THE MYTH OF THE OVERPAID, UNDERWORKED AND UNDERQUALIFIED BUSINESS PROFESSORIATE: A CASE STUDY

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ABSTRACT

In the aftermath of the recent economic recession, many state supported institutions of higher learning faced significant budget reductions. Among the ways to cope with these reductions were public calls for pay cuts for highly paid university professors, and business professors are typically among the highest paid faculty at many public colleges and universities. Moreover, there is often a general perception that business professors are not as qualified as other professors, work less and do less research, while producing poorer students than other campus units. While these perceptions were, and perhaps still are, widely held, the facts are less clear. This case study examined data from a single mid-sized Midwestern public comprehensive university with an AACSB accredited business program in order to explore the question of whether business professors there are overpaid, underworked and under-qualified. Results show that for this case, claims that business professors are overpaid, underworked and underqualified are not supported by the data.

Keywords: Faculty Workload; Faculty Qualifications; Faculty Salaries; Business Professor Salaries

INTRODUCTION

In the aftermath of almost unprecedented economic times, many state supported institutions of higher learning faced significant budget reductions (Kelderman, 2011). There were public calls for pay cuts for university professors (Berrett, 2011; Milburn, 2011; Selix, 2009; "State…," 2011; "UA…," 2008) who have long been accused of being overpaid and underworked (Berrett, 2011). As business professors are typically among the highest paid faculty at many public colleges and universities, they are natural candidates for budget cuts ("Average…" 2013; "Faculty…," 2011; Finch, Allen, & Weeks, 2010; HayGroup, 2011).

In addition, there is a perception that business professors are not as qualified as other professors (Surber, 2010). It has been argued that they work less and do less research, while

producing poorer students than other campus units (Glenn, 2011). The online comments associated with the Glenn article are especially instructive. The comments are anonymous, and the level of civility displayed is low. Comments include the comparison of business graduates to trained apes, a derisory statement that business schools (except for the top 50) are worthless, and a suggestion that economics in business is useless except as a cover story for theft on Wall Street. In the same vein, others suggest that business professors are often shunned by other disciplines and in return "sob all the way to Davos" (Hollinger, 2013, p. B6), the host of the World Economic Forum, implying that these professors are beholden to business and care nothing of academe. To paraphrase one commenter (Rabuzzi, 2001), the separate cultures of the humanities and business seem to either demonize or ignore each other.

The relative high pay of business professors, particularly new business professors, tends to generate ill will with professors from other disciplines, even though salaries are typically based on market factors such as supply and demand (HayGroup, 2011; Mangan, 2001). Salary differentials tend to be a particularly sensitive issue with professors from other disciplines who believe that liberal arts professors are more highly educated than business professors (Surber, 2010). The academic literature has discussed a number of possible negative outcomes associated with differential pay, such as morale, organizational commitment, recruitment problems, equity and job comparability (Bellas, 1997; Scott & Bereman, 1992). Hearn (1999) supports limits to differential pay by providing nine policy choices that taken together would effectively eliminate professor salary based on discipline.

Generally, liberal arts faculty would prefer an approach such as Reed College uses that pays all fields equally, versus the practice of paying differentially based on discipline (Marthers & Parker, 2008). Since there is some suggestion that unionization increases faculty influence over pay scales (Schmidt, 2011), it might be inferred that liberal arts professors would prefer a union environment that offers greater pay equity, particularly as liberal arts faculty vastly outnumber business faculty (by 2.8 times at the university used in this case study) and could potentially dominate union contract negotiations regarding pay scales and differential compensation for different disciplines.

At the study institution, the belief that business professors worked less was also prevalent. At this institution, business professors who were actively engaged in research and maintained a level of research and preparation consistent with the universities mission received a one-course per semester release from teaching. All tenure track business faculty received this teaching reduction. Professors from disciplines outside of business with similar accomplishments did not receive this benefit, generating complaints of unfairness.

While perceptions of workload and pay differentials are widely discussed, supporting data for these and other perceptions are somewhat lacking. Some of these beliefs are easily dismissed. In terms of qualifications, for example, in the 1950's it was true that fewer business professors had PhDs as compared to other disciplines (Gordon & Howell, 1959; Pierson, 1959). That situation is no longer widely true. For example, in the dataset used for this case study 88% of business faculty possessed doctorates in 2010, compared to 84% of the rest of the university. In terms of student quality, the book Academically Adrift (Arum & Roksa, 2011) is widely cited as evidence of the

poor preparation of business students for the marketplace (c.f. comments attached to the 2011 Glenn article cited above). Limiting the usefulness of Arum and Roksa's observations, however, is their methodology, which examined not what students learned in their business programs, but what they learned during the prior two years of their general education program. Regardless, business students' poor preparation coming into a business program has little bearing on business faculty salaries, and although assurance of student learning is a relatively new aspect of business education, schools of business are hardly alone in needing to document positive student outcomes ("Purpose…," 2011). This paper focuses on data analysis to determine if the perceptions of business professors as overpaid and underworked are valid.

That business professors are highly paid is hardly debatable. In two recent studies published in the Chronicle of Higher Education, full professors in Business Administration and Management earned more than Full professors in all but a few of the disciplines listed ("Average…," 2013; "Faculty…," 2011). While these data document the existence of salary differences, the reasons for these higher business salaries were not explored.

One reason for the differences is that business salaries are at least partially market driven (Bellas, 1997; Hearn, 1999), and the long-term shortage of doctorally qualified faculty in business is also well known (Damast, 2009; "A few…," 2007; Mangan, 2001). In 1992 it was widely advertised that there were two openings for every PhD graduate in business (Kurst, 1992). When demand for business professors was higher than the supply, salaries increased (Mangan, 2001). Second, looking at simple salary differentials does not tell the full story. Other things being equal, a professor who teaches more students or publishes more would not be considered overpaid in comparison to others who lacked those responsibilities and accomplishments. Additionally, a fair comparison of workload should include credit hours taught. This paper examines data from a medium sized, unionized, Midwestern public comprehensive university (referred to hereafter as MPCU) with an AACSB accredited business program in an attempt to explore the issues of whether business professors are overpaid and underworked.

METHOD

Data for this study were collected from three primary sources. First, salary data for faculty members at MPCU were collected from a locally published State Worker Pay Database for the academic year 2009-2010. These data had been obtained from the state in an open records request. This database provided the official base pay for each state worker and pay for MPCU employees was extracted from these data. Second, the MPCU faculty union Seniority Roster for 2009-2010 was used to establish which faculty members were employed, their assigned department, and their employment status (full-time versus part-time). Third, an integrated statewide record system was queried to determine credit hour generation for each faculty member at MPCU. These sources were used to create a database containing faculty members' names, base salary, credit hours generated, assigned department, college or other larger unit, and full-time versus part-time status.

Data were imported into SPSS and initial descriptive statistics were calculated. Examination of the initial results led to the elimination of specialized single-person departments (which typically had extremely low credit hour generation) and non-academic departments from

further analysis. For example, the Athletics department was excluded from analysis during this step. In order to aid interpretation and avoid biasing the results, individuals who taught less than 90 credit hours (mostly higher-paid department heads) and those who taught more than 2,340 credit hours during the year (the professors teaching the few, large lecture sections offered at MPCU) were also eliminated from further analysis. Descriptive statistics used in this study for salary and semester credit hours generated per faculty members in each department in the university were calculated for the remaining sample.

The remaining sample was then analyzed to determine if significant differences existed between business professors and the other university professors in terms of salary, credit hours taught, and salary per credit hour using SPSS's General Linear Model (GLM).

Results

Average semester credit hours generated per faculty member in the department, salaries and salary per credit hour generated per faculty member in each of the sixty-seven departments at MPCU were calculated and appear in Tables 1-3. Results are sorted from high to low and departments within the business school are highlighted. The number of faculty within the department is listed in the column headed "N". Results show that most business departments were above the median value of the table for average semester credit hours generated, all are above the median on salary, and results varied for salary per semester credit hour for business departments. The median value in each table is underlined.

Means for business professors versus the rest of the university on salary, credit hours taught and salary per credit hour were examined using SPSS General Linear Model (GLM). GLM was used to simulate a Multivariate Analysis of Variance (MANOVA) with three dependent variables, in an effort to protect against Type I error by evaluating an overall multivariate F-test. Multivariate F-tests for all variables were identical and significant ($F_{3, 539} = 21.16$, $p = .000$). Since the overall F-tests indicated that further interpretation was appropriate, significance levels and marginal means for the individual dependent variables were examined. While salaries were significantly higher for business professors ($p = .000$), there were no significant differences between salary per credit hour taught for business professors versus the rest of the university. Although mean hours taught for business professors was higher than for other faculty (664 hours, $n = 67$,versus 636 hours, $n = 476$), analysis failed to show that these differences were significant ($F_{1, 542} = 0.28$, $p = .595$). Results appear in Table 4 and discussion follows.

Table 1. Average Semester Credit Hours Generated by each Faculty Member in a Department

Department	N	Mean
Physics	7	1574.71
Molecular Biology	7	1530.29
Psychology	11	1247.64
Criminal Justice	8	1167.63
Earth and Atmospheric Science	8	1073.50
Field Biology and Ecology	5	1069.20
Child and Fam Studies	11	1022.00
Biochemistry	2	989.00
Philosophy	10	980.50
Astronomy	2	887.50
Math	20	816.10
Marketing	10	798.60
Business Law	3	773.00
Spanish	7	751.29
French	3	738.67
Health and Physical Education	5	737.20
Developmental Math	5	730.80
Computer Networking	4	726.50
Film Studies	4	704.75
Statistics	4	701.75
Sociology	12	691.92
Finance and Real Estate	10	685.40
Economics	17	679.88
Travel and Tourism	3	676.33
Management	16	676.31
Environmental Technology Studies	5	662.00
Human Relations and Multicultural Ed	9	636.00
Counseling and Community Psych	22	629.73
Business Statistics	4	625.75
Communication Studies	26	622.42
Womens Studies	2	615.50
Computer Science	8	615.13
Nursing Science	12	608.92
Planning and Community Development	4	605.75
Geography	6	595.17
Political Science	11	592.27
Accounting	15	587.40
History	14	584.21
Wellness	6	579.33
Information Systems	9	574.78
Journalism, Broadcast and Digital	7	560.00
Recreation and Sports Management	3	551.67
Electrical Engineering	7	545.29
Special Education	11	493.45
Strategic Communication	6	490.83
Literature, Writing and Rhetoric	24	486.13
Anthropology	6	477.33
German	3	449.67
Art	13	439.69
Elementary Education	10	433.00
Gerontology	2	433.00
Higher Education Administration	3	428.67
Information Media	4	415.00
Comm Science & Disorders	6	410.50
Mechanical Engineering	5	405.40
Educational Administration	5	402.80
Ethnic Studies	5	402.00
Science Education	3	397.00
Linguistics and ESL	7	391.43
Chemistry	6	376.33
Social Work	12	375.08
Secondary Education	2	364.50
Aviation	5	359.60
Theater	4	301.75
Engineering Management	2	297.00
Music	13	213.62
Counseling and Psych Services	2	158.50
Total	**523**	**650.83**

Table 2. Mean Salary by Department

Department	N	Mean
Criminal Justice	8	148175
Field Biology and Ecology	5	120034
Information Systems	**9**	**118325**
Psychology	11	113922
Management	**16**	**113631**
Counseling and Community Psych	22	113408
Finance and Real Estate	**10**	**112912**
Business Statistics	**4**	**110761**
Business Law	**3**	**109662**
Molecular Biology	7	109276
Physics	7	106138
Marketing	**10**	**106054**
Computer Science	8	98865
German	3	96768
Geography	6	95239
Electrical Engineering	7	93019
Accounting	**15**	**92742**
Statistics	4	92306
Educational Administration	5	91787
Strategic Communication	6	91562
Mechanical Engineering	5	89459
Astronomy	2	89295
Economics	17	89069
Wellness	6	87761
Special Education	11	86769
Science Education	3	85185
Math	20	84490
Higher Education Administration	3	83553
Engineering Management	2	83528
Journalism, Broadcast and Digital	7	82806
Linguistics and ESL	7	82102
Human Relations and Multicultural Ed	9	82040
Literature, Writing and Rhetoric	24	81415
Earth and Atmospheric Science	8	80042
Counseling and Psych	2	79397
Services		
Nursing Science	12	79381
Ethnic Studies	5	79052
Health and Physical Education	5	78782
History	14	78512
Environmental Technology Studies	5	78200
Chemistry	6	77864
Recreation and Sports Management	3	77096
Information Media	4	76025
Gerontology	2	75554
Child and Family Studies	11	75318
Music	13	74764
Communication Studies	26	74296
Political Science	11	73359
Communication Science & Disorders	6	73086
Women's Studies	2	72913
Planning and Community Development	4	72699
Elementary Education	10	72451
French	3	72116
Aviation	5	71473
Anthropology	6	70807
Computer Networking	4	70368
Biochemistry	2	70150
Travel and Tourism	3	69308
Social Work	12	68304
Philosophy	10	67684
Art	13	66371
Theater	4	66278
Spanish	7	65895
Sociology	12	65418
Developmental Math	5	59953
Secondary Education	2	57797
Film Studies	4	57643
Total	**523**	**86535**

Table 3.Mean Salary per Credit Hour Taught by Department

Department	**N**	**Mean**
Counseling and Psych Services	2	547.35
Music	13	387.67
Engineering Management	2	300.94
Linguistics and ESL	7	296.93
Chemistry	6	265.87
Theater	4	264.70
Aviation	5	262.73
Information Systems	**9**	**258.96**
Social Work	12	248.99
Special Education	11	242.70
Mechanical Engineering	5	239.11
Educational Administration	5	231.34
Strategic Communication	6	229.22
Art	13	228.87
Counseling and Community Psych	22	228.52
German	3	226.25
Ethnic Studies	5	223.78
Computer Science	8	217.77
Science Education	3	217.31
Journalism, Broadcast and Digital	7	213.34
Literature, Writing and Rhetoric	24	206.94
Communication Science & Disorders	6	202.74
Geography	6	200.64
Political Science	11	198.66
Higher Education Administration	3	196.66
Management	**16**	**196.55**
Electrical Engineering	7	196.49
Business Statistics	**4**	**189.93**
Information Media	4	188.95
Wellness	6	186.52
Elementary Education	10	183.97
Accounting	**15**	**180.41**
Gerontology	2	174.56
Finance and Real Estate	**10**	**172.47**
Nursing Science	12	163.41
Anthropology	6	161.31
Secondary Education	2	158.02
History	14	155.08
Economics	17	153.59
Statistics	4	144.61
Marketing	**10**	**143.57**
Business Law	**3**	**141.32**
Human Relations and Multicultural Ed	9	138.92
Criminal Justice	8	135.21
Communication Studies	26	134.96
Recreation and Sports Management	3	132.94
Environmental Technology Studies	5	124.85
French	3	123.47
Planning and Community Development	4	121.89
Women's Studies	2	119.61
Astronomy	2	118.55
Math	20	117.91
Health and Physical Education	5	112.06
Psychology	11	111.88
Field Biology and Ecology	5	111.36
Spanish	7	110.41
Child and Fam Studies	11	109.04
Sociology	12	108.33
Travel and Tourism	3	102.24
Computer Networking	4	97.11
Film Studies	4	96.73
Philosophy	10	95.66
Developmental Math	5	86.99
Earth and Atmospheric Science	8	80.43
Molecular Biology	7	79.13
Biochemistry	2	74.49
Physics	7	66.01
Total	**523**	**177.91**

Table 4. Differences between the business college and the rest of the university on salary, credit hours taught and salary per credit hour.

DV	College	Mean	Std. Dev.	N	F	Sig.
Salary	Business	107997.76	26839.39	67	42.56	.000
	Other	83375.62	29202.71	476		
	Total	86413.71	30013.20	543		
Credit Hours	Business	663.69	242.49	67	.28	.595
	Other	636.11	414.23	476		
	Total	639.51	397.01	543		
Salary per Credit Hour	Business	186.95	97.05	67	.01	.925
	Other	185.34	135.55	476		
	Total	185.54	131.34	543		

DISCUSSION

The results of this case study suggest that claims of an overpaid, underworked and under-qualified business professoriate are unfounded at MPCU. Business professor academic qualifications are similar to those of other professors in terms of degree achieved. Differences in semester credit hours taught fail to reach significant levels, even though business professors typically teach one less class section per semester than most other faculty. Although business professors may have taught fewer classes than other professors, the classes were larger, leading to similar total credit hours taught. Finally, in terms of pay, no significant differences were found between salary per credit hour taught by business professors versus other professors. Note that other studies finding that business faculty at AACSB schools in general (such as this one) are paid more, publish more and teach less than their non-accredited counterparts (Hedrick, Henson, Krieg, & Wassell Jr., 2010) suggest that additional cases examining non-accredited business programs might find similarly comparable results between the salaries per credit hour of business and other professors.

It is easy to see how the perceptions of inequity gained acceptance. Business professors used to lack similar qualification to other professors. These perceptions change slowly. Business salaries, not controlling for hours taught, are higher than salaries in other disciplines. Few take the trouble to do an analysis that goes beyond that simple fact. Total semester hours taught, necessary information for a proper examination of a faculty member's teaching load, are data that are not readily available. And at MPCU, the release time from teaching to do research is something that is easily recognized and seized upon as an unfair difference.

Study Limitations

The results of this study come from a study of one university. Though not necessarily generalizable, they suggest a method for comparing business and other professor salary that appropriately considers credit hour workload. In this case, when workload in terms of semester credit hours taught is taken into account, differences in pay for a given amount of work disappear. Pay is demonstrated to be equitable from that perspective.

This study has no control for program-level accreditation. Although the business program at MPCU is AACSB accredited and 23 other programs on campus possess similar accreditation in their disciplines, others do not. This study could not identify whether accreditation had an effect on salaries or workloads.

A similar limitation existed in terms of publications. All business professors were academically qualified according to the AACSB, meaning they all met standards for quality and quantity of publications. Publication data for non-business disciplines were not readily available. Attempts to collect these data revealed a number of non-business professors who had no publication in the previous decade, but also led to complex questions of how what each discipline considers scholarly work could be compared. At the extreme, questions of "How is a dance recital compared to a journal article?" could become relevant.

Another consideration is that MPCU is unionized and it is possible that business salaries are depressed and liberal arts inflated in comparison to other universities. This may mean that at other universities, salary per credit hour of business versus other professors might be different to some degree. Finally, examination of results shown in Tables 1-3 represent only one university. The small sample size in many departments may mean that averages shown in each table are extremely variable, and very sensitive to outliers, or in the case of salaries, to seniority effects.

CONCLUSION

This case study illustrates some of the considerations that must be taken into account during salary and pay equity debates that many states, colleges and universities are experiencing. In a time of tightening resources, professors need, now more than ever, to justify their performance. Nationally, there is a perception that business professors (in comparison to other professors) are under-qualified, underworked, and overpaid. This case study suggests that at MPCU these perceptions lack credibility and are not supported by the data.

In examining some of the issues involved in pay equity disputes at MPCU, this study showed that business professor salaries, in conjunction with their credit hour work load, are consistent with those of other disciplines. Examining the metrics used in comparing salaries, job responsibilities and work load between disciplines is a worthwhile task. In this study, using salary per credit hour provides us with a different and perhaps more valid perspective on pay equity.

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