increasing of the flexibility and sensitivity to the market stimulus;</p> <p>17. ISO 9001 management quality standards.</p>	
External Conditioning	
Opportunities	Threats
<ol style="list-style-type: none"> 1. New scientific domains, induced by the new 2020 Strategy (Active ageing policies of the labour market, poverty alleviation policies, etc), using modern research methods such as spatial vectoring; 1. The new structure of FP8 which includes RD domains that are adequate to the domain of INCSMPS; 2. Improving the national procedures of evaluation and selection of viable and competitive research offers; 3. The increasing number of magazines that are indexed in international, European and national databases; 4. The development of new databases that administrate the European scientific publications; 5. Diversifying the instruments available to protect the different research results with new instruments of Intellectual Property Protection, adequate to SSH field of activity. 	<ol style="list-style-type: none"> 1. The continuation of the economic crises, budgetary pressures that induce the high risk of underfunding the research activities; 2. The lack of fiscal mechanisms that would stimulate the private economic agents' interest for the development of research activity; 3. Insufficient access to national statistical microdata; 4. Discontinuities of the implementation of the RD Strategy and of the National RD Plan 2007 – 2013, with repercussions on the current activity; 5. Lack of predictability in the organization of competitions inside the frame of the National Plan for Research Development and Innovation 2007 – 2013 and other Research Development and Innovation programs; 6. The non-observance of the plans and funds initially allocated in contracted projects; 7. The instability of the legislative frame in the management of the national RD&I system; 8. Induced delay in the development of research career paths, due to repeated modifications of the legislative frame regarding the promotion criteria; 9. Still limited mobility across borders or between academia and industry caused by the not fully developed regulatory framework;

3.2. Strategic scientific objectives and directions

Objective 1. Supporting the development of key thematic areas, in accordance to the established mission, through the diversification of approach directions and of new research techniques and through the use of knowledge acquisitions already gained in previous periods:

Directions:

1. Promoting research focused on the elaboration of indicators systems and measurement methodologies of the innovative employment policies, the ex-ante impact evaluation of these policies on the qualitative and quantitative employment growth, on economic growth and on the development of human capital; development of analysis using spatial research techniques.
2. Development of research directions regarding prognosis and forecast (especially foresight), through the extension of the use of spatial analysis techniques, the improvement of prognosis models, creating new research methodologies regarding the measurement and identification of the concordance between the labour demand and labour supply.
3. The continuation of research towards measuring the transitions and mobilities on the labour market focusing on the development of scientific instruments for measuring the impact of market behavior, but also of individuals' behavior on successfully achieving the transition of graduates from school to work, measuring labour market transitions from inactivity, respectively unemployment to employment, measuring the occupational and status mobility, the territorial mobility and labour migration.
4. Developing the thematic area **Human Capital Development, Training and Lifelong Learning**, by maintaining the strategic partnerships, the development of online learning instruments, and development of learning systems for the labour market vulnerable individuals.
5. Continuation of research in the thematic area of policies regarding **equal opportunities and access**, anti-discrimination policies through the development of new approaches in the measurement of discrimination types, social exclusion, social disaggregation, multiple discrimination and the impact of these phenomena on labour market performance, poverty, economic growth and social development.
6. Development of the thematic area of **Family Policies, Social Assistance and Social Insurances** through synergic approaches with the processes generated by the demographic and labour market policies and elaboration of studies with economic and social impact, both ex-ante and ex-post.
7. Focusing the research from the research direction **Social Indicators and Standard of Living, Poverty and Social Inclusion** towards the characterization of poverty and social inclusion of vulnerable groups, measurement and characterization of in-work poverty phenomena, the development of ex-ante policies regarding the pro-poor economic growth.
8. Focusing the research from the thematic area **Wage Policies, Industrial Relations and Corporate Social Responsibility** towards the design and optimization of labour taxation systems, elaboration of optimization models of negotiation processes and mostly towards micro-econometric research regarding human resources development.

Objective 2: Anticipation and development of new thematic areas, in accordance to the main challenges and critical phenomena of the Romanian and European economy and society (demographic ageing and impact on the labour market and on the sustainability of pension systems, labour migration,

reduction of undeclared work, increase of labour market flexibility, harmonization of social protection policies with poverty reduction and labour market efficiency increase, the impact of globalization on internal markets and economic growth, etc).

Directions:

1. Continuation and diversification of research in the thematic area of **Flexicurity**;
2. Development of a new thematic area regarding the creation of a **Green economy** and its impact on employment through **green jobs**, economic competitiveness and wellbeing;
3. The development of a new thematic area in the field of **Active ageing**. Development of common research with experts from the field of medical and biomedical sciences;
4. Development of a new direction towards **diverse and innovative societies**, for a social market economy.

Objective 3: Development of transfer mechanisms of scientific products and services towards the beneficiaries of public and private system and increase of the number of research results transferrable in society and economy, that would sustain the effort of legislation and institutional reform/adaptation, the elaboration of policies and their planning and implementation (forecast studies, ex-ante and ex-post impact studies, causal analysis, etc.)

Directions:

1. The building of an information bank with transferrable products (that would contain the description of the product, potential beneficiaries and transfer value);
2. Doubling the number of projects with direct beneficiary and their value during 2012 – 2016.

Objective 4: Inclusion of INCSMPS into European and international research networks

Directions:

1. Actions towards the inclusion of INCSMPS in research and development networks;
2. Participation to professional associations specific to the domain;
3. Inclusion of the institute's conferences into networks of international scientific events.

3.3. The human resource strategy

Objective: Improving the specific component of professional training, promotion, recruiting, selection that will insure the expansion of the research collective and increase its capacity of achieving the objectives of the institute's research programme.

Directions:

1. Building a distinct function inside the Scientific Secretarial Office, that will coordinate the general strategic development activity of our research organization, as well as the training activities and internal human resourced development;
2. Development of procedures and mechanisms of attracting highly qualified experts with internationally acknowledged scientific expertise inside the research teams, especially for the new thematic areas;
3. Recruiting and selecting young graduates with nationally or internationally finalized PhD studies, that will offer a good human resources stock for the development of new activities in the frame of the institute's research programme;
4. Support for the POST-DOCTORAL education of the institute's researches in key domains of the institute;
5. Actions towards the creation of partnership structures between Research-Development National Institutes – Universities in order to collaboratively organize doctoral schools, so that INCSMPS would be able to specialize the human resources in its activity domains and become an associated adviser;
6. Perfecting the performance management system in order to increase motivation and career development of the staff in view of the new national quality standards;
7. Continuation of the staff specialization through doctoral and postdoctoral studies focusing on the institute's thematic domains of interest;
8. Stimulation of researchers to participate in short term study programs, such as summer schools, organized in education and research institutions, both nationally and internationally;
9. Development of the internal capacities to organize short term study programs, together with well known educational institutions;
10. Organization of training courses for the development of basic knowledge, econometric modeling skills, linguistic skills and knowledge of statistic software utilization, according to Institute's Training Plan.

3.4. Mechanisms for stimulating the development of new research directions

The main mechanisms for the stimulation of the development of new research directions:

1. Creation of a bank of ideas inside the frame of the Scientific Secretarial Office, where all the ideas of thematic development will be enlisted, through:
 - Proposals from the research development teams of ideas for continuation and development of the research themes - thematic directions that should be investigated further or new research directions, but potentially interesting for the specified thematic area;
 - Identification of action directions at the European level concerning labour market and social development. A quarterly report will be created, containing the main pointed out issues and it will be transmitted for analysis to the Scientific Council and researches from the research departments;

- Actions of identification of the socio-economic environment demands, both public and private, that can be answered through researches of the institute;
 - Enlisting of direct research requests from the coordinating ministry;
 - Identification of new tendencies and approaches through participation in conferences, seminars and scientific workshops, both internal and international, that host debates on new research ideas and directions;
 - Organization of scientific conferences with international participation that would facilitate interactions and debates with the most important stakeholders in the field;
 - Finding of new mechanisms that would allow the development of new research projects with a high interdisciplinary character, where the socio-humanistic sciences could contribute with real added value
2. Development of specialized collectives or teams in national and international partnerships, thus increasing the excellence of the institute's research;
 3. The stimulation of creativity and quality in the institute's activity through prize awards of the best research studies in the Gheorghe Raboaca professional competition.

3.5. Financial SWOT analysis

Our approach in performing the Financial SWOT was based on the analysis of financial indicators during the period: 01.01.2008 - 31.12.2010 (the model offered by Edward I Altman in The Journal of Finance)

Internal Conditioning	
Strengths:	Weaknesses:
<p>1) Good financial position, expressed by:</p> <ul style="list-style-type: none"> • Low level of risk. At the end of 2010, the debt to equity was equal to 1.47, and the debt ratio was equal to 0,18. The capitalization ratio grows with 37% from 2007 till 2010. We can see that the institute did not apply to loans that would have attracted additional interest expenses. • Ability to continue operations. <i>INCSMPS has sufficient funds to satisfy both maturing <u>short-term debt</u>, and upcoming operational expenses.</i> The working capital grows with 99 % from 2007 till the end of 2010. • The First Position by the Romanian Chamber of Commerce and Industry, on the National Companies' Top, during the period: 2007 – 2010 <p>2) Good solvency and liquidity position, expressed by:</p>	<p>1) Downward trend in the level of profitability</p> <p>The gross profit equaled 133 thousand lei, during the period 01.01-31.12.2010. In the same period, the gross profit significantly dropped (by 78%).</p> <p>2) Value of Non-current Assets decreased</p> <p>Non-current Assets decreased by 47% compared to 2007. This is due to the fact that a contract is carried out over a period of three years, usually beginning in 2007 or 2008, with the acquisition of tangible</p>

- Management system oriented towards rescheduling of collections timely. Contractual phases were carefully rescheduled, in order to provide an equitable dispersion of income all over the year).
- Good financial health. There are no delays in the payment of salaries or in the payment of providers of different materials thus providing both on time purchases of materials and consumables as well as timely reimbursement of expenses (5 days). The value of current ratio at the end of 2010 was 1.12.
- Ability to turn its product into cash. The value of the cash ratio (0.59) gives the sense of its *operating cycle efficiency, or its ability to turn its product into cash.*

3) Good financial performance, expressed by:

- Ability to use assets to generate revenues. The revenue earned in 2010, was higher than the one in 2007, by 18%. The average profitability of the owner's investments in INCSMPS's assets is 7.27% (for the period 2008-2010), compared to an acceptable value which is 6%. The average profitability for Return on Assets (ROA), for the period 2008-2010, was 16% (an acceptable value is 12 %).
- Good reputation amongst its partners and contracting authorities. The cash conversion cycle has a value of 26 days for 2010, and it shows a decrease of 2 days from 2008, and looks at the amount of time needed to sell inventory, the amount of time needed to collect receivables and the length of time the company is afforded to pay its bills without incurring penalties. This situation translates into respecting financial conditions of both the employees and counterparties.

4) Diversified revenue stream, thus reducing leverage against one single source of financing and ensuring adequate operational hedging. Income structure in 2010: Structural funds: 15%, other international public sources: 1%, R& D contracts with private foreign entities: 1%, National plan for R&D no.2: 15%, the "NUCLEU"-ANCS program: 14 %, Revenue from non-R&D activities: 54%

5) Efficient economic and financial management tools. INCSMPS developed operational procedure to support

and intangible assets performed in the initial stage of contracting. On the other side, the input of fixed assets increased by 31% in 2010 compared to 2007 (from 1704 thousand lei in 2007, to 2.230 thousand lei in 2010).

3) Delays in reimbursement of expenses for ESF projects

Those delays are due to the high bureaucracy.

<p>the economic and financial flows. This takes into account the procedure for acquisitions' or other expenses' acceptance, from GRANT funding, or from institutional funds, based on a legal and functional document flow.</p> <p>6) Good relationships between INCSMPS staff and the finance and administrative department, expressed by <i>good knowledge of the law on research and development, which allows the fulfillment of all requests from the researchers</i>. One admin employee is appointed for the liaison with the contracting authority, in connection with the administrative part of the contract.</p>	
<p>External Conditioning</p>	
<p>Opportunities:</p>	<p>Threats:</p>
<p>1) Diminishing of bureaucracy in the administration of European funded projects,</p> <p>2) Changes in the fiscal administration using online reporting system,</p>	<p>1) Reduction of national funds allocated by ANCS/UEFISCDI;</p> <p>2) The lack of national competition in PNCDI II.</p> <p>3) Unpredictability (decrease in the project value from ANCS, and the risk that these funds to be reduced during the developing period of the projects)</p> <p>4) A reduction of the contracts available from ANCS (i.e.: R&D national funds) and a risk that these contracts might be reduced in the developing period of the project.</p> <p>5) The requirement to participate in co-financing for several Research and Development projects which might cause cash-flow problems;</p> <p>6) The small number of private companies interested in joining a partnership to contact research services, caused by lack of financial incentives, due to tax policies.</p>

Financial Strategy

Objective: Maintaining the financial sustainability

Directions:

1. More intensive actions of attracting funds from international public and private sources through the participation to every competition dedicated to the specific thematic area from FP7, to the auctions organized by other international financing organisms (DG Employment, Leonardo Da Vinci Programmes, CEDEFOP, World Bank, UNDP, ILO etc)
2. Participation to national competitions organized in the frame of PARTENERIATE and IDEI programs and increasing the chances of success by attracting in the research teams of Romanian and foreign researches with international reputation, but also through the development of partnerships INCSMPS – business environment.
3. Promoting the idea of elaboration and financing of a Sectoral Plan inside the coordinating ministry;

3.6. Infrastructure: investment plan and strategy

Objective 1: Maintenance and development of the existing infrastructure

Directions:

1. Maintenance of the statistical and econometric software already bought, through their continuous upgrading;
2. Creating an operational database including the existing databases obtained by INCSMPS through statistical surveys and continuously completing them with new ones;
3. Development and actualization of the equipments / computers correlated to the need to administrate large databases;

Objective 2: Creating two large infrastructures of national interest

1. Creating the “Romanian Social Observatory”, research center with independent administration, national interest research infrastructure, focused on the development of databases and collection of information regarding the state and evolution of poverty and social inclusion indicators. The creation of this Observatory is an objective of the Romanian Government, included in the Social Assistance Law, presently in debate;
2. Creating a research center in „Forecasting Labour and Skills Shortages”, with independent administration, national interest research infrastructure, focused on the development of databases and collection of information regarding the evolution of labour demand (considering the occupational structures) and labour supply (considering the educational fields) and also focusing on the development of indicators regarding the matching of demand and supply.

The strategy of obtaining funds for infrastructure development:

1. Allocation of investment funds from the coordinating ministry for the creation of the infrastructure of the “Romanian Social Observatory”, through the inclusion on the ministry budget file of the funds institutionally allocated to INCSMPS;
2. Allocation of investment funds from ongoing projects for the operational maintenance of the current infrastructure;
3. Allocation of investment funds for the creation of the „Forecasting Labour and Skills Shortages” infrastructure through the accessing of a structural project and also from the payment of scientific services rendered to the Ministry of Education, Research, Youth and Sports (MECTS) in this area.
4. Allocation of funds from the profit obtained from direct contracts with the economic environment.

Planning:

Infrastructure type/ Year	2012	2013	2014	2015
Statistical and econometric modeling software for social and economic phenomena analysis	10% of the reinvested profit 10% of the projects' funds for equipment	10% of the reinvested profit 10% of the projects' funds for equipment	10% of the reinvested profit 10% of the projects' funds for equipment	10% of the reinvested profit 10% of the projects' funds for equipment
Statistical databases	50% of the projects' funds for equipment	50% of the projects' funds for equipment	50% of the projects' funds for equipment	50% of the projects' funds for equipment
Computers	40% of the projects' funds for equipment	40% of the projects' funds for equipment	40% of the projects' funds for equipment	40% of the projects' funds for equipment
Romanian Social Observatory	50% of the funds for institutional endowment from the MMFPS 10% of the reinvested profit	40% of the funds for institutional endowment from the MMFPS		
Research Centre „Forecasting Labour and Skills Shortages”	20% of the funds from structural projects 10% of the reinvested profit	20% of the services contracts from MECTS 10% of the funds from structural projects	30% of the services contracts from MECTS	

3.7. Technology transfer and the attraction of non-public funding

Objective 1: Increasing the number of research results transferrable in society and economy that would sustain the effort of legislation and institutional reform/adaptation, the elaboration of policies, their planning and implementation.

Directions:

1. Finalization of each research project with a product with transferable potential towards the economy and society: **forecasts studies, ex-ante and ex-post impact studies, causal analysis, scientific services;**
2. Use and update of the results of past researches that can be further valuable for different beneficiaries;
3. Participation with expertise and specialized consultancy through the involvement in the working groups of the Ministry of Labour, Family and Social Protection and in national commissions that elaborate programmatic documents and specific policies, according to the mission of national institute;

Objective 2: Balancing the income structure between different financing sources.

Directions:

1. Developing of projects directed to the business environment, especially in the fields of creating wage systems based on jobs evaluation, introducing models of performance management in the systems of human resources administration, application of work norms systems and connecting them to the salary systems, capable of generating profit.
2. Prudential selection and contracting of projects financed from structural funds which are highly bureaucratic and with high risk of not receiving the expenditure reimbursement according to planning;
3. Development of research services offered to public and private institutions, of training courses through the creation of new fields of training and through a more aggressive advertising on the market.

3.8. Strategic partnerships and visibility: events, communications, collaboration

Objective 1: Building strong internal and international partnerships so that INCSMPS would become a focal center of a national excellence pole, generating a critical mass of knowledge – support for decision making, national development and international recognition.

Objective 2: Increasing the internal and international scientific visibility of the institute.

Directions:

1. Preservation of existing partnerships through participations in competitions and auctions;
2. Creating a database with national and international potential institutional partners and establishing future collaborations agreements;

3. Registering in the partners databases of the Framework Programme 7;
4. Competing with two networks in the COST Programme and adhering to at least two already existing COST networks;
5. Increasing the visibility of the institute through website updating, online posting of abstracts of the scientific studies, affiliation to similar international research organisms,
6. Organization of an annual scientific conference with international participation where the main research results obtained during the year will be disseminated;
7. Issuing its own publication, with international editorial board, indexed by the Executive Agency for Higher Education Research and Innovation Funding;
8. Publication of the research results in ISI indexed scientific journals or in journals included in international databases;
9. Publication of the research results in volumes published under Publishing Houses acknowledged by the Executive Agency for Higher Education Research and Innovation Funding or under internationally prestigious Publishing Houses;
10. Participation with presentations to prestigious international conferences that publish the presented communications in ISI indexed proceedings or in proceedings indexed in international databases;
11. Participation to the thematic debates organized by the Ministry of Labour, Family and Social Protection (MMFPS) and other governmental organisms;
12. Participation of the researchers as members in national committees or in committees of the European Union in the institute's field of expertise