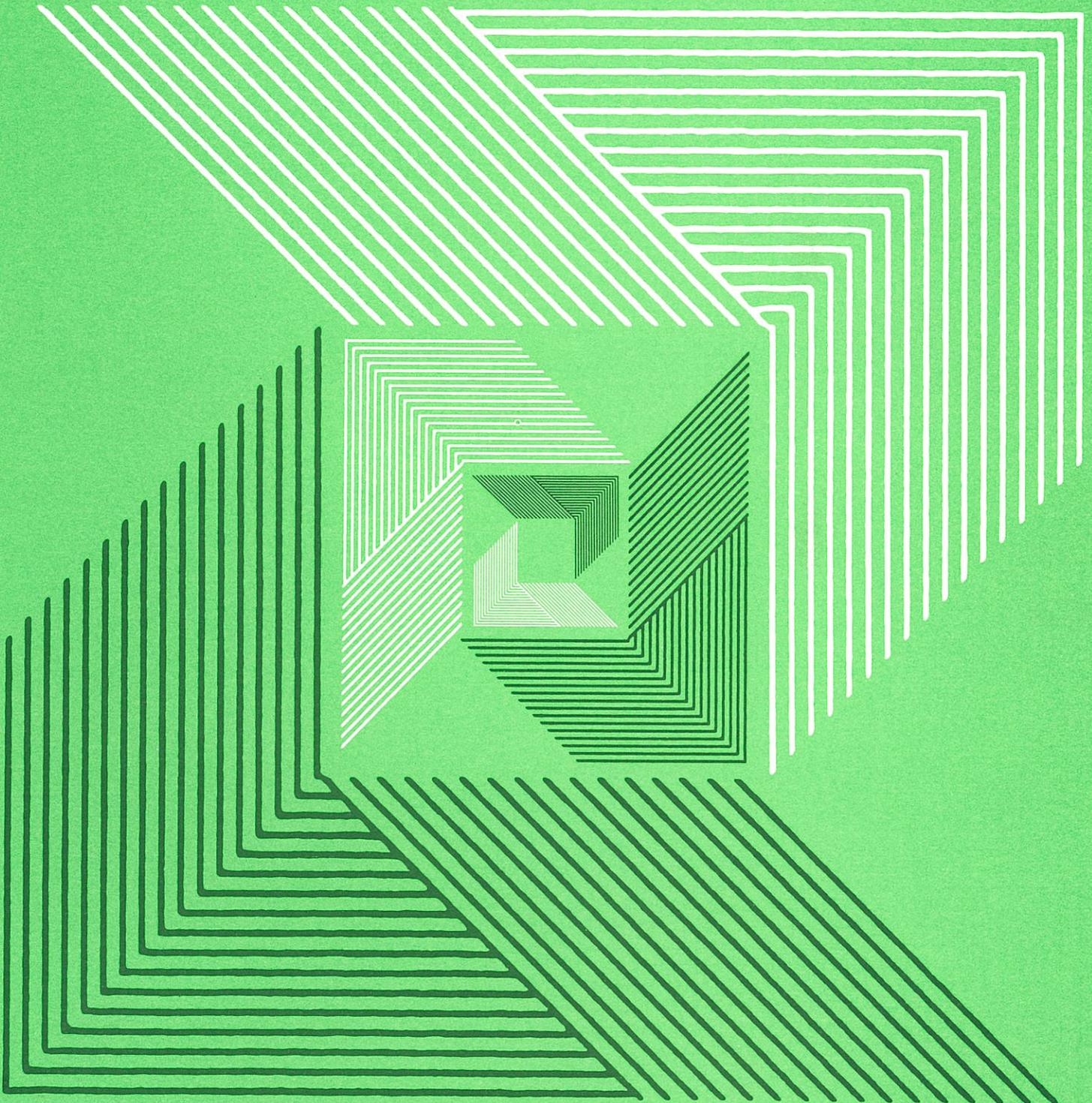


SPECIAL REPORT NO. 77-3
MARCH 1977



A STUDY OF THE UTILIZATION OF FACULTY RESOURCES IN THE COLLEGE OF BUSINESS ADMINISTRATION OF THE UNIVERSITY OF HAWAII

A REPORT TO THE LEGISLATURE OF THE STATE OF HAWAII



SUBMITTED BY THE LEGISLATIVE AUDITOR OF THE STATE OF HAWAII

THE OFFICE OF THE LEGISLATIVE AUDITOR

The office of the legislative auditor is a public agency attached to the Hawaii State legislature. It is established by Article VI, Section 7, of the Constitution of the State of Hawaii. The expenses of the office are financed through appropriations made by the legislature.

The primary function of this office is to strengthen the legislature's capabilities in making rational decisions with respect to authorizing public programs, setting program levels, and establishing fiscal policies and in conducting an effective review and appraisal of the performance of public agencies.

The office of the legislative auditor endeavors to fulfill this responsibility by carrying on the following activities.

1. Conducting examinations and tests of state agencies' planning, programming, and budgeting processes to determine the quality of these processes and thus the pertinence of the actions requested of the legislature by these agencies.
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3. Conducting systematic and periodic examinations of all financial statements prepared by and for all state and county agencies to attest to their substantial accuracy and reliability.
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FOREWORD

By various actions over the past several years, the legislature has indicated a continuing interest in faculty resources utilization in the college of business administration (CBA) at the Manoa campus of the university of Hawaii (UHM). Such interest has focused particularly upon the interrelationship which exists between faculty resources utilization and student admissions policy at the CBA. Due to a sequence of events which has occurred since 1973, serious questions have arisen concerning the CBA's utilization of its faculty resources relative to servicing the increased student demands placed upon the CBA.

Such questions acquire greater significance and importance in view of broader developments occurring at the university of Hawaii. For example, proposed and projected fiscal restraints upon the overall university system have produced predictions that restrictions similar to those already in effect for the CBA will have to be extended to other segments of the university. To assist the legislature in its review of both the specific and general situations prevailing at the CBA and the university as a whole, a special study was undertaken. Although directed toward 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.

This report is the end product of the special study. It contains background information on the CBA and examines in detail the CBA's present restrictive admissions policy and its utilization of faculty resources over the past four years. It also reviews two other matters which have a potential impact on the CBA's admissions policy and faculty utilization—namely, the recently approved reorganization of the CBA and the announced inauguration of a new "Executive MBA" program in the summer of 1977.

We wish to acknowledge the cooperation and assistance extended to our staff by officials and employees at all levels within the university of Hawaii—especially those in the CBA.

Clinton T. Tanimura
Legislative Auditor
State of Hawaii

March 1977

PART I

INTRODUCTION

Chapter 1

INTRODUCTION

This is a study of the utilization of faculty resources in the college of business administration (CBA) at the Manoa campus of the university of Hawaii (UHM). The study was made in response to continuing legislative interest in the matter, as expressed in various resolutions introduced during the 1975 and 1977 sessions of the legislature, including the following: (1) House Resolution No. 397 of 1975, relating to a restrictive admissions policy instituted in 1974 by the CBA; and (2) House Resolution No. 194 of 1977, requesting a review of the use of the CBA appropriations and the impact of such use on student admissions, class enrollments, and faculty resources utilization. Further evidence of legislative interest in the CBA can be found in the fact that the CBA was one of the few units in the university system to receive a substantial increase in positions and appropriations for the 1975-77 biennium.

The legislature is concerned over the fact that faculty resources of the CBA have been increased, yet severe restrictions on student admissions into the CBA have been maintained. This concern acquires university-wide importance in light of proposed and projected fiscal restraints on the entire university of Hawaii. These restraints have resulted in predictions that restrictions on student admissions similar to those already in effect for the CBA will of necessity be extended to other parts of the university system.

Although this study may have implications for the entire university system, it was directed

specifically at answering questions about the utilization of faculty resources at the CBA and about the CBA's restrictive admissions policy.

Objectives of the Study

The objectives of the study were:

- . To examine the validity of, justification for, and continuing need for the CBA's restrictive admissions policy.
- . To assess the utilization of faculty resources in the CBA, particularly use of the additional instructional resources granted to the CBA in 1975.
- . To review and evaluate events which may have an influence on the CBA's admissions policy and its utilization of faculty resources.
- . To recommend actions to improve the CBA's admissions policy and to enhance the utilization of the CBA's faculty resources.

Scope of the Study

We focused our examination on events occurring from fall of 1973 to the present time, with emphasis on: (1) the formulation, adoption, and implementation of the restrictive admissions policy initiated by the CBA in 1974;

and (2) the measurement of the faculty teaching workload. With regard to both of these matters, we devoted special attention to the accreditation requirements which the CBA needs to meet to retain its status as an accredited school of business administration. The accreditation requirements are important issues of this study, because the CBA cited these requirements in justifying both its restrictive admissions policy and the expansion of its faculty. In most instances, our examination of teaching workloads was confined to data for the fall semesters of 1973, 1974, 1975, and 1976. This was felt to be sufficient because student registrations are almost always higher—and teaching workloads therefore greater—in the fall semester than in the spring semester.

We also reviewed two other events at the CBA which were felt to have potential impact on student admissions and on the CBA's utilization of faculty resources. These were: (1) the reorganization of the CBA, which was first announced in March 1976 and finally approved by the board of regents, after some controversy, in January 1977; and (2) the inauguration of a

new "Executive MBA" program, which is scheduled to become operative in the summer of 1977.

Organization of the Study

This study is organized in two parts.

Part I is composed of three chapters. Chapter 1 is the introduction. Chapter 2 provides general background information on the CBA and on events which led up to the current CBA situation. Chapter 3 outlines the framework for our examination.

Part II presents findings and recommendations. Following chapter 4, which introduces the findings and recommendations, are four chapters which consider the four major points outlined in chapter 3. These are: student admissions policy at the CBA, chapter 5; faculty resources utilization at the CBA from 1973 through 1976, chapter 6; reorganization of the CBA, chapter 7; and initiation of the "Executive MBA" program at the CBA, chapter 8.

Chapter 2

BACKGROUND

This chapter describes the backdrop against which this special study was undertaken.

The CBA is one of the several professional schools on the Manoa campus of the university of Hawaii. The CBA offers bachelor's and master's degrees in business administration.

As the result of a recent reorganization, the CBA embraces six academic departments where previously there were three. The departments are:

- . department of accounting
- . department of finance
- . department of business economics
- . department of decision sciences
- . department of management and industrial relations
- . department of marketing

It also has programs and activities which are not a part of any of the departments. These are:

- . school of travel industry management (TIM)

- . industrial relations center
- . advanced management program
- . office of the dean of CBA

In the CBA organization, the school of travel industry management enjoys a high degree of autonomy. Although subject to many of the CBA's policies and procedures, TIM is headed by its own dean, rather than by a department chairman. TIM has its own associate dean and pursues many of its own policies and procedures. The industrial relations center is classified as an instructional activity, but it has a small staff and serves primarily as a research and library resource center for the CBA. The advanced management program offers summer management institutes taught by faculty drawn from the CBA and the Harvard School of Business. Most of the CBA is financed through the general fund, but the advanced management program is a special fund activity financed by tuition fees for the summer management institutes. Recently, the CBA announced an "Executive MBA" program which apparently will combine features of both the CBA's regular MBA program and the advanced management program. Academic support activities of the CBA are centered in the office of the dean, which includes the dean, several associate deans, coordinators for undergraduate and graduate programs, a director of research and development, and various clerical personnel.

Change in Admissions Policy in 1973-74

Through the fall semester of 1973, the CBA followed admissions policies and procedures which were generally used by most of the Manoa campus of the university of Hawaii (UHM). When a student was accepted into the UHM as an undergraduate, he or she could enroll in the CBA without meeting any additional admission requirements. Freshmen were allowed to enroll immediately in the CBA. Admissions were administered by the UHM office of admissions and records.¹ Then, in the spring of 1974, a restrictive admissions policy was instituted for the CBA; the administration of CBA admissions was transferred to the CBA. Under this new policy, undergraduates generally were not allowed to enroll in the CBA until their sophomore or junior years. Many applicants were denied admission into the CBA even though they enjoyed a satisfactory academic standing with UHM.

The CBA, the UHM, and the overall administration of the university of Hawaii appear to have accepted and endorsed the concept that a restrictive enrollment policy for the CBA was necessary. The CBA was left to define and implement the concept.

Workload Increases Granted to the CBA for 1975-77

In response to a rising tide of complaints concerning the CBA's newly imposed restrictions on admissions, House Resolution No. 397 was introduced during the regular session of 1975 of the Eighth Legislature of the State of Hawaii, requesting the university of Hawaii to examine the CBA's restrictive enrollment policy. At a hearing held on this resolution, the UHM testified it was allotting two additional faculty positions to the CBA. These positions were to be taken from UHM's pool of positions resulting from retirements. UHM also requested ten additional CBA faculty positions in its 1975-77 biennial budget. These

positions were to "provide more students the opportunity to pursue a CBA degree program." In the budget act (Act 195) passed in 1975 for the 1975-77 biennium, the ten additional faculty positions, over and above the two allotted by UHM, were granted by the legislature and approved by the governor.

As a result the CBA had more faculty positions by fall, 1975, than it had in the fall of 1974 when admissions were restricted, but there was no apparent relaxation in the CBA's restrictive admissions policy. Much the same situation appears to have prevailed up to the present time (the spring semester of 1977). The number of applications for admission to the CBA the past two years has continued to substantially exceed the number of students admitted. The question therefore arises, what use has been made of the additional faculty resources allocated to the CBA?

Subsequent Developments in the CBA

During the past two years, other events have occurred which impinge on, or at least appear to have potential effect on, the CBA's admissions policy and its utilization of faculty resources. These are noted herewith.

First, the previously described reorganization plan splitting the existing three academic departments into six new departments was proposed to, and approved by the UHM board of regents, even though the plan did not have the full endorsement of the faculty.

Second, the CBA announced the new "Executive MBA" program to be initiated in the summer of 1977. The MBAs granted through

¹ Admission to graduate status at the CBA followed, and continues to follow, the general pattern at the UHM where admissions are handled at the college and departmental levels and where each academic unit is primarily responsible for setting its own admissions standards and for determining who meets these standards.

this program are to be considered the same as, or comparable to, degrees granted under the existing MBA program. However, different

financing arrangements and a redeployment of faculty resources are required to implement the new program.

Chapter 3

BASIC POINTS FORMING THE STUDY FRAMEWORK

regarding the program and it was expected to be completed by faculty members in 1977. The study was primarily a study of the MBA program in 1977. It was not intended to be a study of the new program but rather to provide a baseline for the new program.

Based on the background set forth in the preceding chapter, several basic points became important and worthy of careful examination. These basic points form the framework for the study. They are outlined in the following table.

Program Objectives of the MBA

What are the objectives of the MBA program? What are the primary areas of study? What are the primary areas of research? What are the primary areas of service?

3.1.1. Motivational Advantages of the MBA

What are the motivational advantages of the MBA program? What are the primary areas of study? What are the primary areas of research? What are the primary areas of service?

3.1.2. Utilization of Faculty Resources within the MBA Program

What are the primary areas of study? What are the primary areas of research? What are the primary areas of service?

3.1.3. Utilization of Faculty Resources within the MBA Program

What are the primary areas of study? What are the primary areas of research? What are the primary areas of service?

Chapter 3

BASIC POINTS FORMING THE STUDY FRAMEWORK

Based on the background set forth in the preceding chapter, several basic points become significant and worthy of careful examination. These basic points form the framework for our further study and analysis. They are outlined below in terms of the questions we asked.

CBA's Restrictive Admissions Policy

What has been the CBA's admissions policy over the past several years? Who formulated it and adopted it? What purposes was it designed to serve? How appropriate and effective has it been in serving these purposes? Who administers it? How effectively and fairly is it being administered? What are the effects of this policy on admissions, class enrollments, and persons denied admission to the CBA?

Utilization of Faculty Resources Within the CBA

How adequately was the CBA meeting student enrollment demand and the class size requirements of accreditation standards in the period 1973-74 when the new restrictive admissions policy was first initiated? How adequately has the CBA been meeting student enrollment demand and the class size

requirements since it was allocated an additional 12 faculty positions in 1975? If the additional faculty positions granted to the CBA in 1975-77 have not been used to serve more students, how have the new positions been used?

Reorganization of the CBA

What was the purpose of the recently approved reorganization plan? What impact, if any, will the plan have on faculty utilization, CBA admissions policy, and class enrollments?

Initiation of the "Executive MBA" Program

Is the "Executive MBA" program justified? What impact will it have on the existing MBA program and on the deployment of faculty resources within the CBA?

In examining each of these questions, we reviewed and analyzed available records within the CBA and elsewhere in the university. We also conducted numerous interviews at the departmental, college, campus, and university-wide levels. The results are discussed in the following chapters.

PART II

FINDINGS AND RECOMMENDATIONS

Chapter 4

INTRODUCTION

This part presents our findings and recommendations, divided into the following chapters and subjects:

- Chapter 5, student admissions policy at the CBA.
- Chapter 6, faculty resources utilization at the CBA from 1973 through 1976.
- Chapter 7, reorganization of the CBA.
- Chapter 8, initiation of the "Executive MBA" program at the CBA.

Summary of Findings

Probably the most important conclusion of our study is that while accreditation requirements have been used as the primary justification for restricting admissions and lessening the faculty's teaching workload, there is, in fact, no basis to support or validate this claim. During the past four years—and especially during the past two years, since CBA received its increase in faculty resources—the CBA has had the capacity to accept many more students. These additional students could have been admitted without exceeding the limits on teaching workload specified by accreditation standards.

Our other main findings may be summarized as follows:

1. In general, the CBA's restrictive admissions policy is a highly dubious policy. Specifically, it has not been considered and acted on at the appropriate policymaking level within the university. It does not appear to comply with the legal requirements of the Hawaii Administrative Procedure Act. Nor has it been administered in an equitable and consistent manner.

2. The additional faculty positions granted to the CBA have not been used to accommodate more students, but rather have been used for such purposes as:

- Lessening the teaching workload of the CBA through a lower ratio of students to faculty.
- Increasing research opportunities for the CBA faculty.
- Improving academic administrative services within the CBA.
- Providing positions for temporary special use in the CBA.

3. The CAB's reorganization plan can be defended on practical grounds of administrative management and on the basis that, as approved, the plan will have negligible impact on costs and faculty resources utilization. However, in the long run the reorganization may detract from the CBA's administrative effectiveness. It may

result in unreasonable and unfair treatment of departmental chairmen, and it may ultimately increase costs and diminish the faculty resources available for teaching.

4. While the initiation of the CBA's "Executive MBA" program appears to be a

worthwhile effort to more effectively serve the needs of Hawaii's business community and the management requirements of the state government, this proposal has been carried to advanced stages without full consideration of its impact on other CBA degree programs, on the university of Hawaii, and on the business community.

Chapter 5

STUDENT ADMISSIONS POLICY AT THE COLLEGE OF BUSINESS ADMINISTRATION

Effective with the fall semester of 1974, the college of business administration (CBA) instituted its own separate and quite restrictive admissions policy. In doing so, the CBA took over the administration of CBA student admissions from the university of Hawaii office of admissions and records. This chapter reviews the policy framework within which student admissions should be considered, examining: (1) the appropriateness of and justification for the restrictive admissions policy; (2) the manner in which the policy was formulated, adopted, and implemented; and (3) the ramifications of this policy.

Summary of Findings

We find 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 policymaking 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.

4. The CBA's restrictive admissions policy is being administered in an inequitable and inconsistent manner.

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 persons.

General Considerations

The student admissions policy at the college and university level is unavoidably and almost universally a delicate and difficult issue. Many different factors are involved, and a variety of viewpoints exist concerning the objectives and application of such a policy. Therefore, when examining the question of student admissions policy, it is important to take the various dimensions of the problem into account. Some of the factors which bear on the CBA situation are set forth below.

Interaction between education and economic, social, and political position and advancement. In this country, education has been one of the primary avenues of upward

economic, social, and political mobility. Accessibility to educational opportunities has had a profound impact on the economic, social, and political positions, as well as the prospects for advancement, of various groups within the community. Admissions and enrollment policies are a key means of governing the extent to which educational opportunities will be made accessible to the various segments of society.

The role of public institutions of higher education. Closely associated with the preceding point is the special role which our society imposes upon public institutions of higher learning. Recognizing that higher education is costly and that it likely would be inaccessible to major portions of society if handled entirely through private interests, governments in the United States have established public institutions of higher education. Substantial public resources are allocated to these institutions with the expectation that they will make the benefits of higher education accessible to broad segments of our society. Liberal admission and enrollment policies, along with low tuitions and student financial aids, provide means by which public institutions of higher education fulfill their special role.

Satisfying the needs of the general job market. There are those who contend that institutions of higher learning, especially institutions in the public sector, should be considered primarily from the viewpoint of community resources and public service. So considered, the argument goes, such institutions should be devoted to meeting the needs of the general job market. Graduates should be produced in fields where there is a demand for their services but not in fields where there is no demand. A refinement of this approach would be for the institution to project future job openings as closely as possible in each field, then to produce the right number of graduates to fit each need. This approach is felt by its proponents to be especially applicable where a single institution provides most, if not all, of the higher education services for a particular community. However, there are serious

problems and dangers inherent in such a highly planned approach. *First*, in a rapidly changing society, future job requirements cannot be predicted with much certainty. *Second*, this approach presupposes that college graduates are immobile, when in fact many local jobs are filled by persons from outside the community and many local graduates pursue their careers elsewhere. *Third*, a highly planned approach places the institution in the position of determining who and how many will be able to engage in various occupational activities. However, we believe that in a democratic and open society, such a concentration of power is repugnant and unwarranted. The primary objective of society should be freedom of choice. This is not to say that the needs of the job market should be ignored; rather, the job market should not provide the sole or primary criterion for admission into a particular field of study.

Balance of supply and demand for higher education services. Generally speaking, the resources available for higher education are limited and cannot be expanded indefinitely to meet increases which may occur in the demand for such services. At the same time, however, population growth and rising levels of educational aspirations within the population have been generating an ever-increasing demand for higher education. While fluctuations occur in specific demands, the trend of demand in recent years in the field of business administration seems to have been constantly upward, both at the university of Hawaii and elsewhere. Consequently, the CBA, like many of its counterparts, has been faced with the necessity of trying to balance its supply of resources against its demand for services. One way of trying to achieve this balance is to increase resources. Another way is to erect barriers which leave a portion of the demand unsatisfied.

Utilization of instructional resources. Closely allied to, but separable from, the supply and demand issue is the matter of efficient and effective utilization of instructional resources. The response of increasing teaching resources to

balance supply and demand assumes a more or less fixed relationship between the amount of faculty resources required and the number of students taught. However, the ratio of students to faculty can be altered considerably with varying, but not always easily discernible, effects on instructional efficiency and effectiveness. In this context, efficiency refers to the number of students taught per unit of faculty input, while effectiveness refers to how well students are taught. Thus, efficiency can be improved by increasing the size of classes or by using technology in lieu of, or as a supplement to, direct contacts between students and instructors. However, improving efficiency in this manner may not improve effectiveness. Indeed, it may have the opposite effect.

In practice, numerous factors combine and interact to influence the outcome of any instructional situation. These factors include the nature and level of the subject matter, the expertise of the instructor, the interests and capabilities of the students, and various environmental conditions. Nevertheless, the accreditation agency in the field of business administration has established what it deems as maximum limits or allowable ratios between students and fulltime equivalent faculty (FTE).¹ For the most part, the agency then relies on these limits to measure instructional efficiency and effectiveness. To the extent that admissions and enrollment policies are used to limit the size of classes, restrict the total number of students served, or affect the caliber of students allowed to receive instruction, then they interact with, and influence, instructional efficiency and effectiveness.

Maintenance of academic quality and standards. Another important consideration is the maintenance of academic quality and standards. No institution of higher learning operates in a vacuum. Rather, it is judged by how well it compares to and competes with similar institutions, the extent to which its students are able to transfer to other institutions and hold their own, and the level of competence demonstrated by its graduates. In each of these

areas, admissions policies and procedures can have a significant influence.

Limited capability to assess potential and to predict academic and career success. Despite a great deal of attention to assessing student potential, authorities in higher education are still severely limited in their capability to accurately assess and predict the future academic and career success of a given individual. Previous academic achievement and scores on standardized tests are the most widely used criteria for evaluating students, but these remain highly imperfect tools for making judgments as to those who should be allowed educational opportunities and who should not. Nevertheless, admissions policies and procedures generally incorporate such criteria in one form or another. If the admissions policies and procedures are geared exclusively or bound irrevocably to such criteria, then they are quite likely to be unduly restrictive and perhaps even discriminatory.

Intra-institutional implications of separate and differing admissions policies and procedures. Where different admissions policies and procedures exist within the same institution of higher learning, such policies and procedures are bound to have potentially adverse intra-institutional implications. For example, students can be diverted from one part of the institution to another, thereby causing an uneven and inequitable distribution of resources and workload, without anyone being in a position to promptly correct the inequity. Similarly, students can be considered in satisfactory academic standing in the overall institution but unable to progress because the subunits in which they wish to pursue a degree will not accept them. Such potential problems militate against separate admissions policies and procedures, or, at the very least, call for control, coordination, and close monitoring by a central authority.

¹The accreditation standards specify different limits at the undergraduate and graduate levels. The limit of the undergraduate level is not more than 400 student credit hours per FTE instructional position. The formula will be fully explored in chapter 6. The limit at the graduate level is 300 such hours.

Key importance of admissions policy as a matter of high policy consideration and action. From the foregoing discussion, it is apparent that the subject of admissions policy is both exceedingly complex and highly important. Many contending forces, interests, and objectives intertwine in the process of establishing and administering admissions policies and procedures. Not all of them can be satisfied equally or simultaneously. Yet, admissions policies touch vital nerves of our society; the results of an admissions policy can have profound effects on the economic, social, and political life of the community. All of which means that an admissions policy should be viewed as a subject requiring careful and wide-ranging scrutiny; it should be considered and acted on at the highest levels of policymaking. Similarly, the implementation of policies should continue to receive top-level attention and monitoring. As far as the CBA and the university of Hawaii are concerned, this means that any admissions policy and procedures affecting the CBA should be reviewed and approved by the board of regents and be subjected to periodic examination and reassessment by the board. Ultimately, of course, such policy and its implementation should be a matter of legislative interest, oversight, and action.

Conclusion. Some sort of student admissions policy is obviously necessary at the university of Hawaii, including the CBA. Expecting such a policy to be completely open and unrestricted is unreasonable and unrealistic. Some degree of restriction is inherent when cognizance is given to such factors as: (1) achieving some semblance of a balance between the supply and demand for higher education, (2) enhancing the effectiveness of the educational services provided, (3) maintaining academic quality and standards, and (4) supplying the needs of the general job market.

Nevertheless, it would appear highly desirable for the university of Hawaii to have as liberal an admissions policy as possible and to make the coverage of this policy as broad as possible within the university. To state the

matter another way, it would appear highly preferable for the university to avoid, if at all possible, an admissions policy for the CBA which is separate from and more restrictive than admissions policies applicable to all other colleges in the system. The factors promoting and supporting this point of view include the following: (1) the importance of making educational opportunities as accessible as possible for all elements of our society; (2) the difficulty of predicting future academic and career success or, put another way, the possibility of denying educational opportunities to many who can and should take advantage of such opportunities; (3) the merits of enabling the university to fulfill its proper role as a public institution of higher education; (4) the desirability of eliminating intra-institutional conflicts, inconsistencies, and dislocations; and (5) the advantages of making full use of available instructional resources.

In short, the burden of proof for establishing the need and desirability of a separate and more restrictive admissions policy for the CBA should clearly be placed on those advocating such a move. No such action should be taken until approval is granted at the highest policy levels within the university. In the meantime, the university's overall admissions policy should be applicable to the CBA, and the CBA should try to accommodate all those who qualify under this policy and who seek to enroll in the CBA up to the limits of the CBA's resources. Where such limits are strained, additional resources should be sought—*first*, through internal adjustments within the university, and, *second*, through requests for additional appropriations. If total resources are not sufficient to meet total demands, then an overall and coordinated approach should be taken within the university to bring demand and supply into balance. Allowing a single subunit to solve its own particular problems through its own individualized and more restrictive admissions policy does not appear to be a wise or appropriate course of action. To the fullest extent possible, the academic marketplace should be allowed to operate; i.e., students

should have as much freedom as possible to choose the courses they wish to pursue. Their ability to do so and to graduate in fields of their choice should be judged on their performance rather than on imperfect and often arbitrary entrance requirements.

The Admissions Policy of the CBA

As already noted, the CBA did not have its own separate admissions policy until 1974. Under the general admissions policy of the university of Hawaii at Manoa (UHM), students admitted to the university could enroll as freshmen in the CBA or could later transfer into the CBA so long as they remained in satisfactory academic standing with the university. However, in late 1973, the CBA and UHM administrations began considering the establishment of a restrictive admissions policy for the CBA.

Three factors were cited originally as the basis for establishing a new admissions policy. *First*, the university of Hawaii, and especially the UHM, was beginning to feel the effects of overall budgetary restraints on all state agencies as a result of tightening economic conditions. Under these restraints, the CBA was unable to obtain additional teaching positions to accommodate increases in student enrollments. *Second*, the CBA simultaneously confronted an apparent need to reduce the size of its classes to stay within accreditation requirements (thereby retaining an accreditation status which reportedly is enjoyed by only 10 percent or so of the schools and colleges of business administration throughout the country). Under the CBA's interpretation of these requirements, undergraduate classes had to stay at or under an average size of 44.4 students per class, while graduate classes were not to exceed an average size of 33.3 students per class. It was reported that by the fall of 1973, classes contained more than 60 students per class. Consequently, a definite move to reduce the average size of classes was felt absolutely essential. *Third*, we have been told, authorities at the CBA, UHM, and overall university levels felt that there was a need to upgrade and improve the quality of

students being graduated by the CBA. Higher qualification requirements provided a way of doing this.

While seeking to provide the CBA with additional staff through internal reallocations of positions and through requests for new positions in the next budget, the CBA and UHM "ultimately decided that admission be limited for Fall semester 1974 to those who, in addition to meeting admission requirements, were at the stage in their university career in which they would be required to select a degree program. This procedure would eliminate freshmen and include some sophomores but would apply mostly to juniors and seniors."² This appears to be the extent to which this important change in policy was articulated at that time.

No formal issuance of the new policy appears to have been made until January 1977, when the CBA published a statement titled, "Entrance Requirements for the College of Business." A copy of this admissions policy is included as an appendix to this report (see Appendix A). Generally, the policy requires the completion of several English courses and a core program of "pre-business" courses with a minimum cumulative grade point average (GPA) of 2.5, both overall and for the pre-business courses. In addition, the policy states that "[p]rospective CBA students must manifest a motivation for a business career" which can "best be displayed by past classroom performance and/or business experience." The policy goes on to warn, however, that "merely fulfilling these requirements cannot guarantee entrance into the College" due to "class size limitations" of the CBA. Thus, while the policy contains some fairly specific requirements, it is extremely vague in other respects, leaving considerable discretion to those administering it.

²Testimony relating to House Resolution No. 397 "Requesting the University of Hawaii to Examine the Policy of the College of Business Administration to Restrict the Number of Students Into Its Degree Program," presented to the House Higher Education Committee March 18, 1975 by Beatrice T. Yamasaki, acting assistant vice chancellor for faculty and academic affairs, UHM.

According to CBA officials, this written policy incorporates all features of the restrictive admissions policy adopted in 1974, except for the minimum GPA requirement. Until 1977, the minimum GPA was 2.0 rather than 2.5.

Effects of the Restrictive Admissions Policy

Because of the paucity of available, usable data, and because so many factors affect the activities of the CBA, it is virtually impossible to pinpoint with any assured accuracy the effects of the CBA's restrictive admissions policy. However, some indicators suggest what some of the effects may be. These are portrayed and discussed briefly below.

Cutback and stabilization in the overall workload of the CBA. Accompanying the inauguration of the CBA's restrictive admissions policy, there has been a reduction and subsequent stabilization of the CBA's overall workload as measured by (1) the number of students enrolled in CBA classes and (2) the number of student credit hours attributable to these students. This is shown in the data below, which reflects both student registrations and student credit hours (including travel industry management (TIM)) for the fall semesters of 1973-76:

	<i>Student Registrations</i>			
	<i>1973</i>	<i>1974</i>	<i>1975</i>	<i>1976</i>
Lower division . . .	2,048	1,927	2,457	2,301
Upper division . . .	6,758	6,008	5,471	5,690
Graduate	794	602	649	521
Total	<u>9,600</u>	<u>8,537</u>	<u>8,577</u>	<u>8,512</u>

	<i>Student Credit Hours</i>			
	<i>1973</i>	<i>1974</i>	<i>1975</i>	<i>1976</i>
Lower division . . .	5,882	5,497	7,085	6,269
Upper division . . .	20,114	17,850	16,227	16,938
Graduate	2,382	1,806	1,947	1,563
Total	<u>28,378</u>	<u>25,153</u>	<u>25,259</u>	<u>24,770</u>

It can be seen that total student enrollments dropped by about 1,100 (9,600 to 8,537) between 1973 and 1974 and have remained at about the same level since then. Similarly, student credit hours dropped by more than 3,000 (28,378 to 25,153) and since have remained about there.

Continuing reduction in the numbers of business administration majors (especially lower division). Additionally, the implementation of the CBA's restrictive admissions policy has been accompanied by a continuing reduction in the numbers of students enrolled as business administration majors. This point is shown by the summary data for the four fall semesters of 1973-76:

	<i>Majors Enrolled in the CBA (Including TIM)</i>			
	<i>1973</i>	<i>1974</i>	<i>1975</i>	<i>1976</i>
Lower division . . .	1,012	770	442	341
Upper division . . .	1,716	1,648	1,692	1,658
Graduate	272	250	275	233
Total	<u>3,000</u>	<u>2,668</u>	<u>2,409</u>	<u>2,232</u>

As can be seen, there was a decline of almost 800 majors in the CBA from 1973 to 1976. Most of this reduction occurred at the lower division level (almost 700 majors, or a 66 percent reduction) and undoubtedly reflects the impact of the decision made in 1973-74 to exclude most freshmen and sophomores.

Reduction and stabilization in the number of graduates from the CBA. A reduction and subsequent stabilization in the number of students graduated from the CBA also has accompanied the restrictive admissions policy. This is evidenced in the summary data set forth below showing the numbers of bachelor of business administration (BBA) and master of business administration (MBA) degrees granted by the CBA for the academic years 1973-74, 1974-75, and 1975-76 (including summer sessions):

	<i>Degrees Granted by the CBA (Including TIM)</i>		
	<i>1973-74</i>	<i>1974-75</i>	<i>1975-76</i>
BBA	680	562	592
MBA	<u>98</u>	<u>109</u>	<u>85</u>
Total degrees . .	<u>778</u>	<u>671</u>	<u>677</u>

It appears from the number of degrees granted in fall 1976 that this pattern will continue through the current academic year of 1976-77. However, indications are that in the future there will be another decline in the number of graduates. The number of juniors in the CBA in fall 1976 was only slightly more than one-half the number of seniors, a marked shift from previous years in the ratio of juniors to seniors.

High rate of denials of applications for admittance into the CBA. Data concerning the rates of admissions and denials of admission into the CBA, particularly of a historical nature, are generally nonexistent or, where data do exist, are not complete or especially reliable. As a result, meaningful comparisons cannot be made for the period from 1973 to the present. However, the CBA has approximate data for the fall semester of 1976 and the spring semester of 1977. These are portrayed below:

Admissions and Denials of Admission at the CBA

	<i>Fall 1976</i>		<i>Spring 1977</i>	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Applicants admitted	272	63%	183	45%
Applicants denied	115	26	156	39
Applicants not admitted but allowed to pre-register*	48	11	64	16
Total applications received	<u>435</u>	<u>100%</u>	<u>403</u>	<u>100%</u>

*Provisional admittances: allowed to enroll if certain requirements are met (e.g., obtaining a satisfactory grade in a particular course).

It can be seen that during the spring 1977 semester only about one-half of the students

seeking admission into the CBA were admitted. In addition, a limited number of students were admitted on a provisional basis, as noted. In interviews, CBA personnel who handle admissions indicate this general pattern has prevailed since the restrictive admissions policy was put into effect for the fall semester of 1974. In short, the denial rate appears quite high, which means that many students are disappointed.

Other available data likewise indicate the acceptance rate at the CBA is low and has been declining since 1974. Since 1974, the UHM has been compiling data on applicants from outside the UHM who have been seeking admission to programs at the UHM (including new high school graduates, transfers from other campuses of the university of Hawaii, one-time students at UHM who are returning, and others). These data do not include internal transfers within UHM. Moreover, the data are not completely reliable for the first year or two because of shortcomings in the computer program developed to collect, compile, and report these data. The data are also maintained on a different basis than by the CBA, so it has not been possible to compare the two sources of data. Nevertheless, the data are felt to be sufficiently accurate to reflect the trend occurring since 1974 with regard to acceptances and rejections at the CBA.

Some of these data are summarized in table 5.1, which shows the actions taken on the applications for admission to the CBA and TIM for the fall semesters of 1974, 1975, and 1976. The data for the CBA and TIM are shown separately. It should be noted that these data show the numbers of applicants accepted, but not the numbers actually admitted and enrolled in classes (for various reasons, not all those accepted end up enrolling in classes). Shown also are the two categories of applicants not accepted: (1) those rejected outright, and (2) those redirected to other programs. At the times the data were compiled, small numbers of applications were still pending. These are reported separately. Moreover, the data refer only to undergraduate applications.

Table 5.1
Summary of Undergraduate Admissions Activity
Relating to the College of Business Administration (CBA) and the
School of Travel Industry Management (TIM) for the Fall Semesters of 1974, 1975, and 1976

	1974		1975		1976	
	No.	%	No.	%	No.	%
<i>CBA</i>						
Accepted	384	40.4%	178	19.0%	148	15.3%
Redirected	499	52.5	723	77.2	796	82.2
Refused	62	6.6	28	3.0	14	1.4
Pending	5	.5	7	.8	11	1.1
Total CBA	950	100.0%	936	100.0%	969	100.0%
<i>TIM</i>						
Accepted	171	52.6%	169	56.7%	228	78.1%
Redirected	120	37.0	106	35.6	64	21.9
Refused	32	9.8	21	7.0	0	0.0
Pending	2	.6	2	.7	0	0.0
Total TIM	325	100.0%	298	100.0%	292	100.0%

From the table it can be seen that while the number of applications to the CBA has remained fairly constant over the three years, the number accepted has declined dramatically. The number was reduced by more than one-half between 1974 and 1975. A further reduction took place in 1976, when only 15.3 percent of those applying were accepted.

A somewhat different picture emerges for TIM, however. While TIM has had a slight decrease in the number of applications received, the number and percentage of applications accepted have increased over the three years shown.

Overall Assessment of the CBA's Restrictive Admissions Policy

In light of the foregoing, what overall assessment can be made of the CBA's restrictive enrollment policy? In making our evaluation, we have pursued the following questions:

- . What are the objectives of the restrictive admissions policy? How appropriate are these objectives? How effectively does the policy serve these objectives? In short, have the advocates of this policy demonstrated the need and desirability of a separate, more restrictive admissions policy for the CBA?
- . Who was involved in the adoption and implementation of the policy? Were the necessary decisions made at the appropriate levels and in the proper manner?
- . Is the policy being applied and administered in a fair and consistent manner?

Our findings on these questions are discussed below.

Adequacy of the objectives and means of achieving the objectives. In examining the CBA's restrictive admissions policy, one is immediately

struck by the lack of clarity concerning its objectives. When first initiated, the objective appeared fairly clear; namely, to reduce the total instructional workload, thereby enabling the CBA to stay within the class size restrictions of the accreditation standards in the face of budget restraints which prevented any increase in faculty resources to meet student demand. However, even after faculty resources were increased, the policy was not discontinued, nor was a proportionate increase made in the CBA's overall instructional workload.

At this point, in addition to the original justifications of (1) dollar restraints and (2) accreditation limits on teaching workload, two new justifications for the restrictive admissions policy were advanced. One was that the CBA needed to improve the quality of its students, and this was to be achieved by a more exclusive policy. The second argument was the job-opportunity argument; that is, the CBA should not produce more graduates than the job market demands. As a result, it is difficult at the present time to identify exactly what the objective or objectives of the policy are. If several objectives are involved, their relative importance and how they interrelate have not been articulated. Furthermore, without clear objectives, it is difficult, if not impossible, to determine the efficacy of the policy.

Even if all objectives mentioned are valid, the CBA's restrictive admissions policy must still be found wanting. With regard to the need to restrict enrollment to stay within accreditation requirements, an analysis of available data clearly indicates that classes within the CBA could be significantly larger without exceeding the accreditation limitations. Indeed, even in 1973-74 when the policy was being formulated in an atmosphere of great urgency, it is not at all clear that any serious violation of accreditation requirements was occurring. As will be discussed more fully in chapter 6, the CBA has been using a faulty measure for determining the accreditation agency's limit on teaching workload. The effect of this faulty method has been to indicate that

the average class size should be less than the average actually required by the accreditation standards. In fact, the average class size allowed by the CBA's computation seriously understates the CBA's enrollment capacity. As of now, with enrollment cutbacks and faculty increases, many more students could be admitted without jeopardizing accreditation. While accreditation might eventually be jeopardized if admissions were relaxed completely, considerable leeway presently exists.

The contention that the restrictive enrollment policy is a means of upgrading the quality of the CBA graduates is also difficult to validate, let alone justify. In the *first* place, no real assessment has been made of the quality of the CBA's previous graduates or of any particular areas where they may be deficient. Without knowing the nature of the problem, if in fact one exists, it is virtually impossible to prescribe a solution or to know the solution is appropriate. For example, if particular deficiencies are identified, it may be more effective to change instructional methods or course requirements than to restrict enrollments. *Secondly*, the policy has not been applied in a manner which assures an upgrading of student quality on any objective or measurable basis. For example, if it is assumed that requiring a GPA for entering students is a way to improve quality of students—this is implicit in the CBA's policy—then the CBA has been inconsistent in its application of this admittance test. When the policy's stated minimum GPA was 2.0, students with less than a 2.0 average continued to be admitted, while others with GPAs as high as 4.0 (straight As) were denied admission. Similarly, when the stated minimum GPA was raised to 2.5 with the publication of the policy in January 1977, approximately 25 percent of the students actually admitted did not meet the requirement. Many others were denied admission even though their GPAs exceeded 2.5—including, again, some students with a 4.0 GPA.

As for restricting the number of admissions to the number of job opportunities, the CBA administrative personnel readily admit this

cannot be done at present. Even assuming the desirability of such a policy, which is highly debatable, the CBA simply does not have sufficient information on labor market demands to make any meaningful judgments on numbers or types of graduates.

In summary, the CBA's restrictive admissions policy is deficient. It lacks clear objectives or objectives which can be adequately supported and related to CBA practices. We conclude the CBA has failed to make a persuasive case for imposing its separate and highly restrictive admissions policy.

Adequacy of the decision-making process by which the CBA's restrictive admissions policy was put into effect. The manner in which the policy was adopted and put into effect should also be examined. As pointed out above, the establishment of an admissions policy is a highly complex and important subject which requires careful consideration, deliberation, and action at the highest levels of policymaking.

Needless to say, actions of this sort should be in full compliance with all legal and procedural requirements. However, an examination of the adoption and effectuation of the CBA's restrictive admissions policy quickly raises danger signals about the process by which it was put into effect and casts doubts on the efficacy and validity of the policy. The policy has never gone through any formal review and approval process, either when initially adopted or when subsequently modified. Although discussed informally at various administrative levels within the university and given tacit approval by the UHM and university administrations, the policy has not gone through any process where it was: (1) precisely defined as to objectives and application; (2) fully explained and justified; (3) considered in relation to alternative courses of action; (4) subjected to public scrutiny and questions, especially by those affected, including faculty and students; and (5) acted on by the university's highest policymaking body, the board of regents. This treatment is not only

highly questionable as a mode of policymaking, but it also may be illegal. Specifically, the CBA's action may be in violation of the Hawaii Administrative Procedure Act or APA (Hawaii Revised Statutes, chapter 91). The CBA's admissions policy appears to fall clearly within the meaning of a "rule" as defined in the APA. As such, it should take effect only if it has been adopted pursuant to APA procedures and requirements. Such has not been the case with regard to the CBA's present admissions policy.

As things stand now, the dean of the CBA is essentially the one who sets and modifies the CBA's admissions policy. Although he appears to have exercised this power in consultation with the UHM chancellor and with the general knowledge of the president of the university, he remains basically unchecked and unmonitored as far as the details of the policy are concerned. Even the CBA's faculty council appears to have little, if any, systematized input into the formulation and modification of this policy. On this count the CBA's admissions policy must also be considered sadly deficient.

Fairness and consistency in the application and administration of the CBA's restrictive admissions policy. After one has examined the justification for a policy and the manner in which it has been adopted, thorough review demands looking at how the policy is being applied. This is especially true with regard to making sure the policy is properly framed and carried out in a fair and consistent manner. In brief, this means that: (1) the admissions policies and procedures should be definitely and clearly stated, (2) information about the policies and procedures should be readily available to all those affected, (3) criteria for determining eligibility should be as precise as possible, (4) the criteria should be applied fairly and impartially, and (5) procedures for appeal should be available to those who feel aggrieved by either the policies and procedures or the administration of the policies and procedures.

In this case, the CBA's restrictive admissions policy suffers from administrative

deficiencies. One present inequitable feature of the CBA's admissions policy is the very different treatment it accords TIM students. TIM students are excluded from the restrictive admissions policy. Thus, students are able to enroll in the TIM program as freshmen without having to go through any additional admissions procedures. TIM students can subsequently transfer to other CBA programs without being screened through the CBA's admissions process. We were informed that students seeking admission into the CBA were being advised to enroll first in the TIM and then to transfer in to the CBA if they wanted to be assured of admittance. A review of CBA admissions data shows that the number of students entering the CBA via this route has increased steadily. This trend is indicated in the data set forth below:

**Number of TIM Students
Transferring into Other CBA Programs**

<u>Year</u>	<u>No.</u>
1973-74	5
1974-75	11
1975-76	23
1976-77	42

It can be seen that the number of TIM students transferring into other CBA programs has virtually doubled during each of the past four years. If TIM is to be considered part of the CBA, then it would seem that TIM should be handled the same way as the rest of the CBA. This is especially true with regard to the transferring of TIM students to other programs within the CBA. Under existing circumstances, TIM students enjoy an advantage over all other applicants seeking admission to the CBA in terms of being assured admittance into the college. TIM students also generally are allowed much lower qualifications than other CBA candidates to enroll in the CBA.

Similarly, the policy has what appears to be quite precise minimum requirements but also exceedingly vague requirements. Administrators are allowed the discretion to ignore the precise requirements, leaving them to the guidance of vague generalities. This is basically unfair and

opens the door to administrative abuse. Those handling admissions into the CBA admit that a broad degree of subjective judgment is exercised when determining which students should be admitted and which should be denied admission. We were told that the policy provides them with only general guidelines for determining who should be admitted. They say they look at the "overall record" of each applicant and base their decisions on this. Thus, a "highly motivated" candidate who has "clear objectives" may be admitted even if he has only a 2.0 GPA, while another candidate who appears "less stable" or "less certain of his goals" may be rejected even though he has a GPA of 3.0 or more.

In practice, documentary evidence supplied by these same CBA administrators indicates the CBA has been denying admission to persons with GPAs substantially above the minimum specified, while admitting others whose GPAs fell significantly below this level. For the spring semester of 1977, 15 students with GPAs less than 2.0 were admitted while 23 students with GPAs between 3.5 and 4.0 were denied admission. Indeed, as previously mentioned, approximately 25 percent of those admitted during this semester had GPAs lower than the 2.5 stated in the current written form of the admissions policy. At the same time, many students were being denied admission, including a large number with GPAs higher than 2.5.

With such glaring departures from stated guidelines, no one can convincingly argue that the existing policy either promotes or assures fair and consistent treatment of those affected by it.

Summary

The CBA's restrictive admissions policy suffers from serious defects. It is poor policy in the sense of lacking clear objectives or any well conceived and developed justification. It has been adopted in a procedurally deficient and seemingly illegal manner. Finally, it is being

applied and administered in an inequitable and inconsistent manner.

Recommendation

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.*

Chapter 6

FACULTY RESOURCES UTILIZATION AT THE COLLEGE OF BUSINESS ADMINISTRATION FROM 1973 THROUGH 1976

The utilization of faculty resources at the CBA from 1973 through 1976 must be carefully examined to understand the need for and effects of: (1) the imposition and continuation of the CBA's restrictive admissions policy, and (2) the increase in faculty resources made available to the CBA during the 1975-77 biennium. This chapter reviews the subject of faculty resources utilization from several perspectives.

Summary of Findings

From the perspective of the CBA's overall basic workload statistics, we find as follows:

1. There has been a slight reduction in average workload (class size) at the lower division level, i.e., the large introductory "pre-business" courses.

2. There has been a substantial reduction in average workload (class size) at the upper division level, i.e., those courses taken mostly by persons seeking a BBA degree.

3. The workload situation (average class size) has remained essentially unchanged at the graduate level.

From the perspective of faculty resources actually devoted to classroom teaching in the CBA, we find as follows:

1. Since 1973, additional faculty resources have been devoted to actual classroom teaching at the CBA, but such additions have not been proportional to the supplemental instructional positions which have been granted to the CBA since 1975.

2. By reducing and then holding down the CBA's total workload and by adding supplemental faculty resources to the teaching of classes at the CBA, the CBA has reduced the average teaching workload of faculty members at the CBA.

3. The average teaching workload is well within the undergraduate average teaching workload limits prescribed in the accreditation standards.

From the perspective of compliance with accreditation requirements limiting faculty teaching workloads, we find as follows:

1. There has been a misapplication of the accreditation limitations to the CBA.

2. This misapplication of the accreditation limitations has been used to justify the CBA's restrictive admissions policy and its requests for additional faculty resources. However, on close examination the accreditation requirements cannot support or justify either the restrictive admissions policy or the increase in the CBA's faculty resources.

From the perspective of the actual use made of the additional instructional positions granted to the CBA since 1975, we find as follows:

1. The use of these positions has not been "student-oriented"—i.e., the positions have not been used to provide additional services so that more students can enroll in CBA classes. Instead, the use of these positions has been very much "college- and faculty-oriented." They have been used to accomplish the following:

- . Lower the average class size or ratio of students to faculty in the CBA.
- . Increase research opportunities for the CBA faculty.
- . Improve academic administrative services within the CBA.
- . Provide positions for temporary special use in the CBA.

Overall Viewpoint in Terms of Basic Workload Statistics

The CBA and UHM generate various enrollment and class registration data which give an indication of faculty workload in terms of teaching and other direct student contact. These data provide one way of looking at the faculty resources utilization prevailing at the CBA. Some of these data are summarized below.

Modest growth in the number of courses, classes, and semester hours offered by the CBA. From 1973 through 1976, there was a modest growth in the number of courses, classes, and semester hours offered by the CBA, as indicated below:

<i>Number of CBA (Including TIM) Courses</i>				
	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Lower division	8	9	12	11
Upper division	67	70	64	76
Graduate	29	22	23	28
Total	<u>104</u>	<u>101</u>	<u>99</u>	<u>115</u>

*No. of CBA (Including TIM) Classes**

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Lower division	26	30	34	31
Upper division	130	150	151	165
Graduate	41	29	28	34
Total	<u>197</u>	<u>209</u>	<u>213</u>	<u>230**</u>

*The number of classes is greater than the number of courses because some courses are offered in multiple sections (classes).

**The increase in this year is misleading because it includes 16 individualized classes, each of which is counted separately.

*Number of CBA (Including TIM) Semester Hours**

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Lower division	74	84	96	85
Upper division	380	431	437	458
Graduate	123	87	81	87
Total	<u>577</u>	<u>602</u>	<u>614</u>	<u>630</u>

*In the CBA, almost all classes are for three semester hours (credits). However, there are a few TIM courses which carry no credits. In other UHM units there is more variation from the normal three credit hours per class.

Generally speaking, the above data indicate that there has been no significant change in the past four years in the CBA's workload, as measured by the number of courses, classes, and semester credit hours offered.

Reduction and subsequent stabilization in the number of student registrations and student credit hours handled by the CBA. In contrast to the course, class, and semester hour data shown above, the data relating to the number of student registrations and student credit hours handled by the CBA indicate a somewhat different trend for the period from 1973 through 1976. This is reflected in the data summarized below:

*No. of CBA (Including TIM) Student Registrations**

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Lower division	2048	1927	2457	2301
Upper division	6758	6008	5471	5690
Graduate	794	602	649	521
Total	<u>9600</u>	<u>8537</u>	<u>8577</u>	<u>8512</u>

*Each time a student enrolls in a separate CBA class he is counted once.

	<i>No. of CBA (Including TIM) Student Credit Hours*</i>			
	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Lower division . . .	5,882	5,497	7,085	6,269
Upper division . . .	20,114	17,850	16,227	16,938
Graduate	2,382	1,806	1,947	1,563
Total	<u>28,378</u>	<u>25,153</u>	<u>25,259</u>	<u>24,770</u>

*Since most CBA courses carry three semester credit hours, the total number of student credit hours is approximately three times the total number of student registrations.

From the foregoing, a significant decline can be seen in both the number of student registrations and the number of student credit hours at the CBA from 1973 to 1974 (i.e., reductions of about 1000 and 3000, respectively). These reductions can be attributed almost entirely to the restrictive admissions policy inaugurated in the fall of 1974. Thereafter, the number of student registrations and student credit hours stabilized.

Continuing decline in the number of students enrolled as CBA majors. Yet another trend is indicated in the data relating to students enrolled as majors in the CBA. These data encompass students who expect to take their degrees in the field of business administration. As such, these students constitute the primary clientele of the CBA. Set forth below are the number of students enrolled in the CBA as majors for the fall semesters of 1973 through 1976:

	<i>No. of CBA (Including TIM) Majors</i>			
	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Lower division	1012	770	442	341
Upper division	1716	1648	1692	1658
Graduate	<u>272</u>	<u>250</u>	<u>275</u>	<u>233</u>
Total	<u>3000</u>	<u>2668</u>	<u>2409</u>	<u>2232</u>

The above data show there has been a decline of almost 800 in the number of students listed as majors in the CBA in the period from 1973 to 1976. Almost all of this decline has occurred at the lower division level (i.e., a decline of almost 700). Again, this change can

be attributed almost entirely to the CBA's admissions policy of 1974. Under this policy, formal admission into the CBA cannot take place for most students until they are in their sophomore or junior years. (As previously noted, TIM remains an exception. It is possible to enroll in TIM as a freshman.) Indications are there will be a further decline in the CBA's enrollment of majors. This is because in the fall of 1976 semester, CBA seniors outnumbered CBA juniors 1041 to 617. This represents a significant change of relationship in the sizes of the two groups. Unless a much larger number of juniors are admitted in the future, the overall number of majors will decline when the present senior class graduates.

Reduction in overall CBA average class size, but variable changes in average class sizes at different levels. The data set forth above indicate that the CBA's courses, classes, and semester credit hours have been increasing modestly in number over the past four years while total workload in terms of student registrations and student credit hours has been reduced significantly between 1973 and 1976. Under the circumstances, a reduction in the average size of the CBA's classes could be anticipated. This has taken place, but the reduction has been less than uniform in its impact. This is shown in the average class size data summarized below for the fall semesters of 1973 through 1976:

	<i>Average Class Sizes for the CBA (Including TIM)*</i>			
	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Lower division				
100-199 courses . . .	79	58	62	71
200-299 courses . . .	79	67	77	76
Upper division				
300-499 courses . . .	53	41	37	37
Post-baccalaureate and graduate				
500-599 courses . . .	31	27	-	-
600-800 courses . . .	19	20	24	18
Overall	50	42	41	40

*Excludes 399 and 699 courses which are individualized classes and usually have only one student apiece.

As these data indicate, the average size of CBA classes was reduced from 50 students in 1973 to 40 students in 1976, or 20 percent. However, at the lower division level, which encompasses the large "pre-business" or prerequisite courses, the decrease in average class size has been much less—approximately 10 percent for the 100 to 199 courses and less than 4 percent for the 200 to 299 courses. The CBA's restrictive admissions policy is not applicable to these lower division courses; they remain open both to students seeking admission to the CBA and to students enrolled elsewhere in the UHM. At the upper division level, class size has clearly and consistently lessened. The average has been reduced from 53 students to 37 students, or 30 percent. At the graduate level, the situation has remained essentially static. In short, the reduction in the average size of CBA classes has varied widely from one level to the next. Only for the upper division undergraduate courses has there been a really significant reduction in the average size of classes.

As discussed more fully below, this reduction in the average size of CBA classes has been achieved primarily through the addition of more faculty resources to the CBA and reducing the number of students allowed to enroll in upper division undergraduate courses.

General conclusions. Our general conclusions from the foregoing are that over the past four years there occurred: (1) a slight reduction in average workload at the lower division level, (2) a substantial reduction in average workload at the upper division level, and (3) an essentially unchanged situation with regard to the graduate level.

Overview of Faculty Resources Devoted To Classroom Teaching at the CBA

Instructional effort in higher education is traditionally considered as consisting of three types of activity: (1) classroom teaching and direct contact with students, (2) research, and (3) public service. Although all three are deemed

important, the measurement of faculty workload or effort is most often made in terms of the first element—classroom teaching and other direct student contact. This is because classroom teaching and student contact can be quantitatively measured, while the latter two can only be assessed by a high degree of qualitative judgment. No doubt qualitative aspects are highly important to teaching as well, but quantitative measures are widely used and do, in fact, provide some specific indication of teaching effort. Therefore, we have examined teaching workload of the CBA in quantitative terms from 1973 to 1976. The results follow.

Number of individuals and FTEs teaching CBA classes from 1973 to 1976. During the period from 1973 to 1976, there have been increases in the number of individuals and FTEs (full-time equivalent) teaching CBA classes as indicated below.

<u>Year</u>	<u>No. of individuals</u>	<u>No. of FTEs</u>
1973	79	62-1/3
1974	84	66
1975	85	67-2/3
1976	95	69-1/3

The above data reveal that the 12 additional instructional positions granted to the CBA in 1975 (ten in the 1975-77 appropriation for the CBA plus two reallocated to the CBA from the UHM chancellor's pool of vacant positions) have not been fully translated into additional teaching effort. Indeed, the total FTE devoted to teaching increased only by seven FTEs (from 62-1/3 to 69-1/3) during the entire four years from 1973 to 1976. From the time the increase of 12 positions was authorized in 1975, the increase was only 3-1/3 positions. The disposition of these positions is discussed more fully later in this chapter.

Average number of students taught per FTE. Knowing only the number of persons and FTEs teaching CBA classes does not provide much insight into the CBA's utilization of faculty resources. It is necessary to also relate these numbers to teaching workload. One

measurement of workload is the number of students registered (taught) per FTE devoted to classroom teaching. Summarized below are data showing what has occurred at the CBA over the past four years with regard to the average number of students registered for each FTE committed to classroom instruction.

<u>Year</u>	<u>Average no. of students per FTE</u>
1973	151
1974	126
1975	127
1976	122

From the above, it can be seen that generally there has been a reduction in the average number of students registered per FTE devoted to classroom instruction.

Average class size based on the average number of students per FTE teaching. The average number of students per FTE devoted to teaching can also be used to calculate the average size of classes. This can be done by dividing by three the average number of students taught per FTE shown above, on the assumption that three classes constitute the normal and expected teaching load for faculty in the CBA. The results of applying such a calculation to the data we examined are set forth below.

<u>Year</u>	<u>Average class size</u>
1973	50
1974	42
1975	42
1976	41

Average number of student credit hours per FTE faculty member. Because most of the CBA's classes carry a standardized three credits, much the same pattern prevails with regard to student credit hours per FTE faculty as exist concerning student registrations. For the most part, the number involving student credit hours is simply triple the number relating to student registrations. This is confirmed by the data summarized below, which shows the average number of student credit hours handled per FTE

faculty member of the CBA for the years 1973 through 1976.

<u>Year</u>	<u>Average no. of student credit hours per FTE</u>
1973	445
1974	372
1975	373
1976	356

As can be seen, the average number of student credit hours handled per FTE has decreased.

The principal fact worth noting is that since 1973 the average number of student credit hours per FTE faculty has been less than the limit specified in the accreditation standards. That is, the average has been below 400 student credit hours. In fact, this average has been steadily declining.

General conclusions concerning teaching workloads at the CBA since 1973. From the foregoing discussion, several conclusions may be drawn. These are:

- . Since 1973, additional faculty resources have been devoted to actual classroom teaching at the CBA, but such additions have not been fully proportional to the 12 supplemental instructional positions which were granted to the CBA in 1975.
- . By reducing and then holding down the CBA's total workload, and by adding supplemental faculty resources to the teaching of CBA classes, the CBA has reduced the average teaching workload of its faculty members.
- . According to the CBA computations, since the teaching workload has been reduced, it is within the undergraduate average teaching workload limits prescribed in the accreditation standards.

Application and Misapplication of Accreditation Faculty Workload Limitations at the CBA

As previously noted, faculty workload limitations called for under accreditation standards for schools of business administration have had a highly significant impact on the CBA. Such limitations were cited by the CBA as the primary factor requiring the imposition of the restrictive admissions policy in 1974. The need to comply with such limitations was also used to justify the budget request for ten additional teaching positions in 1975. In view of the importance attached to faculty workload limitations for accreditation, this study has examined the limits on workload prescribed by the accreditation standards. Particular emphasis has been given to understanding the nature of these limitations and to determining how they relate to conditions prevailing at the CBA, both in 1973 before admission restrictions were imposed and in the period since the policy was put into effect and additional faculty resources were made available to the CBA.

In short, we have attempted to answer the following questions: (1) did the accreditation limitations dictate the drastic action taken in 1974 of placing a lid on enrollments in the CBA and instituting a highly restrictive admissions policy? (2) have the actions taken since 1974 (that is, retention of the admissions policy and expansion of the CBA's faculty resources) brought the CBA fully into compliance with accreditation requirements? and (3) does continuing compliance with the accreditation requirements support and justify the retention of the CBA's admissions policy in the face of the substantial increase in faculty resources which has taken place since 1974?

General comments. Our answers to the above questions are discussed in some detail below. However, based on our analysis of the accreditation limitations and of conditions at the CBA both before and after 1974, the following general comments are made.

There appears to have been a serious

misinterpretation or misapplication of the accreditation limitations at the CBA since 1973. As a result, the limitations have been stated to be much stricter or lower than they actually are.

Even with the heavy class enrollments which existed in 1973, the CBA does not appear to have been in violation of the accreditation limitations at that time. If there was any violation, it was not of sufficient seriousness or magnitude to warrant the drastic action taken.

Since 1974, the CBA has been safely within the accreditation limitations—so much so, in fact, that these limitations cannot reasonably be used to justify the continuance of the CBA's highly restrictive admissions policy.

Accreditation teaching workload limitations. The CBA is accredited by the American Assembly of Collegiate Schools of Business (AACSB). AACSB standards cover all aspects of the operations, activities, curriculum, and staff of the institutions it accredits. Thus, limitations on the amount of faculty workload allowed under the standards are only one set of many different requirements which the CBA has to meet to be accredited.

The accreditation standards recognize instruction, research, and academic administration as elements of the normal workload of faculty members in the field of business administration. Apparently with the objective of preventing the classroom teaching portions of the total workload from becoming unduly burdensome on faculty members and from impinging unreasonably and disproportionately on their other areas of responsibility, the accreditation standards set a more or less maximum limit on the amount of classroom teaching effort. This limit is expressed in terms of the ratio of full-time equivalent (FTE) academic staff to the number of student credit hours taught as follows:

"The ratio of full-time equivalent academic staff to the number of student credit hours taught at the undergraduate and graduate levels shall be such as to enable the school to fulfill adequately its total commitment. In general, the full-time equivalent academic staff shall be not less than the sum of the following: for the undergraduate program one FTE per 400 student credit hours taught per term; for the graduate program one FTE per 300 student credit hours taught per term. The number of student credit hours taught per term shall be calculated as an average of the terms included in the academic year."

From the above, it can be seen that the limitation takes the form of a broad application of a general formula to the school's overall instructional staff resources and to its total teaching workload as measured by student credit hours. As such, the limitation says nothing specifically about the workloads of individual faculty members or about the maximum, minimum, or average sizes of classes.¹ However, it does make a distinction between the limit applicable to the undergraduate level and that applicable to the graduate level. The limit set for the latter is stricter, or lower, than the one set for the former.

Logical and appropriate steps to apply the teaching workload limitations formula. To apply the formula for determining compliance with the teaching workload limitations, the following steps appear to be logical and appropriate.²

1. Identify and compute the school's FTE faculty based on definitions set forth in the standards.

2. Compile the student hours taught, keeping the undergraduate credits separate from the graduate credits.

3. Separate or allocate the FTE faculty on the basis of faculty assignments to the undergraduate and graduate levels of instruction.

4. Divide the respective total FTEs at the undergraduate and graduate levels into the respective total student credit hours taught at the undergraduate and graduate levels.

5. Compare the results obtained from following the above procedures with the maximum limits set forth in the standards. So long as the results are less than 400 at the undergraduate level and less than 300 at the graduate level, the school will be in compliance with the accreditation limitations on faculty teaching workloads.³

The CBA's "short-cut" method for measuring compliance with the accreditation limitations. Instead of following the steps outlined above for determining compliance with the accreditation limitations on faculty teaching workload, the CBA for at least the period since 1973 has been using its own "short-cut" method for measuring such compliance. As explained to us, this "short-cut" method involves the following steps:

1. The CBA "converts" the number of student credit hours per FTE faculty member into an allowable average class size. This is done by dividing an assumed normal teaching load, as expressed in semester credit hours, into the total numbers of student credit hours allowed per FTE faculty member under the accreditation standards (i.e., 400 student credit hours at the undergraduate level and 300 student credit hours at the graduate level). The teaching load assumed by the CBA to be normal is nine semester credit hours, or three classes of three

¹Elsewhere in the standards a maximum limit on the teaching workload on individual faculty members is set. This limit is not more than 12 credit hours per week. As noted in this report, only on rare occasions has the actual teaching workload at the CBA exceeded nine credit hours per week.

²See appendix B for an excerpt of pertinent portions of the publication, "AACSB Accreditation Council, Policies, Procedures and Standards 1976-1977," the AACSB standards relating to limitation on faculty teaching workload. The excerpt includes the personnel section (section III) of the standards.

³These procedures have been discussed by telephone with the managing director of the accrediting agency, the American Assembly of Collegiate Schools of Business, and we have been advised that they appear to be consistent with the provisions set forth in accreditation standards. Specific compliance with accreditation requirements can be determined, however, only on the basis of a detailed analysis of actual data reported by a school to the accreditation agency during their accreditation process.

hours credit apiece. Thus, the CBA's conversion of student credit hours per FTE to allowable average class size occurs by dividing 400 student credit hours by 9 teaching hours. That is, 44.4 ($400 \div 9 = 44.4$) is the maximum number of undergraduate students allowable on an average, per class. Again we should stress this number derives from the CBA's "short-cut" method of computation. By this same "short-cut" method, the ratio at the graduate level is 300 student credit hours divided by 9 teaching hours. Again, by the CBA method 33.3 ($300 \div 9 = 33.3$) is the maximum number of graduate students allowable per class—on the average.

2. Each semester the CBA calculates the average sizes of classes at the undergraduate and graduate levels. This is done by simply compiling separately the total numbers of undergraduate and graduate student registrations for the semester and then dividing: (a) the total number of undergraduate student registrations by the total number of undergraduate classes offered, and (b) the total number of graduate student registrations by the total number of graduate classes offered.

3. The CBA then compares the actual average class sizes each semester calculated under step "2" against the "converted" or allowable class sizes derived under step "1" above. If the actual class sizes calculated under "2" are less than 44.4 students at the undergraduate level and 33.3 students at the graduate level, then the CBA assumes itself to be in conformance with the AACSB's accreditation limitations. If, however, the CBA should exceed the 44.4 or the 33.3 limits derived under "1", then the CBA assumes itself to be exceeding the accreditation limitations on teaching workloads.

Deficiencies in the CBA's "short-cut" method. The CBA's "short-cut" method suffers from several serious deficiencies. These include the following:

1. *Difficulty of comparison to official standards.* Generally, the CBA's "short-cut"

method is a proxy for the officially prescribed system. Whereas the accreditation standards are stated in terms of average student credit hours per FTE faculty member, the CBA method is framed strictly in terms of average class size. The CBA's method thus makes comparison of actual conditions to the AACSB's officially prescribed yardstick for measurement exceedingly difficult.

2. *A substitute which does not correctly reflect the AACSB definition of teaching workload.* In deriving its "conversion" formula, the CBA has adopted assumptions concerning faculty workload which neither represent the actual situation at the CBA nor take into full account the scope of instructional activities recognized in the accreditation standards. The AACSB accreditation standards take into account only two variables in computing teaching workload. These are: (a) the number of students taught, and (b) the amount of time these students are taught (i.e., each credit is roughly equal to one hour's time in class per week). While the number and complexity of class preparations may also be valid bases upon which to evaluate teaching effort or workload, they are not elements in the accreditation formula. Moreover, the accreditation standards recognize there is more involved in the responsibilities of academic faculty than just classroom teaching. The net result of these considerations is that the standards simply provide that the *teaching workload* of faculty members should not *on the average* exceed the prescribed limits as measured by *student credit hours*.

The CBA's "short-cut" method, however, is based on the assumed *maximum* teaching workload of the faculty rather than its actual *average* teaching workload. The CBA maximum is nine hours, or three classes of three hours credit apiece. In fact, many CBA faculty members teach less than this amount. Only rarely does a faculty member exceed the nine-hour maximum. As a consequence, the average teaching workload at the CBA is something *less* than the nine semester credits which the CBA "short-cut" method assumes. How much less is not entirely clear, but the difference need not be

great to have a significant impact on CBA enrollment limits. An illustration follows. As previously stated, the CBA divides the AACSB's standard of 400 student credit hours per FTE by the maximum of 9 teaching hours to derive the average CBA class limit for undergraduates of 44.4 students. The effect of reducing the average teaching hours per FTE under 9 is shown below:

$400 \div 8.75$ teaching hours = a limit of 45.7 students per class

$400 \div 8.5$ teaching hours = a limit of 47 students per class

$400 \div 8.25$ teaching hours = a limit of 48.5 students per class

$400 \div 8$ teaching hours = a limit of 50 students per class

The above shows that, to the extent the average teaching load is less than nine hours, students are excluded by the CBA policy from studying business.

To gauge the impact on enrollment allowed by the CBA, the change in the CBA "limit" must be multiplied by the total number of CBA classes offered. If the actual average teaching load per FTE is 8.5 instead of the assumed 9 hours, allowable class size grows by 2.6 students (47.0 less 44.4 students). If the CBA offers 100 classes, the seemingly modest miscalculation of the teaching load affects 260 students. In reality, the CBA last semester offered 183 undergraduate classes. Simply put, even a small misrepresentation of the teaching load by the CBA excludes hundreds of students from studying business.

3. *The net effect: justifying a smaller teaching load.* The net result of the foregoing deficiencies in the CBA "conversion" is to justify, if not dictate, a teaching workload which is less than the limit allowed under the CBA's accreditation standards. The "conversion" formula also has provided the rationale or

justification for: (a) the CBA's highly restrictive admissions policy, and (b) an increase in CBA faculty resources.

To determine that this has been the actual effect of the use of the "short-cut" or conversion method, we applied both of the approaches outlined above to available CBA data for the fall semesters of 1973, 1974, 1975, and 1976 and compared the results. On the basis of our analysis, the workload data indicate that considerably more students could have been handled by the CBA during most of this period without exceeding the teaching workload limits of the accreditation standards—if the accreditation formula had been directly and strictly applied. Indeed, even in 1973 when the CBA and UHM indicated a crisis situation was being faced, our analysis shows that the CBA was actually within the limits prescribed by the accreditation standards. Only by using the CBA's "short-cut" method is it possible to show that the accreditation limit for the undergraduate level was being seriously violated in 1973, or that it has been closely approached in the years since. The detailed results of our analysis are summarized in the following section.

Comparison of the CBA's "short-cut" approach and a direct approach to the measurement of compliance with accreditation teaching workload limits. This section summarizes and compares the results we obtained by applying both the CBA's "short-cut" approach and a direct approach to the measurement of compliance with the accreditation standards. Available data for the fall semesters of 1973–76 were analyzed.

1. *Application of the CBA's "short-cut" approach.* As indicated above, the CBA has "converted" the limits on student credit hours per FTE faculty member to limits on the average class size, as follows: (a) for undergraduate classes, the average size should not exceed 44.4 students, and (b) for graduate classes, the average size should not exceed 33.3 students.

The next step in the CBA's procedure is to

calculate the average class sizes at the undergraduate and graduate levels. This is done by dividing the total number of student registrations by the total number of classes. Taking the available data for the fall semesters of 1973 through 1976, these averages work out as follows:

Year	Undergraduate			Graduate		
	Total student registrations	Total classes	Avg. class size	Total student registrations	Total classes	Avg. class size
1973	8802	÷ 152	= 58	785	÷ 37	= 21
1974	7925	÷ 173	= 46	601	÷ 28	= 21
1975	7921	÷ 180	= 44	648	÷ 27	= 24
1976	7969	÷ 183	= 44	514	÷ 27	= 19

The final step in the CBA's procedure is to compare the results obtained above against the limits on average class size derived through the "conversion" formula. When this is done, it can be seen that at the graduate level no problem is indicated; the average size of the graduate classes as computed is significantly below the 33.3 limit for all four years covered. However, the situation is quite different at the undergraduate level. In 1973, for example, the average class size of 58 is substantially in excess of the 44.4 limit. In 1974, the limit is still exceeded, but only by a small amount. In the last two years, the computed average is just slightly below the indicated limit of 44.4.

Based on the results obtained by this procedure, it is possible to see why the CBA and UHM have expressed concern about the large average size of the CBA's classes and the effect this may have on the accreditation agency. From this viewpoint, one may see why the CBA and UHM have indicated the need both to retain the CBA's restrictive admissions policy and to seek additional faculty resources. It appears that the CBA is just barely satisfying accreditation limitations on teaching workloads. Hence, based on the CBA's "conversion" formula, accreditation could be jeopardized if more students were allowed into CBA classes or if any reductions were made in the CBA faculty.

2. *Application of a direct approach to measuring compliance with teaching workload limitations.* Recognizing that the workload formula in the accreditation standards requires the use of FTE faculty members in the CBA, the first step we took was to identify and compute the CBA's FTE faculty for the four years covered.⁴ Our calculations of FTE faculty for the CBA (including TIM) for the fall semesters of 1973, 1974, 1975, and 1976 are shown below:

Faculty category	Undergraduate				Graduate			
	1973	1974	1975	1976	1973	1974	1975	1976
Regular faculty	47.33	43.50	47.13	49.66	10.34	7.67	7.33	6.00
Visiting professors and lecturers	9.00	18.00	17.67	18.83	.33	1.00	1.00	1.00
Graduate assistants	10.50	10.50	11.00	12.00	—	—	—	—
Total	66.83	72.00	75.80	80.49	10.67	7.67	8.33	7.00

Our next step was to determine the total number of student credit hours at the undergraduate and graduate levels for each of the fall semesters. Summarized below are the data on student credit hours which we used in our calculations and analysis:

⁴This proved to be a time-consuming task. *First*, we followed the definitions of FTE set forth in the AACSB standards to identify who should be included in such a count. This was complicated by the fact that: (1) many individuals fill positions which are split between both teaching and non-teaching activities, (2) some jobs lack clear descriptions, and (3) the definitions are not always precise in their coverage. *Next*, we examined and cross-checked numerous documents, such as class lists, payroll reports, and position control reports, to account for those personnel who should be considered part of the CBA faculty. These various documents contain a wealth of data, but they are poorly coordinated and often are difficult to use and reconcile with one another.

<u>Year</u>	<u>Total under- graduate student credit hours</u>	<u>Total graduate student credit hours</u>
1973	25,980	2,355
1974	23,321	1,803
1975	23,291	1,944
1976	23,143	1,542

With the total data in hand on undergraduate and graduate student credit hours, we next divided these totals by the total FTE faculty at the undergraduate and graduate levels shown above. This provided us with the average number of student credit hours actually taught per FTE faculty member. The results of our calculations are set forth below.

To show the effects of including visiting professors, instructors, and graduate assistants in the FTE faculty, we have shown below what the average student credit hour workload per FTE would be for: (a) the regular academic faculty alone, (b) the regular academic faculty plus the visiting professors and lecturers, and (c) the first two categories of faculty plus the graduate assistants. It is the third and most inclusive averages which most closely approximate the teaching workload covered by the accreditation standards.

From the averages, it can be seen that if the broadest definition of FTE faculty is used, then the CBA stayed within the workload limitations during every one of the past four fall semesters—including the fall of 1973 when the CBA and UHM were expressing such deep

concern. This “crisis” situation, of course, was used to justify the imposition of the CBA’s restrictive admissions policy and the request for a substantial increase in the CBA’s faculty resources.

As a matter of fact, by the fall of 1976—after the CBA had been restricting its enrollments for three years and after it had received additional faculty resources—the CBA’s teaching workload was substantially below the prescribed limits. This means that under existing conditions there is no danger of the CBA’s approaching or exceeding accreditation requirements.

Indeed, if policymakers decide that the CBA should increase its teaching workload up to the limit allowed under the accreditation standards, then it could enroll a great many additional students in its classes. The approximately 80 FTE positions at the undergraduate level in 1976 only averaged 288 student credit hours apiece, or 112 less than the 400 student credit hours set forth in the accreditation standards. If the average teaching workload of these 80 FTE positions were increased by 100 more student credit hours, this would enable the CBA to absorb an additional 8000 student credit hours (80 x 100) without increasing faculty resources or exceeding accreditation workload limits. If it is further assumed that the average fulltime student class load includes 12 credit hours in CBA courses, this means the CBA could handle 667 more fulltime students and remain within the teaching workload limitation. This is more than the number of students which the CBA reports it is rejecting under its present admissions policy.

	<u>Average no. of undergraduate student credit hours per FTE faculty</u>				<u>Average no. of graduate student credit hours per FTE faculty</u>			
	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Regular academic faculty only	549	536	494	466	228	270	265	257
Regular academic faculty plus visiting professors and lecturers	461	379	359	338	221	235	233	220
Regular academic faculty plus visiting professors, lecturers, and graduate assistants	389	324	307	288	221	235	233	220

In short, there is no justification for the CBA's present restrictive admissions policy insofar as accreditation requirements are concerned.

Overall conclusions. Our overall conclusions concerning the relationship of the limits on teaching workload to the CBA are stated in some detail at the beginning of the discussion on this subject. They may be summarized briefly as follows: (1) there has been a misapplication of the accreditation limitations to the CBA, (2) this misapplication has been used to justify the CBA's restrictive admissions policy and its requests for additional faculty resources, and (3) under existing circumstances, accreditation requirements in themselves cannot be said to support either the restrictive admissions policy or the substantial increases in instructional positions which have been granted to the CBA.

Actual Use of the Additional Instructional Positions Granted to the CBA

As already noted, since 1975 the CBA has been authorized additional instructional positions to enable it to handle "workload increases" supposedly imposed on the CBA. However, from 1973 on, the CBA's overall workload in terms of students and student credit hours decreased. In actuality not all of the additional positions were used to expand the teaching effort, yet the restrictive admissions policy was not relaxed. Therefore, questions must be raised concerning the use made of the additional instructional positions given to the CBA. Up to now, only partial answers have been provided to these questions, which include the following: (1) how many of the positions actually have been used for instructional purposes? (2) if not all the positions have been used for instructional purposes, for what purposes have they been used? (3) have any of the positions been diverted to other uses at the expense of the instructional program? and (4) if all, or most, of the positions have been allocated to the instructional program, why haven't they enabled the CBA to service more students? We

have attempted to find answers to these questions. Our comments on them follow.

Difficulties in maintaining control over academic positions at the UHM. The difficulty of keeping track of and accounting for the detailed disposition of academic positions at the UHM should be recognized. The academic positions at UHM are in a constant state of flux. Many factors affect the status of positions and these factors are likely to change every semester, if not more frequently. Such factors include: (1) sabbatical and other leaves (which can be taken on a fulltime or part-time basis), (2) the movement of academic personnel from one type of activity to another (instruction, research, public service, and academic administration), (3) the possibilities of splitting individuals among different activities and several positions (some "pieces" of positions are expressed in small fractions), and (4) the different ways of counting employees for position control purposes (e.g., graduate assistantships are equated to one-half a position; lecturers generally warrant no position count at all).

To cope with controlling positions, UHM has developed a fairly comprehensive and complex position control system utilizing computers. While considerable progress has been made over the years in the design, implementation, and operation of this system, it still is not completely satisfactory. Moreover, it cannot rectify the deficiencies which existed in the past.

Additional positions generally have remained in the "instructional" category. For budgetary and position control purposes, the academic activities performed through the various colleges at UHM are divided into two categories: (1) "instructional," and (2) "academic support." In the case of the CBA, this division has resulted in most of the CBA (including TIM) personnel being placed in the "instructional" category, but those assigned to the dean's offices (CBA and TIM) are categorized as being "academic support." This

latter category constitutes a small portion of the total positions allocated to the CBA. Since 1974, the number of academic support positions in the CBA has remained constant at 7.5 positions (4.5 in the CBA dean's office and three in the TIM dean's office). Thus, none of the 12 additional academic positions granted to the CBA in 1975 was transferred to the "academic support" category—at least for official budgetary or position control purposes.

Difficulties raised by lack of precision in the definition of "instructional" and "academic support." The lack of change in the count of "academic support" positions does not provide a full or accurate picture regarding the use of the additional instructional positions. This is because no clear definition exists at either the CBA or UHM levels as to what activities fall into the "instructional" category and what can be classified as "academic support." Within the CBA, the industrial relations center is classified under the "instructional" category even though its personnel perform no teaching duties except to the extent they may also fill partial positions in one of the CBA's academic departments. Similarly, departmental chairmen are placed fully under the "instructional" category although they perform administrative or academic support functions.

Another unclear situation pertains to some of the CBA academic personnel who perform various activities under the aegis or direct control of the dean's office, but who are classified in the "instructional" category when performing these duties. According to the rule of thumb followed by UHM budget office, the "academic support" category is generally intended to encompass functions and positions which render service on a college-wide, school-wide, or interdepartmental basis, while the "instructional" category is generally considered to include teaching, research, and academic administration activities and personnel located at the departmental or subunit levels within the colleges and schools.

In the case of the CBA, several academic

staff members are classified as filling "instructional" positions, but they actually perform functions which are either college-wide in scope or carry out activities under the direction of the dean's office (rather than of any one of the academic departments or other organizational units within the CBA). Moreover, in the past several years, there has been an increase in the number of such persons or positions within the CBA.

For example, the CBA has recently created a position of "director of research and development." The job is shown in the "instructional" category. The incumbent is a regular faculty member who teaches only one class and devotes the rest of his time to this new job. The CBA also recently employed a "visiting instructor" who is listed as teaching one class but whose primary duties have been described as serving as the director of computer laboratory services for the CBA. A second "visiting instructor" formerly taught CBA classes but has been serving as a special assistant to the dean with no classroom teaching responsibilities. She mainly acts as the CBA's coordinator and trouble-shooter in repairing and renovating the CBA's relatively new building, with the goal of remaking it into a satisfactory and adequately functioning facility.

In each of these cases, CBA administrators defend the use of "instructional" positions for these purposes on the grounds that either: (1) the activities performed are so closely interrelated with normal instructional activities (including direct contact with students and faculty research) that they take on the character of being "instructional" themselves, or (2) the work being performed is only temporary and its results will be highly beneficial to the instructional program; the instructional program would be seriously hampered if such work were not performed. Critics within the CBA maintain, however, that the assignment of such duties diverts faculty time away from "instructional" effort and involves activities which in the past have been adequately handled by existing administrative personnel or graduate assistants

or could be absorbed by other means. The relative merits of these conflicting viewpoints are a matter of judgment. However, there can be no question that such use of faculty positions does reduce the amount of faculty resources available to handle classroom teaching responsibilities. This loss to teaching time was offset in 1976 by the assignment of persons in the dean's office categorized as "academic support" to teach one class apiece. This was done without charging the "instructional" program for such teaching time or reducing the official position count for the "academic support" program.

Teaching workload reductions for research.

In addition to the use of "instructional" positions for administrative-type activities as indicated above, the CBA recently inaugurated a policy of setting aside one position to reduce the teaching workload of faculty members for research purposes. This is done by reducing the teaching load of three faculty members by one class apiece (or one-third position each) for one semester. Hence, a conscious decision appears to have been made to increase emphasis on faculty research at the expense of providing more classroom teaching services.

While faculty research falls within the scope of "instructional" activity as defined by the AACSB, research is not defined by the AACSB as a teaching activity per se. The CBA action of freeing faculty time for research has the result of reducing the amount of faculty resources available for classroom teaching.

Impact of reducing average class size.

As noted previously, the CBA has increased its FTE faculty effort devoted to classroom teaching by seven positions since 1973 (or 3-1/3 positions since 1975). However, this has not resulted in the servicing of more students. Rather, the adding of these new positions to the CBA's "instructional" program has served to reduce the workload of the faculty by reducing the numbers of students and student credit hours handled by the individual faculty members.

Some positions still not permanently filled.

In explaining the use of the additional instructional positions granted to the CBA in 1975, CBA administrators point out that some of the positions still have not been filled on a permanent basis. Hence, the ultimate impact of the new positions on the "instructional" program cannot yet be fully assessed. In the meantime, these positions are being used on a temporary basis for non-teaching purposes. One such non-teaching purpose includes some of the administrative-type activities discussed above; e.g., the visiting instructor who is serving as a special assistant to the CBA dean. Another such instance is the creation of more graduate assistantships. Since 1973, there has been a net increase of three graduate assistantships in the CBA. This is equal to 1.5 instructional positions. Until a position is permanently filled or when half-time positions are vacated as a result of faculty sabbaticals or transfers to other activities, graduate assistants can be hired to fill the vacant positions. Not being permanent appointments, the graduate assistantships can be abolished when the vacant positions become filled. In the meantime, it can be argued that the graduate assistants benefit the "instructional" program. At the same time, this means fewer faculty members are available to teach classes. As a consequence, the failure to fill positions with permanent appointments is more likely to work to the advantage of the CBA and its faculty than to the advantage of students enrolled in CBA classes or seeking to enroll in such classes. At any rate, there has been no rush to fill these positions, even though they were created in an atmosphere of great urgency.

Net effect—a college- and faculty-oriented use of the additional positions rather than a student-oriented use. The foregoing shows that several of the additional faculty positions have been classified by the CBA in the "instructional" area. However, some of these "instructional" uses are questionable in the sense that they have been under the direction and control of the dean's office and are similar to activities which are classified as "academic support." To the extent the new positions have

been used to perform what might more accurately be considered "academic support" functions, then there has been a diversion of faculty resources contrary to legislative intent.

In any case, they have not generally been used to increase services to students—except, perhaps, indirectly. Instead, they have been used to: (1) lower the average class size or ratio of students to faculty, (2) increase research opportunities for the CBA faculty, (3) improve academic administrative services in the CBA, and (4) provide positions for temporary special use in the CBA pending the permanent filling of some of the positions. In this sense, it can be said that the use of the additional positions has been heavily oriented to the overall benefit and improvement of the college and its faculty rather than to expanding teaching services.

This is not to say the positions were not used for things that needed to be done. Nevertheless, it should be kept in mind that the positions were originally requested and granted on the basis of providing more services to students. The end result generally has not been the result originally sought. Such a performance

is hardly a faithful carrying out of legislative intent. If the positions had been used differently and with a firm intent to expand the ability of the CBA to serve more students, then there is no question that the CBA's restrictive admissions policy could have been greatly relaxed.

Recommendations

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.*

Chapter 7

REORGANIZATION OF THE COLLEGE OF BUSINESS ADMINISTRATION

After a year of consideration, a reorganization plan has recently been approved for the CBA. The main feature of this plan is doubling the number of the CBA's academic departments from three to six. This was achieved by splitting each of the existing departments into two separate departments. The background of, justification for, and implications of this reorganization plan are discussed in this chapter.

Summary of Findings

We find that, as approved, the reorganization plan appears to have 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.

Situation Prior to the Appointment of the New Dean

Prior to the appointment of the new dean for the CBA and his arrival in April 1975, the

CBA was suffering from what appears to have been serious internal problems. This is clearly indicated in a report of March 31, 1975, to the CBA faculty from the CBA's "Goals and Objectives Committee," which stated that one of the most important of the goals and objectives should be to "reduce the schisms within the faculty to the point where cooperative action is possible."

To deal with this problem, the committee suggested among other things that the departmental form of organization be eliminated within the CBA. The intended purpose was to reduce "the amount of bickering within departments" and to "eliminate interdepartmental competition." Thus, instead of having three rather large departments, the report suggested a single college-wide faculty group (presumably still retaining the TIM), with committees representing the college rather than the present departmental committee structure. This report was submitted at the same time the new dean was assuming his post at the CBA and was not acted on immediately.

Developments Leading to a New Organization Plan

The next step was a questionnaire on reorganization. It asked faculty opinions in "yes" or "no" form on two possible steps: (1) splitting each of the existing three departments in two, for a total of six, and (2) replacing the departmental set-up with area coordinators. A

majority of the faculty who responded favored splitting the departments in two, although in the case of the department of business economics and quantitative methods the margin was slight. On the second question, respondents favored switching from the departmental set-up to area coordinators by 20 to 17. Subsequently the dean recommended the first option, splitting all three departments, a step which he calculated would cost an additional \$18,700 annually. Most of this cost was to result from placing all six new department chairmen on 11-month instead of 9-month salaries, and also paying each new chairman the usual \$1,200 stipend.

The CBA faculty approved the plan by a two-to-one margin, although objections to the plan were strenuous. Going up university channels, the CBA plan was supported by the council of deans, if somewhat less than whole-heartedly; and it was opposed by the executive committee of the faculty senate. Decidedly the reaction to the plan was mixed; support was, at best, limited. Nevertheless, on November 10, 1976, the UHM chancellor transmitted the reorganization plan to the president of the university, urging its approval at the earliest possible date. Recognizing the severe financial constraints facing the university, it was said that the plan would result in a net annual saving of \$11,000 and require no new positions. This saving was to be achieved by having all six of the new department chairmen serve on 9-month appointments instead of 11-month appointments as had been the case with the three existing chairmen. (In addition, department chairmen would receive only a one-class teaching reduction each semester instead of the two-class teaching reduction traditionally observed within the CBA and most other parts of the UHM.) Stating that the proposal "should substantially increase the academic and administrative vitality of the CBA," the chancellor requested that it be approved in time to be effectuated before the end of the fall semester.

On November 29, 1976, the president of the university transmitted the reorganization

plan to the board of regents for approval. On January 5, 1977, the president submitted to the regents an addendum to his original transmittal in which he recommended that the one department at issue was to be split and a new department formed only on "*the voluntary initiative* of at least seven faculty members" (emphasis included) and with the approval of the CBA dean and the UHM chancellor. The addendum went on to outline a variety of modest steps aimed at meeting the objections, or blunting the criticisms, of the opposition.

As modified, the reorganization was considered and given final approval by the board of regents at its regular meeting on January 14, 1977. The CBA is now in the process of implementing the new organization plan.

General Observations Concerning the Reorganization Plan

Several general observations might be made concerning the reorganization plan. These include the following:

1. In the academic field, as in many other areas, there is no one right or wrong way to organize things nor any single way to assure effectiveness and efficiency. Many factors enter into the equation. What works in one situation may not work in another. In fact, several different approaches may be equally effective and satisfactory. Hence, there is no absolute standard by which to judge either side's position in this particular controversy.

2. Considering: (a) the apparent organizational disarray in the CBA several years ago, (b) the need for executives to be able to operate in accordance with their own management styles and to be judged accordingly, and (c) the generally widespread support for the reorganization within the CBA faculty, the CBA dean's position on this matter probably should be given the greater weight and acceptance. Thus, the approval of the plan—especially as modified—by the top level

administrators and the board of regents of the university of Hawaii can probably be considered reasonable and justified. However, it may not be completely equitable, fully effective, nor save money, for all the reasons indicated below.

3. The reorganization plan, as approved, appears to have a negligible effect on costs and the instructional effort in the CBA. However, this is true only because all the new departmental chairmen are to be: (a) placed on 9-month, instead of 11-month, appointments; and (b) given only one-class, instead of two-class, teaching reductions while serving as chairmen. Both of these limitations appear to be contrary to past practice in the CBA and prevailing practice in much of the rest of UHM. Normally, increasing the number of academic departments will increase costs and reduce the amount of faculty time available for teaching because of: (a) 11-month appointments for departmental chairmen, (b) reductions in the teaching load of departmental chairmen, (c) administrative stipends for departmental chairmen, and (d) a higher civil service classification for departmental secretaries than otherwise assigned to clerical personnel. This means that if the plan remains unchanged, it may work a hardship on the departmental chairmen and/or prevent them from carrying out their chairmanship duties effectively. The burden of their positions may also be inequitable when compared to other departmental chairmanships on the Manoa campus. Conversely, costs and diversion of faculty time from instruction may rise substantially if the plan is changed to treat the new departmental chairmen in the customary manner.

4. Because of the problems indicated above, and because of the strong sentiment in favor of abolishing academic departments already apparent within the CBA, the CBA probably should be directing more careful and fuller consideration to the concept of moving completely away from academic departments toward a college-wide approach to academic administration. In any event, the new organizational arrangement should be closely monitored to determine how well it meets the academic and management needs of the CBA.

Recommendations

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.*

Chapter 8

INITIATION OF THE "EXECUTIVE MBA" PROGRAM AT THE COLLEGE OF BUSINESS ADMINISTRATION

Despite stringent financial conditions and a 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 on new ventures when existing demands are not being met. The background, justification, and implications of the CBA's "Executive MBA" program are considered in this chapter.

Summary of Findings

We find as follows:

1. 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.

2. 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.

Description of the "Executive MBA" Program

The "Executive MBA" program has been developed as a separate program from the regular MBA program of the CBA to provide mid-career managers in business the opportunity to update and acquire managerial skills while retaining full-time job responsibilities. The cost to the student for the entire program will be \$7500 (\$3750 per academic year). The program will extend over a 20-month period, at the end of which the 54 credits needed for an MBA will have been earned. The CBA administration says that the course content, subject areas covered, and academic requirements of the "Executive MBA" program will be essentially the same as those of the existing MBA program. It is scheduled to begin in August 1977.

Indicated Impact Upon The Existing MBA Program

According to the CBA administration, the "Executive MBA" program is an alternative to, and not a replacement for, the existing MBA program. The client population to be served by the "Executive MBA" program is expected to be different. Because of the admission criteria for the "Executive MBA" program, which state that the program's students will "normally have a

minimum of five years of private business or public sector experience, at least four of which will have been in a managerial capacity," it is expected that these individuals will be in the middle to upper management levels, rather than in the entry and lower middle management levels characteristic of many of the students enrolled in the regular MBA program.

The "Executive MBA" program will not compete with the existing MBA program for classroom space since all class sessions are scheduled to be held off-campus. However, the students will enjoy the same resources as the regular MBA program. These include the library, consultation with staff, computational facilities, and course materials. Since the current MBA program is operating below program capacity, the additional demands for these same resources are not expected to cause any hardship.

Indicated Impact Upon Deployment of Faculty Resources Within the CBA

The CBA administration says the "Executive MBA" program will require a full-time director and the equivalent of one full-time faculty person. At present, the director of the "Executive MBA" program serves in a half-time capacity, with his time charged to the CBA's office of the dean. Fees charged for the program are expected to cover the full salaries of the director and his staff. These fees will also be used to purchase the services of lecturers or visiting professors who will replace those CBA faculty members temporarily deployed to the "Executive MBA" program. The CBA dean illustrates his contention that the deployment of regular CBA faculty to the "Executive MBA" program will not negatively affect the existing MBA and undergraduate programs with the following statement:

"... Please note that on the basis of our temporary budget we have provided for the hiring of a CI-5 level visiting professor to compensate for regular faculty teaching in the Executive MBA Program. If this amount of money were used to hire lecturers, the Executive MBA Program could assist in reducing the average class size of our now overcrowded undergraduate program and/or permit

us to admit more students as the situation dictates. In any case, the use of CBA professors in the Executive MBA Program as part of their regular teaching load will not affect our existing programs in a negative fashion."¹

Therefore, because of compensatory measures in faculty hiring and assignment, the temporary deployment of CBA faculty to the "Executive MBA" program does not appear to work to the disadvantage of regular CBA programs. However, issues of quality, as well as quantity, are involved. For example, top-quality faculty may possibly be diverted from the regular programs and replaced by lower quality lecturers. Conversely, the CBA faculty sent to the "Executive MBA" program may be of lower quality than the visiting professors and lecturers who replace them. Thus, numbers alone are not an adequate gauge. The matter will have to be closely monitored on both qualitative and quantitative bases to ensure that serious dislocations of faculty resources do not occur.

General Observations

While the "Executive MBA" program is not yet operational, a few observations may be made. As presented by the university and the CBA administrations, the "Executive MBA" program appears to be justified and fairly promising. However, a close look at the program at this stage of its development raises important questions. We feel these questions should be answered as soon as possible inasmuch as community responses to the program are already being received by the CBA.

Has there been adequate internal administrative review of the "Executive MBA" program? According to the *Faculty Handbook*, all new curricula or programs leading to a degree

¹Memorandum, dated July 6, 1976, to Geoffrey Ashton, vice chancellor for academic affairs, and Keith Snyder, vice chancellor for administration, from David A. Heenan, CBA dean, regarding "Proposed Fiscal Arrangements for the Executive MBA Program."

or certificate must be approved by the board of regents. According to the CBA and UHM administrations, the "Executive MBA" program is a revision of the existing MBA program and is not in itself a new program, so the program has not been submitted to the board of regents for approval. Instead, the "Executive MBA" program has been reviewed only by the CBA's graduate governing council² and faculty prior to its approval at the UHM level. Formal approval of the program was then given by the UHM dean of the graduate division and research administration, on August 9, 1976. However, we submit that the "Executive MBA" program, as proposed, entails enough changes of major significance to warrant consideration by the board of regents. The following changes are cited as examples.

1. Changes in admission requirements.

Under the requirements for admittance into the existing MBA program, applicants should be within one semester of receiving a bachelor's degree or its equivalent from a recognized university or college. Furthermore, the MBA brochure states that "an applicant cannot be considered for admission as a regular graduate student unless he has earned at least a B-average during his last two years of undergraduate work and all post-baccalaureate work, and obtains a score of at least 500 on the Graduate Management Admission Test." These minimum academic requirements are not applicable to the "Executive MBA" program applicant. Instead, more emphasis is placed on work experience and potential for continued advancement in a professional career. Indeed, it is possible that an applicant who does not possess an undergraduate degree but who has demonstrated outstanding abilities and has risen to a position of managerial importance may be admitted into the "Executive MBA" program. While we do not question these changes in themselves, we deem them significant and are concerned that they have not been brought to the attention of the university's highest policymaking body, the board of regents. Furthermore, there are questions about the process by which these changes have been developed. As with the

restrictive admissions policy, it appears the CBA may again be in violation of the Administrative Procedure Act.

2. Changes in the fee schedule. Presently, the tuition fees for the existing MBA program are \$275 per semester for resident and military students and \$687.50 per semester for nonresident students. Part-time resident students are charged \$23 per credit hour, while part-time nonresidents pay \$58 per credit hour. As most MBA students are part-time students, the tuition cost of an MBA degree is about \$1242 for residents and about \$3132 for nonresidents. In contrast, the cost of the "Executive MBA" program is to be \$3750 per academic year, or \$7500 for the entire 20-month program. This fee covers all lodging and food costs associated with the live-in weeks and weekend classes, all university tuition and administrative fees (except application fee); use of university libraries; computational, recreational, and sports facilities; and all books and classroom materials. Again, the question is not so much the fee itself but the process by which it was established. The Hawaii Revised Statutes, section 2304-4, relating to the powers of the board of regents, specifically states:

"The board may charge a resident tuition fee for regular courses of instruction at any University of Hawaii campus, including any community college; provided that the tuition fee for nonresident students, both undergraduate and graduate, shall be not less than two times the tuition fee for resident students, but in no event less than two times the undergraduate tuition fee for resident students at the Manoa Campus. The Board may also charge other fees for special programs of instruction, as well as laboratory fees or course fees or fees for student activities, each of which shall be the same for resident and nonresident students. The board may charge other fees for summer session or evening courses, including differential fees for nonresident students. . . ."

It appears that by law the authority to establish both tuition fees and special fees rests with the board of regents. Thus, the fee schedule for the

²This is a CBA faculty committee concerned with all matters relating to graduate faculty and programs. It is advisory to the CBA dean.

"Executive MBA" program, which was not submitted to the board of regents for approval, does not appear to have been established in accordance with legal requirements.

What provisions have been made to assure the proper disposition of the fees collected under the "Executive MBA" program? Although the sum of \$3750 per academic year has been established as a comprehensive fee, in actuality this represents two different sets of fees. The first set of fees is a combination of the regular tuition and student fees applicable to all graduate students. The second set of fees, labeled as special service fees, covers all other program expenses. While the tuition and student fees are expected to be deposited in the general fund, there is some question as to where the special service fees should be deposited. The reason for the division and separate disposition of fees is to preserve the "Executive MBA" program as a separate fiscal entity. If all fees were to revert to the general fund, the CBA would not be able to maintain control over the special service fees collected. This would severely tax the faculty and financial resources allocated to the other CBA programs. Although resolving this matter is obviously important, there is still some confusion as to where the special service fees should be deposited. During our interviews with various university personnel, at least three different entities were mentioned as possible recipients and dispensers of the funds. These included the UH research corporation, the UH foundation, and the college of continuing education and community services.

Will the "Executive MBA" program actually result in the creation of two levels of MBA graduates? Some people believe the "Executive MBA" program generally is a serious watering-down of the master's degree. In the March 8, 1976 edition of *Business Week*, Robert R. Fair, the assistant dean of the University of Virginia Business School, is quoted as saying, "MBA quality is generally down and the courses in too many places are easier." In view of the fact that there are no minimum academic admission requirements for the "Executive

MBA" program at the university of Hawaii, one wonders whether lowered academic standards will be the trend throughout the program. Moreover, all books and classroom materials are to be "prepackaged" for the convenience of the busy "Executive MBA" students. These concessions are to be granted to the "Executive MBA" students but not to the regular MBA students. An additional consideration should be given to whether the business community will differentiate between the "Executive MBA" degree and the conventional MBA degree. Although the CBA administration maintains that the "Executive MBA" program is really the existing MBA program delivered in a different fashion, it should be noted that the regular MBA program and the "Executive MBA" program are often considered to be two separate programs. An article entitled "A Guide to Executive Education," in *Business Week*, notes that while an executive MBA program covers the same basic business management skills as a general MBA program, there is less specialization and more focus on management. Therefore, while the same MBA degrees are awarded, they may result in two quite distinctive degrees or produce two quite different levels of graduates.

Is the "Executive MBA" program meeting the needs of the entire business community, or is it meeting the needs of only a few companies? The cost of the "Executive MBA" program makes it prohibitive for many individuals who may qualify for the program but who are employed by smaller companies. Thus, the question is, should a state institution initiate a public program to meet the needs of those who can already afford to buy a similar program?

Summary

While it is encouraging that the university and the CBA have begun to make positive efforts to serve better the business community and the State, it appears there still are some vitally important questions concerning the "Executive MBA" program which have not yet been addressed and satisfactorily answered.

Thus, it is of some concern that the program already scheduled for initiation in August 1977, has been given wide publicity, and is now receiving applications. Further, we caution that implementation of a program without a clear notion of what the program looks like in totality and what its impact will be on existing programs and resources may prove in the long run to be quite costly in all respects. Accordingly, the program should be subjected to review and approval by the board of regents and shown to be in accordance with all legal requirements before it is effectuated.

Recommendation

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 these 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 the 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.

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UNIVERSITY OF HAWAII AT MANOA

College of Business Administration
2404 Maile Way – Honolulu, Hawaii 96822

JAN 19 1977

ENTRANCE REQUIREMENTS FOR THE COLLEGE OF BUSINESS

The College of Business Administration, in its desire to maintain a high quality of instruction with limited resources, has established certain minimum requirements for formal admittance into the College.

Prospective CBA students must manifest a motivation for a business career. This can best be displayed by past classroom performance and/or business experience.

However, as a general rule, consideration for entrance into the College would be limited to the following minimum requirements:

1. Completion of at least 25 credit hours
2. Completion of the following Pre-Business Core courses with a minimum combined GPA of 2.5
 - a. ACC 201 and ACC 202
 - b. BAS 122 (or equivalent)
 - c. BEc 201 (or equivalent)
3. Completion of a course in the English 100 series
4. Completion of one literature course, preferably in English
5. A cumulative grade point average of all courses of at least 2.5. Evidence of scholastic performance greater than 2.5 will obviously warrant greater consideration of your application.

Once the above minimum requirements have been met, please feel free to apply for admission to the College of Business Administration; however, because we do have class size limitations, merely fulfilling these requirements cannot guarantee entrance into the College.

The deadline date for submission of applications to CBA is October 1 (for the Spring Semester) and March 1 (for the Fall Semester).

Excerpt from *AACSB Accreditation Council
Policies, Procedures and Standards, 1976-77*

STANDARDS

INTERPRETATIONS

III. PERSONNEL

The school shall have adequate academic and nonacademic personnel resources, as measured by both qualitative and quantitative considerations.

A. PERSONNEL CLASSIFICATIONS

Personnel of the school will be considered in the following categories:

1. Full-time Personnel

a. Academic faculty

The academic faculty shall consist of those individuals who hold an appointment to an academic rank with faculty voting privileges. Normally these will consist of individuals with primary responsibility for instruction, research, and academic administration.

Full-time means a faculty member whose total salary from the university for the usual salary period of an academic year falls within the salary range of the unit for the academic rank held.

If an individual is appointed on a full-time basis in the university and devotes part time to the school, that portion devoted to the school may be classified in the full-time academic faculty category.

b. Supportive and service personnel

These individuals are typically associated with the direction and operation of such units as the office of the dean, professional counseling services, professional librarians, computing centers, field services, and research bureaus. These individuals may or may not hold appointment to an academic rank.

STANDARDS

- c. Technical, secretarial, and clerical personnel
2. Part-time Personnel
 - a. Instructional personnel
 - b. Supportive and service personnel
 - c. Technical, secretarial, and clerical personnel

INTERPRETATIONS

These individuals normally perform office and laboratory functions.

This category includes individuals with classroom responsibilities who are employed on a part-time basis such as graduate students and adjunct professors.

This category includes personnel employed on a part-time basis such as research assistants, paper graders, and programmers.

This category includes individuals employed on a part-time basis for performing office and laboratory functions.

B. PERSONNEL QUALIFICATIONS

In determining the qualitative and quantitative adequacy of the unit's faculty and staff, various criteria will be applied.

Emphasis will be placed on the qualifications and responsibilities of the academic faculty as a whole.

The academic faculty shall possess the qualifications, experience, professional interests, and scholarly productivity essential for the successful conduct of a collegiate school of business. These qualities are demonstrated by:

- (a) The educational and professional backgrounds relating to depth and breadth of graduate education and experience.
- (b) Professional attainment and certifications such as the CPA.
- (c) The extent of engagement in innovative curricula development, experimentation in teaching methods, updating course content, effective student counseling, and other meaningful efforts to improve the instructional program.

The categories, (a) through (f), listed are intended to be guidelines to major aspects of the quality of an academic faculty. In most respects they are qualitative and no particular level of achievement can be specified. Rather there should be a reasonable mix of attainment of the various categories in the light of the level of accreditation and the stated objectives of the school.

STANDARDS

- (d) The level of research, writing, and publication.
- (e) The extent of involvement in community service, executive education programs, and other business interactions which contribute to professional development.
- (f) The existence of plans and policies that encourage and provide a framework for continuing professional development and increasing productivity.

1. Full-time Equivalent Academic Staff

The full-time equivalent academic staff shall meet certain minimum criteria.

a. Overall adequacy

The full-time equivalent academic staff shall be adequate to meet the commitments of the school.

b. Full-time academic faculty

An academic faculty composed largely of full-time personnel is the very heart of a strong program of education for business administration. It is upon the full-time faculty that the major responsibility rests for the planning and implementing of a school's program.

INTERPRETATIONS

The full-time equivalent academic staff includes all full-time academic faculty and part-time instructional personnel as defined in the interpretations to III, A, 1, a, and III, A, 2, a.

The ratio of full-time equivalent academic staff to the number of student credit hours taught at the undergraduate and graduate levels shall be such as to enable the school to fulfill adequately its total commitment. In general, the full-time equivalent academic staff shall be not less than the sum of the following: for the undergraduate program one FTE per 400 student credit hours taught per term; for the graduate program one FTE per 300 student credit hours taught per term. The number of student credit hours taught per term shall be calculated as an average of the terms included in the academic year.

For accreditation the percent of full-time equivalent academic staff employed on a full-time basis shall be not less than 75 percent.

STANDARDS

c. Doctoral and professional qualifications

Further significant dimensions in the consideration of faculty competence are the doctoral, professional, and teaching qualifications of the academic staff. Schools should therefore strive for (1) a maximum of full-time academic staff holding the PhD or DBA or other appropriate doctoral degree and (2) a relevant portion of full-time academic staff holding appropriate professional degrees such as the JD and LLB and certifications such as the CPA.

d. Distribution of academic staff

The number and qualifications of academic staff and their distribution among ranks, fields, and programs shall be adequate to provide effective academic performance at all levels and in all areas.

INTERPRETATIONS

As a measure of the faculty's teaching, research, applied knowledge, and overall scholarly capability, at least 80 percent of the full-time equivalent academic staff generated under "a" above will possess qualifications such as the PhD, DBA, JD, or LLB, masters with professional certification such as the CPA, and appropriate masters degrees (or the equivalent). As one further measure of the faculty's research capability, the percent of full-time equivalent academic staff holding the PhD, DBA, or "other appropriate doctoral degree" shall be not less than the sum of 40 percent of the minimum number of faculty required at the undergraduate level under "a" above and not less than 75 percent of the minimum number of faculty required at the graduate level under "a" above. In addition to the PhD and DBA, other doctoral degrees that are research-based and are the highest earned degrees in their fields may be appropriate.

In addition to the quantitative measures of overall faculty competence, accreditation shall take into consideration for each faculty member the important dimensions of experience, qualifications, professional interests, scholarly productivity, and service described in III, B, a through f.

Distribution of academic staff among ranks, subject fields, day and evening programs, and locations should be such that each student or group of students has reasonable opportunity to study with faculty members who meet the qualifications that the Standards require to be met comprehensively by the reporting unit for the degree program or programs in question.

Qualifications of academic staff should be appropriate to the specific subject areas in which their teaching, research, and service responsibilities lie.

STANDARDS

- e. Total responsibilities of academic faculty members

In judging the academic load, consideration should be given to the total responsibilities borne by each member of the academic faculty.

2. Supportive and Service Personnel

In order to operate effectively, the academic faculty requires a staff of supportive and service personnel commensurate with the stated objectives of the school.

3. Technical, Secretarial, and Clerical Personnel.

There shall be available sufficient technical, secretarial, and clerical personnel to enable the school to attain its stated objectives.

4. Part-time Personnel

Part-time personnel in the three categories listed are in general supplemental to the full-time staff, and should so far as possible have similar qualifications.

INTERPRETATIONS

Judgment concerning teaching, research, and administrative loads of the academic faculty shall be based upon the average for the entire academic year rather than the experience of a single term only. Members of the academic faculty should not teach courses in excess of twelve credit hours per week. Assignment of responsibilities for graduate instruction, research direction, and thesis supervision, or of other major responsibilities should result in downward adjustment of the teaching load. In general, no faculty member shall have preparations in more than three different courses per week, nor in more than two fields.

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2. Financial Audit of the Department of Planning and Economic Development for the Fiscal Year Ended June 30, 1967, v.p. (out of print).
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9. Financial Audit of the Hawaii Visitors Bureau for the Period July 1, 1967 to June 30, 1968, 42 pp.
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