

AN OVERVIEW BY THE LEGISLATIVE AUDITOR OF THE
STUDY OF THE UTILIZATION OF FACULTY RESOURCES IN THE
COLLEGE OF BUSINESS ADMINISTRATION OF THE UNIVERSITY OF HAWAII

INTRODUCTION

For several years, the legislature has evidenced an interest in the interrelationship of faculty resources utilization to student admissions policy at the college of business administration (CBA) at the Manoa campus of the university of Hawaii (UHM). This interest was sparked initially when the CBA and UHM took action in 1974 to restrict admissions into the CBA as a means of bringing the supply of instructional services into balance with the demand by students for such services. Due to fiscal restraints imposed upon the university of Hawaii at the time, the UHM and CBA indicated that additional faculty could not be hired to accommodate all the students seeking admission into the CBA. This legislative concern has been sustained up to the present by the fact that the CBA's restrictive admissions policy has been continued in effect even though a substantial increase in faculty resources was granted to the CBA by the legislature in the appropriations act for the 1975-1977 biennium.

Questions concerning the CBA's utilization of faculty resources relative to meeting student demands for services take on increased significance and importance in view of broader developments occurring at the university of Hawaii. In the face of proposed and projected financial limitations on the university system, there are predictions that restrictions similar to those already in effect at the CBA will have to be extended to other segments of the university.

To assist the legislature and the university in their review of both the specific and general situations prevailing at the CBA and at the university as a whole, a special study was undertaken. Although directed toward answering particular questions concerning the CBA's admissions policy and its utilization of faculty resources, it was recognized that the results of the study might have broader application throughout the university system. The report is the end product of the special study.

The study report contains background information on the CBA and examines in detail the CBA's restrictive admissions policy and its utilization of faculty resources during the period since 1973. Due to the importance which the CBA and UHM have attached to accreditation requirements as a justification, for both the restrictive admissions policy and the CBA's need for additional faculty resources, special attention is devoted to an analysis of the accreditation requirements affecting the teaching workload of CBA faculty members and of the manner in which these requirements have affected actions at the CBA. The report also reviews the other matters which have a potential impact on the CBA's admissions policy and utilization of faculty resources—namely, the recently approved reorganization of the CBA and the CBA's announced inauguration of a new "Executive MBA" program in the summer of 1977.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The findings and recommendations contained in the study report relate to the following four areas of concern: (1) the CBA's restrictive admissions policy, (2) faculty resources utilization at the CBA from 1973 through 1976, (3) the reorganization of the CBA, and (4) initiation of the "Executive MBA" program at the CBA. Summarized below are the findings and recommendations pertaining to each of these four categories.

Student admissions policy at the CBA. As previously noted, the UHM and CBA instituted a restrictive admissions policy for the CBA in 1974 and have retained this policy up to the present time even though substantial faculty resources were authorized by the legislature for the purpose of enabling the CBA to accommodate more students. The anomaly presented by this sequence of events caused us to examine both the policy framework within which student admissions should be considered and the specific circumstances surrounding the change which has occurred in the CBA's admissions policy. Based upon this examination, our findings are as follows:

1. There appears to be no substantial or valid basis for the CBA's restrictive admissions policy from either a factual or general policymaking point of view.
2. Student admissions policy at the university of Hawaii is a matter of such importance and significance that it should be considered and acted on at the highest policy-making level; i.e., the board of regents. However, the CBA's new restrictive admissions policy has been developed largely by the CBA and has never come before the board of regents for review and approval.
3. The manner in which the restrictive admissions policy was put into effect appears to violate the legal requirements of the Hawaii Administrative Procedure Act (APA). The APA calls for public hearings and adoption by the board of regents of university policies that affect the general public, but these steps were not followed in the imposition of the CAB's restrictive admissions policy.
4. The CBA's restrictive admissions policy is being administered in an inequitable and inconsistent manner. For example, the policy is not applicable to students in the travel industry management program even when they transfer to other programs within the CBA. Moreover, while a minimum grade point average (GPA) is specified, many students with much lower GPAs are being admitted while others with much higher GPAs are being denied admission.
5. The effects of the CBA's restrictive admissions policy have been to: (a) initially reduce and then stabilize at a lower level the teaching workload of the CBA and (b) deny admittance to a large number of students. In the spring 1977 semester, 156 students (representing 39 percent of the total) seeking admission into the CBA were denied admission.

In the light of these findings, we recommend that the legislature direct the university of Hawaii to:

1. Undertake forthwith a comprehensive review of admissions policies, procedures, and practices throughout the university system.

2. Formulate and adopt, in accordance with all legal requirements, revised and improved admissions policies and procedures which will be adequate, appropriate, and fair, taking into consideration the needs, desires, and qualifications of applicants and the enrollment capacities of the university and its constituent parts.

Faculty resources utilization at the CBA from 1973 through 1976. The CBA's actual utilization of faculty resources provides the key to a proper and adequate understanding of the need for and effects of: (1) the CBA's restrictive admissions policy and (2) the increase in faculty resources which the CBA has achieved since 1975. For this reason, we focused special attention upon developing data on faculty resource utilization at the CBA during the period from 1973 through 1976, particularly with reference to compliance with accreditation limitations imposed upon the teaching workload of CBA faculty members.

Faculty workload is generally recognized as consisting of several elements. These include classroom teaching and direct contact with students, research, public service, and academic administration. While all are viewed as important, only the first is readily susceptible to quantitative measurement. As a result, classroom teaching and direct contact with students is the most common basis upon which faculty workload is evaluated. Thus, in the accreditation standards for schools of business administration, quantitative limitations are placed upon the teaching workload of faculty members. Accordingly, we concentrated our analysis upon the quantitative aspects of classroom teaching in the CBA—i.e., the numbers of courses, classes, and credit hours offered and the numbers of students and student credit hours accounted for relative to the amounts of faculty resources available within the CBA and devoted to instructional activities.

Due to the nature of the subject matter and of the data available, it was necessary to approach the analysis of the CBA's utilization of faculty resources from several different perspectives. Detailed findings resulted from each of these approaches. However, two findings are of major significance. These are:

1. There has been a misapplication at the CBA of accreditation standards relating to teaching workload limitations on faculty members. As a result of this misapplication, the restrictive admissions policy has been put into effect and an increase in faculty positions was requested by the CBA and authorized by the legislature. However, neither action can be justified or supported on the basis of a proper application of the accreditation standards governing the teaching workload of faculty members. This is indicated by the fact that the accreditation standards allow up to 400 student credit hours for each full-time equivalent (FTE) faculty position at the undergraduate level, whereas in the fall of 1976 the workload at the CBA amounted to only 288 student credit hours per FTE faculty position—a margin

of 112 student credit hours or 28 percent less than the allowed limit. Thus, instead of having to turn away large numbers of students, the CBA has ample capacity to accommodate many more students than are being accepted without violating accreditation limitations on teaching workload. For example, assuming an average class load of 12 credit hours per student, the CBA could have accommodated an additional 667 full-time students in the fall of 1976 without exceeding the accreditation limitation on faculty teaching workload. This is substantially more than the number of students denied admission into the CBA in the fall of 1976 and spring of 1977.

2. The additional faculty resources granted to the CBA have not been used to enable the CBA to accommodate more students, but rather have been used primarily for the internal benefit of the CBA and its faculty. Uses of the additional faculty resources have been for the following purposes:

- . To lessen the teaching workload of faculty members by lowering the ratio of students to teachers.
- . To increase the research opportunities of CBA faculty members.
- . To improve academic administrative services within the CBA.
- . To provide positions for temporary special use in the CBA.

To deal with the problems revealed by these findings, *we recommend that the legislature direct the university of Hawaii to take the following actions:*

1. *Direct the CBA to use the method of measuring compliance with teaching workload limitations specified in the accreditation standards.*

2. *Undertake a thorough and comprehensive review of faculty resources utilization throughout the university system for the purposes of establishing appropriate levels of workload to be expected of faculty members and of determining the enrollment capacities of the university and its constituent parts.*

Reorganization of the CBA. After a year of consideration, a reorganization plan has recently been approved for the CBA. The main feature of this plan is the doubling of the number of academic departments within the CBA from three to six. This has been achieved by splitting each of the three existing departments into two separate departments.

The reorganization plan, as approved, appears to have a negligible effect on costs and the utilization of faculty resources, but in the long run such appearance may be deceptive. This is because the plan forces a reduction in the amount of time and effort which departmental chairmen have available to devote to their administrative duties. In this sense the plan appears to treat departmental chairmen inequitably relative to many departmental chairmen of the UHM. Hence, the plan may eventually have to be modified to allocate more

instructional resources to departmental administration and to treat the departmental chairmen more equitably *vis a vis* other chairmen of the UHM.

With respect to the reorganization of the CBA, *we recommend that the legislature direct the university of Hawaii to take the following actions:*

1. *Determine the appropriateness of the workload responsibilities of departmental chairmen of the CBA and the university system, in terms of the length of the work year (i.e., 9 months or 11 months) and of the teaching workload (i.e., the amount of teaching workload reductions which they should be granted.)*

2. *Ascertain the need and desirability of retaining the departmental structure in relatively small units, such as the CBA. In this regard, consideration should be given to the concept of college-wide approach to academic administration, in lieu of academic departments.*

3. *Monitor the effectiveness of the CBA as reorganized.*

Initiation of the "Executive MBA" program at the CBA. Despite stringent financial conditions facing the university of Hawaii and the CBA's retention of its restrictive admissions policy, the CBA has announced a new "Executive MBA" program. Such action has naturally raised questions concerning the desirability and feasibility of embarking upon new ventures such as this when existing demands are not being met.

The initiation of the "Executive MBA" program appears to be a worthwhile effort on the part of the CBA to serve more effectively the needs of Hawaii's business community. However, the proposal for the "Executive MBA" program has been carried to very advanced stages with several important matters still unsettled, including the following:

- . Internal administrative review of the proposal.
- . Disposition of the fees to be collected under the program.
- . Effect on graduates of the existing MBA program.
- . Extent to which the program will meet the needs of the entire business community.

Taking into consideration the above findings, *we recommend that the legislature direct the university of Hawaii to undertake forthwith an appropriate high-level assessment of the "Executive MBA" program aimed at satisfactorily answering the following issues:*

1. *Adequate internal administrative review and approval of the program.*
2. *Proper collection, disposition, and expenditure of fees to be charged under the program.*

3. *Maintenance of an acceptable, fair, and reasonable relationship between the existing MBA program and a new "Executive MBA" program.*

4. *Proper and adequate gearing of the program to meet the broad as well as specific needs of the local job market for MBAs.*

CONCLUSION

In conclusion, the findings resulting from this study of faculty resources utilization and related matters at the CBA indicate the existence of serious problems warranting prompt and high-level attention and corrective action by the university of Hawaii. While relating specifically to the CBA, they may well be symptomatic of more generalized conditions within the university system. For this reason, many of our recommendations are framed in a broader context than just the CBA. In carrying out its function to exercise oversight of executive and administrative actions and activities, it is appropriate for the legislature to direct the university's attention to these matters and to request that followup action be taken on them.

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