Report on the evaluation of the Department of Labour Market (DoLM) at the Luxembourg Institute of Socio-Economic Research (LISER)

Based on a peer review as commissioned by the Ministry of Higher Education and Research of Luxembourg

Lucerne and Lausanne, 6th March 2023

1. Introduction

The Ministry of Higher Education and Research (MESR) of Luxembourg mandated *Interface Policy Studies Research Consulting*, Switzerland, to organise and lead a research evaluation of the Centres de Recherche Publics (CRP).

The Grand Duchy of Luxembourg operates three non-university public research and technology institutions. They are the Luxembourg Institute of Science and Technology (LIST), the Luxembourg Institute of Health (LIH) and the Luxembourg Institute of Socio-Economic Research (LISER). The three CRPs include departments linked to different scientific disciplines. The evaluation focused on the research performance of the CRPs' departments.

The research evaluation was conducted in 2022 and followed two earlier evaluations carried out in 2012 and 2018.[1] This report presents the evaluation of the Department of Labour Market (DoLM) of the Luxembourg Institute of Socio-Economic Research (LISER).

The observations and recommendations presented in this report are based on a peer review by the following three experts working in the departments' research fields:

- Prof. Dr. Bernd Brandl, Professor in Management and Director of the Research of Management and Marketing Department, Durham University Business School, United Kingdom
- Prof. Dr. Steffen Müller, Professor of Economics: Productivity and Innovations, Otto von Guericke University Magdeburg and Head of the Department of Structural Change and Productivity, Halle Institute for Economic Research, Germany
- Prof. Dr. Rudolf Winter-Ebmer, Chair of the Department of Economics, Johannes Kepler University and President of the Austrian Economic Association, Austria

The peer review consisted of a self-assessment report written by the DoLM and a hearing at the department that took place in September 2022. The assessment period runs from 2018 to 2021. The hearing, which was organised and moderated by Interface, comprised a presentation by the department, a group discussion of the self-assessment report and several individual and group interviews. These included interviews with the Head of department, research team leaders, members of the wider research staff and PhD students as well as clients and business partners. The agenda of the hearing can be found in the appendix. The report was finalised by Ueli Haefeli and Kristin Thorshaug of Interface.

---

[1] Between 2010 and 2012, evaluations of selected departments of the former CRPs were carried out. The first full evaluation of the CRPs, which included all departments, was carried out in 2018.

The overall results of all departmental evaluations are summarised in an institute report for each CRP[2] and a synthesis report[3]. The institute report includes an assessment of the CRPs as a whole. It also summarises the findings from additional governance interviews with representatives of the government commissioner, the board of directors and the executive management of the CRPs as well as a comparison between the CRPs and a foreign benchmark institute.

The department report is structured into two parts: the first part discusses in detail the observations gathered by the expert team during the evaluation process. This part focuses on the input, output and outcome/impact of the department:

- *Input* includes the preconditions for the research conducted, such as strategies, financial and human resources, infrastructure, organisation and external research, industry and other collaborations.
- *Output* includes the performance of the department, exemplified through research and innovation results and their dissemination.
- *Outcome and impact* refer to the medium- and long-term effects as well as the relevance of the output on science, society, economy and public administration/politics.

The second part presents the expert team's overall assessment and recommendations for further developing existing strengths and overcoming observed weaknesses.

---

[2] Rieder, Stefan; Haefeli, Ueli; Thorshaug, Kristin (2023): Report on the evaluation the Luxembourg Institute of Socio-Economic Research (LISER), Interface Policy studies Research Consulting, Lucerne and Lausanne.

[3] Rieder, Stefan; Balthasar, Andreas; Haefeli, Ueli; Grosjean, Nicolas; Büchler, Chiara; Essig, Stefan; Thorshaug, Kristin (2023): Synthesis report on the evaluation of the Centres de Recherche Publics (CRP) in Luxembourg, Interface Policy studies Research Consulting, Lucerne and Lausanne.

2. Detailed results of the evaluation

2.1 Description of the department

The DoLM was created in 2014 as part of the restructuring of LISER. Building on the overall objectives of the institute, the DoLM aims to ensure excellent research through producing state-of-the-art research on the one hand, and ensuring societal impact through collaboration and contact with key stakeholders and the broader public on the other. The DoLM's long-term vision is to become a key player in the study of digital transition and green transformation of labour markets, transnational labour markets and innovative assessment methods at European level. Based on this vision, the department has defined four core research areas covering: a) human capital in the age of digital and green transformation, b) regional labour markets and worker mobility, c) policy evaluation, and d) differential labour market opportunities and inequality. The department also contributes to LISER's "Health and health systems" and "Crossing Borders" interdisciplinary research programmes. The department's research is multidisciplinary and combines research in the field of economics with the fields of statistics, sociology, political science and law. The department is organised as a flat hierarchy. In 2021, the DoLM had a total of 34 employees (33.4 full-time equivalent). Third-party funding amounted to approximately 1.2 million Euros in 2021, with 54 per cent thereof originating from competitive grants and 46 per cent from contract research.

2.2 Input

2.2.1 Strategy

The experts recognise a clear strategic orientation at the DoLM with a focus on both research excellence and societal impact. According to the experts, the defined core research areas are of great importance for both scientific and policy-oriented research. The bibliometric analysis shows that the DoLM keeps pace with current topical developments in its field. The defined areas help to narrow down the research activities of the department while offering flexibility to explore new avenues within core areas. The bibliometric analysis indicates ample synergies and similarities between the research areas. The experts recognise the interdisciplinary approach of the DoLM as promising and encourage the department to continue to promote this approach while at the same time supporting discipline-specific research.

The experts recognise the changes made to the research areas at the DoLM following the appointment of the new Head of department in 2020. This is supported by the findings of the bibliometric analysis, which indicates quite a strong restructuring of the DoLM's research areas and topics during the evaluation period. The experts consider the four core research areas to be very ambitious and encourage the department to use the coming period to consolidate its research strategy. Following a period of consolidation, the department might consider exploring other research topics of high relevance for academic and non-academic stakeholders such as public finance and taxation.

2.2.2 Human and financial resources, infrastructure and equipment

In the 2018 evaluation, the experts noted that while DoLM had been successful in securing funding at the national level, its international funding needed to be improved. Since 2018, the department has increased its international funding, through a successful Horizon 2020 application in 2021, among other applications. The experts find that the DoLM has a sound financial foundation. However, the data in the department's self-assessment report show

that its share of third-party funding under DoLM management supervision has declined; accounting for 39 per cent of the department's total expenditures in 2018 and 31 per cent in 2021. Whilst a 30 per cent share of third-party funding is comparable to similar research institutes, the experts recommend further concentrating on securing funding from high-profile international sources.

In the expert's opinion, the department benefits from a good data infrastructure, including LISER's newly installed safe room. The experts find that the strategic priorities of the department as regards further expanding its data infrastructure and access to anonymised administrative data are promising.

The DoLM has seen an increase in staff numbers during the evaluation period. This is primarily due to the recruitment of PhD students as part of the department's involvement in the Doctoral Training Units in Luxembourg. The recruitment of PhD students has led to an increase in the share of fixed-term contracts at the DoLM. In the experts' opinion, this increases the scientific orientation and flexibility of the department. The experts find that the DoLM has a positive working environment, with highly qualified staff members who are motivated to conduct high quality research. According to the experts, the department offers its staff a number of valuable training courses to update their methodological expertise and programming skills. With regard to human resources, the experts identify three issues:

- Firstly, the experts find that the workload allocation and output expectations for individual staff members (e.g. time spent on academic research and contract research, quantity and quality of research) are unclear. There is an apparent imbalance between staff resources for scientific research and policy-oriented research, with a substantial proportion of staff predominantly engaged in contract research. The experts note a trade-off between the departmental objectives of research excellence and societal impact, with the high volume of contract research seen by some staff as a barrier to focusing on scientific research.
- Secondly, the experts note that some DoLM staff work on research topics that are not fully aligned with the department's new core research areas. In the expert's opinion, these are excellent researchers who conduct high-quality research. However, the lack of overlap with the defined core research areas may pose a risk to the integration of these staff members into the department.
- Thirdly, the experts note that the department's staff could benefit from a wider range of topical training courses on subjects such as new areas in econometrics.

2.2.3 Organisation
The experts find that the current structure of the DoLM, with a flat hierarchy, fits well with the project-based organisation of LISER. The experts note two issues regarding the organisation of the department:

- Firstly, it is not clear to the experts whether the interests of PhD students, who make up nearly a third of the department's staff, are included in decision-making processes at department level.
- Secondly, the experts note certain issues with the administrative support at the institute level. Apparently slow and bureaucratic processes, especially with regard to project management support, are seen by staff as an obstacle to their research activities.

2.2.4 External research and industry collaboration and service provision
The experts assess the DoLM's cooperation with national authorities as very good, with a number of long-term partnerships with ministries. The experts note a high demand from

ministries for support from the DoLM, not least because of the lack of research institutes with knowledge of the labour market and also the structures, actors and processes in Luxembourg. While this offers great potential for the DoLM in terms of funding and societal impact, it can also lead to a high non-scientific workload for the department's staff. In the experts' opinion, short-term requests concerning commissioned research may hinder the implementation of high-quality research.

The experts note that the DoLM has increased its focus on international collaboration during the evaluation period. According to the experts, there are several examples of promising individual collaborations with international researchers and networks, which is also reflected in the department's publications. The department has also increased the number of international projects. The experts view the collaboration with the Institute for Employment Research in Germany as promising. In the experts' opinion, the DoLM has the potential to further increase its collaboration with leading international researchers on the department's research areas. Furthermore, the experts see potential for collaboration with international statistical agencies and research hubs, for example in France and Belgium. The department's re-launched visiting programme is a promising way to encourage this kind of collaboration. In addition, the DoLM should support the future career paths of its PhD students and postdoctoral researchers to ensure that they are recruited by leading international research institutions, as this could open up opportunities for collaboration.

2.3 Research and innovation performance

2.3.1 Quality of output

In the 2018 evaluation, the experts concluded that the scientific quality of the DoLM's research activities was very good and, in some cases, excellent. This assessment is shared by the experts in the 2022 evaluation. In the experts' opinion, the DoLM's scientific output is of very good quality. In the field of economics, the DoLM has more than ten publications in top field journals or second-tier general interest journals. The bibliometric analysis indicates that the quality of the output increased towards the end of the evaluation period, with a strong increase in the number of journal publications in the top one per cent journals in 2021. While the field-weighted citation impact of the department was below average in the years 2018-2020, the 2021 data indicate a sharp increase in citation impact, indicating promising new research. The experts also rate the quality of the department's contract research as high, with overall high satisfaction among the department's clients. In the experts' opinion, the contribution of the DoLM to Eurofound illustrates that the department enjoys an international reputation as a reliable contractor with extensive expertise. The experts rate the department's innovation performance through staff participation and the organisation of scientific and public events as good. However, a lack of information on the scope of the events organised prevents a detailed assessment.

The experts believe it would be advisable for the department to place even greater emphasis on the quality of its scientific output. This would strengthen the international visibility of the department in scientific research and would be conducive to the hiring of excellent staff. While the criteria for high-quality publications seem to be clear to staff members in the field of economics, the experts note that the criteria are less clear in the other research areas of the department. According to the experts, the quality of research output could be further improved through a continued focus on recruiting excellent early career researchers, staff training, international collaboration and visiting programmes.

2.3.2 Quantity of output

In the 2018 evaluation, the DoLM's research productivity was rated as impressive. The department's self-assessment report and the bibliometric analysis show an upward trend in the annual number of publications from 2018 to 2021. The slight decrease in the annual

number of publications in 2021, combined with higher publication quality and impact, indicates a publication strategy that emphasises quality over quantity. The output from contract research such as reports for national and international organisations and working papers has remained relatively stable between 2018 an 2021. The experts note that the DoLM has a very good quantitative output with regard to peer-reviewed publications. The output is considered particularly positive considering that several staff members are purely engaged in contractual work. In the experts' opinion, the DoLM's early career staff (including PhD students) demonstrate a good contribution to the scientific output.

2.4 Outcome and impact

In the 2018 evaluation, the experts noted that the DoLM appeared to prioritise academic excellence over societal impact. It was therefore recommended that the DoLM should scale up and expand its societal impact activities. In the experts' opinion, the DoLM has been able to strengthen its societal impact activities during the 2018-2021 evaluation period. According to the experts, this positive development is partly due to the fact that the department involves a larger proportion of its staff members in societal impact activities. The department's societal impact is particularly related to contract research commissioned by national agencies and ministries, where the DoLM has made significant contributions through the production of policy reports and evaluations. In the field of economics, in particular, collaboration with public authorities holds great potential for societal impact through influence on policy development.

The experts are of the opinion that the societal impact of the DoLM still lacks diversification. In the long term, the experts see potential for diversification through collaboration and contacts with the private sector, civil society and the public. DoLM projects such as "Gender Game" illustrate the potential of participatory research. At the same time, the experts warn against a fragmentation of the strategic focus; they advise the DoLM to concentrate on further strengthening its social impact within the public authorities before shifting the focus to civil society and the general public at a later stage. In the experts' opinion, the time allocated to societal impact activities should not be increased further unless it is ensured that other staff activities are not affected.

According to the experts, there is still a clear need for improvement in terms of monitoring, documentation and visibility of the department's impact. Potential measures include the documentation of best practice projects and the use of contract research output. Furthermore, the department could strengthen its collaboration with the communications units of public authorities to secure a target-group-oriented dissemination of results.

3. Overall assessment and recommendations

3.1 Overall assessment

The DoLM has developed positively during the evaluation period. With the focusing of its research strategy, the department has defined a set of core research areas that are highly relevant to both academic and policy-oriented research. The implementation of a flat hierarchy fits well with the focus on project-based and interdisciplinary work. The DoLM is characterised by a positive working environment with highly qualified staff members. The department demonstrates output of very good quality and quantity, both in scientific research and policy-oriented research. Its high level of cooperation with national and European agencies and public authorities ensures third-party funding and strengthens its societal impact. With its strong position in the Luxembourg landscape, the DoLM has the clear potential to become the lead of a central national data hub.

The evaluation has identified certain issues that should be addressed. The first set of issues concerns the research strategy of the department. An apparent trade-off is identified between the department's aspiration of research excellence and societal impact, and the high volume of contract research seen by some staff members as a barrier to focusing on their scientific research. In addition, there are challenges with the integration of some staff members into the defined research areas of the department. The second set of issues relates to the department's personnel regulations and policies. There are indications that the department's policy concerning workload allocation and output expectations is unclear. In addition, the representation of PhD students' interests is considered inadequate. A third issue concerns the department's societal impact, with the department lacking systematic monitoring of its contributions to society.

3.2 Recommendations

Based on the observations stated above and in the previous chapters, the expert team formulates the following recommendations for the DoLM (any aspects which concern LISER as well as DoLM are also reported in the institute report for LISER):

❙ Recommendation 1: Consolidate the new research strategy

Following the appointment of the new Head of department in 2020, the DoLM has taken important steps to develop and sharpen its core research areas. The experts recommend that the department prioritise a consolidation of its new research strategy rather than focusing on new research opportunities. This includes ensuring that the scientific output of the department is in line with its research strategy. The DoLM should ensure that the department's structures and processes (e.g. human and financial resources, international and national collaborations) support the further implementation of the new strategy. Consolidation and focus have the potential to increase the visibility of the department's research activities and promote its scientific and societal impact.

❙ Recommendation 2: Strengthen the alignment of research areas and researcher profiles

As a result of the focused core research areas, the research profile of some staff members is no longer fully aligned with the department's research agenda. These are excellent researchers who conduct high-quality research for the department. The experts recommend that the DoLM take steps to strengthen the alignment of research areas and researcher profiles, ensuring the continued integration of all staff members into the department's research activities.

Recommendation 3: Develop a workload model

The experts recommend that the DoLM develop a workload model for the allocation and distribution of responsibilities and tasks to the department staff. A workload model would ensure a transparent framework for the contributions of different categories of staff in the department. This should include activities within academic and contract research, as well as department-related tasks (e.g. organisation of conferences, meetings). An overview of the workload allocation would strengthen the staff's security in terms of their roles and responsibilities on the one hand and their room for manoeuvre (i.e. academic freedom) on the other. The DoLM should ensure that the model promotes the strategic objectives of the department and that it provides both a clear framework and the necessary flexibility. This includes an appropriate distribution of staff working primarily in academic research or policy-oriented research, including staff working in both areas. The model could be developed in a consultative process involving all DoLM staff members and be subject to regular reviews (e.g. as a part of the yearly appraisal meetings). Based on the workload model, the department could develop incentives to direct or guide employees to specific tasks that are important to the department.

Recommendation 4: Systematise societal impact monitoring

The experts recommend that the DoLM takes measures to systematise its societal impact monitoring. The definition of the measures should be based on an analysis of the institute's and the department's understandings of societal impact and its objectives. Measures could include media response analyses, selective follow-up discussions with public authorities on the use of project results, and in-depth analyses of key projects (e.g. multi-year, larger projects). Systematic societal impact monitoring could have several advantages: firstly, it could contribute to increased client awareness of the potential impact of the department's research activities. Secondly, the identified societal impact could serve as a motivator for the department's staff, by showing the societal value of contract research. Thirdly, it could increase the visibility of the DoLM's contribution to the economy and society, for example through a presentation of the documented impact on the website of the department.

Recommendation 5: Strengthen the department's position as a data hub

The experts see clear potential for the DoLM to assume the lead of a data hub in Luxembourg. Access to anonymous administrative data will allow the department to respond quickly to the needs and demands of public authorities. The experts recommend that the department continue to expand its infrastructure and strengthen its position as a future data hub. This development will be facilitated by the LISER Centre of Competences in Data Science and Simulation, which is currently being established. Further, LISER's "Crossing borders" transversal research programme offers clear potential for a transnational integration of data.

Recommendation 6: Strengthen the representation of PhD students

The number of PhD students at the DoLM is growing. To strengthen the representation of PhD students at the departmental level, the experts recommend that the PhD students elect a formal representative who is given the opportunity to meet regularly with the Head of department and is involved in matters affecting the department's PhD students.

Appendix: Agenda of hearing

Monday, 5th September 2022			
1 | 15:45 – 16:45 | Welcome address by the Ministry of Higher Education and Research (MESR)			MESR
16:45 – 17:00 Break			DoLM Evaluation team
2 | 17:00 – 18:00 | Presentation by the Department of Living Conditions (DoLC)			DoLM
Time	**#**	**Function/institution of participants**	Evaluation team
17:00 – 18:00	1	Head of the Department	
	2	Chief Executive Officer of LISER	
	3	Joint Professor	
	4	Senior Researcher	
	5	Senior Researcher	
18:00 – 20:00		Discussion of self-assessment report and preparation of interviews	Evaluation team
Tuesday, 6th September 2022			
3 | 8:30 – 10:00 | Questions and discussion on the self-assessment report			DoLM
Time	**#**	**Function/institution of participants**	Evaluation team
8:30 – 10:00	1	Head of the Department	
	2	Joint Professor	
	3	Senior Researcher	
	4	Senior Researcher	
	5	Office Manager	
10:00 – 10:30 Break			
4 | 10:30 – 12:10, 13:30 – 15:30 | Individual interviews			DoLM
Time	**#**	**Function/institution of participants**	Evaluation team
10:30 – 11:00	1	Head of the Department	
11:05 – 11:35	2	Senior Researcher	
11:40 – 12:10	3	Senior Researcher	
12:10 – 13:30 Lunch Break			
13:30 – 14:00	4	Senior Researcher	
14:05 – 14:35	5	Junior Researcher	

Time	#	Function/institution of participants	
14:40 – 15:10	6	Senior Researcher	
15:10 – 15:30		*Break*	
5 | 15:30 – 17:15 | Group discussions with clients/business partners (group 1) and researchers (group 2)			DoLM Evaluation team
Time	**#**	**Function/institution of participants**	
15:30 – 16:15	1	Ministère de la Famille, de l'Intégration et à la Grande Région	
	2	Ministère de l'Egalité entre les femmes et les hommes	
	3	Agence pour le développement de l'emploi	
	4	Ministère du Travail, de l'Emploi et de l'Économie sociale et solidaire	
16:15 – 16:30		*Break*	
16:30 – 17:15	1	PhD Student	
	2	PhD Student	
	3	PhD Student	
From 17:15		Discussion of results and report writing	Evaluation team
Wednesday, 7ᵗʰ September 2022			
6 | 8:30 – 12:00 | Discussion of results and report writing			Evaluation team
7 | 12:00 – 12:30 | Presentation of results			MESR DoLM Evaluation team