May 2, 2011

TO: DALLAS RABENSTEIN
    EXECUTIVE VICE CHANCELLOR/PROVOST

FM: MARY GAUVAIN, CHAIR
    RIVERSIDE DIVISION

RE: PROPOSAL TO DIESTABLISH/CONSOLIDATE SoBA DEPARTMENTS

The proposal to disestablish/consolidate the three SoBA Departments has been reviewed by the Committees on Academic Personnel, Educational Policy, Graduate Council, Faculty Welfare, Planning and Budget. The Executive Council at its April 25, 2011 meeting reviewed all responses and unanimously endorsed the proposed disestablishment/consolidation.

The proposal will be presented for divisional vote at the May 24, 2011 Division meeting.

Chancellor White
Dean Stewart
Vice Provost Bocian
April 22, 2011

To: Mary Gauvain, Chair
    Riverside Division Academic Senate

Fr: Rise Axelrod
    Chair, Committee on Academic Personnel

Re: Proposal to Disestablish/Consolidate SoBA Departments

CAP discussed the proposal to disestablish/consolidate SoBA departments on April 18, 2011. CAP supports the proposal and recommends the GSOE model for personnel issues.
April 27, 2011

TO: MARY GAUVAINE, CHAIR
ACADEMIC SENATE

FR: JOSE WUDKA, CHAIR
COMMITTEE ON EDUCATIONAL POLICY

RE: PROPOSAL TO DISESTABLISH/CONSOLIDATE DEPARTMENTS IN SOBA

The Committee on Educational Policy voted unanimously today (10 Yes, 0 No, 0 Abstentions) to support the proposal to disestablish and consolidate the departments in SoBA.
April 21, 2011

TO: MARY GAUVAIN, CHAIR
    RIVERSIDE DIVISION

FM: MORRIS MADURO, CHAIR
    GRADUATE COUNCIL

RE: PROPOSAL TO DISESTABLISH/CONSOLIDATE DEPARTMENTS WITHIN THE UCR SCHOOL OF BUSINESS - SoBA

The Graduate Council at its April 20, 2011 meeting evaluated the proposal to disestablish/consolidate SoBA. The disestablishment does not have an impact on graduate programs and thus the Graduate Council members voted unanimously (12,0) to support this proposal.
April 13, 2011

TO: MARY GAUVAIN, CHAIR
   RIVERSIDE DIVISION

FR: D. J. HARE, CHAIR
   COMMITTEE ON FACULTY WELFARE

RE: PROPOSAL TO DISESTABLISH AND CONSOLIDATE THE ACADEMIC DEPARTMENTS IN THE SCHOOL OF BUSINESS ADMINISTRATION (SOBA)

The Committee on Faculty Welfare evaluated the proposal to disestablish and consolidate the academic departments in the School of Business Administration (SoBA). The Committee noted the agreement of the Faculty of SoBA with the Administration on the proposal and concluded that the proposal raises no issue of faculty welfare.
April 22, 2011

TO: MARY GAUVAIN, CHAIR
RIVERSIDE DIVISION

FM: Y. PETER CHUNG, CHAIR
PLANNING AND BUDGET

Re: Proposal to Disestablish/Consolidate Departments within The UCR School of Business - SoBA

Planning and Budget met and reviewed the proposal to disestablish/consolidate departments within the UCR School of Business (SoBA).

The committee approved the proposal unanimously (5, 0).
April 8, 2011

Mary Gauvain, Chair
UCR Division of the Academic Senate

Re: Proposal to Disestablish/Consolidate SoBA Departments

Dear Mary,

Enclosed is a proposal to consolidate and disestablish SoBA’s three departments. The Chancellor is the final decision-maker on this proposal, but the Academic Senate’s judgment is vital to inform that decision. My overall conclusion, based partly upon an external administrative review and individual interviews that the Chancellor and I have had with SoBA faculty, is that the small departments in SoBA are at variance with how other UC business schools are organized. These small departments also tend to worsen a host of other challenges, such as SoBA faculty disengagement from the campus and our traditions and sensibilities around shared governance.

Accordingly, I request that you seek out advice from the appropriate Senate committees per Senate Bylaw App. §7.3 and provide the administration with the Senate’s views in a timely manner (e.g., the May 24th Divisional meeting). My goal and expectation is that this proposal can be put into effect beginning at the start of the new academic year (July 1), which would allow new school-wide academic personnel review procedures in SoBA to be put in place by that time. Thank you for your consideration.

Sincerely,

[Signature]

Dallas Rabenstein
Executive Vice Chancellor and Provost

cc: Chancellor White
    Dean Stewart
    Senate Vice-Chair Walker
    Vice Provost Bocian
Proposal to Disestablish & Consolidate Departments within the UCR School of Business Administration (SoBA) and to Return to School-Wide Governance

Proposal by Executive Vice Chancellor & Provost Dallas Rabenstein

April 8, 2011

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I. Executive Summary

The School of Business Administration (SoBA) has had departments for about a decade. In retrospect, departmentalization within SoBA unfortunately created a more troublesome set of problems than it remedied. The consolidation and disestablishment of departments is a campus-level action in which the Chancellor is the final decision-maker. Evidence from several sources, including an external administrative review, raise significant concerns about the handling of academic personnel matters in SoBA, about faculty morale and engagement, as well as the existence of a fissure between SoBA and the rest of the campus in terms of the understanding of shared governance. In order to uphold the highest standards in academic personnel review, to more closely align SoBA with practices at other UC business schools, and to address these other challenges, I am proposing to Chancellor White that the three departments in SoBA be disestablished and consolidated. In this way, academic personnel input will be channeled through an appropriate school-wide mechanism beginning July 1, 2011. To be clear, this proposal has no impact on the security of employment that SoBA faculty have in their tenured (or tenure-track) positions within the School, nor does it change SoBA’s authority to grant degrees. Rather, this proposal is about changing SoBA’s current department-level structure.
II. Authority & Scope

Under the UC *Compendium* – which details policy and procedure for reviewing University programs and units – the consolidation and disestablishment of existing departments is a campus-level matter that does not require UC systemwide review:

*Actions involving departments are carried out on the ten established campuses and do not involve review by the systemwide office.* Such actions include creating a new department, changing the name of an existing department, and *consolidating,* transferring, or *disestablishing an existing department.* If approved by the appropriate agencies of the Divisional Academic Senate and by the campus administration, an action involving an academic program that appoints faculty who are members of the Academic Senate and who vote as a unit under Academic Senate Bylaw 55 shall be reviewed as an action involving a department. \(^1\) (emphasis added)

Moreover, the Chancellor has final decision-making authority with respect to the consolidation and disestablishment of departments, whereas the Academic Senate is vested with the authority to carry out the role of ultimate decision-maker with respect to academic programs. \(^2\) The above distinction between units and programs is a consistent part of the division of responsibility between the administration and the Senate under UC’s shared governance traditions.

This proposal is intended to initiate the consultation process with the Academic Senate and other campus stakeholders. I ask that Senate consultation be completed by the May 24\(^{th}\) Divisional meeting, so that academic personnel processing and other changes can take effect July 1, 2011. Chancellor White and I have already met with SoBA faculty during two sessions in March where we expressed our concerns and began the informal consultation process about disestablishing/consolidating the SoBA departments.

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2 UCR Senate Bylaw Appendix 7, Preamble: “The ultimate decision to recommend the transfer, consolidation, disestablishment, or discontinuance of an academic program resides with the Academic Senate of the campus and that of a unit resides with the Chancellor. In the context of these procedures, a program is defined as a course of study leading to a degree, and a unit is a school, college, department, or division within a department, school, or college.” *available at* [http://senate.ucr.edu/bylaws/?action=read_bylaws&code=app&section=07](http://senate.ucr.edu/bylaws/?action=read_bylaws&code=app&section=07)
Under the Compendium, “Disestablishments and discontinuances are two actions that are usually interrelated.” While the current proposal entails disestablishment in the sense that the three departments in SoBA would no longer exist, this proposal differs from typical “disestablishment” actions in that it is not being proposed in tandem with the discontinuation of existing degree programs. Rather, this proposal is to consolidate all existing departments within SoBA while leaving other core aspects of the School unaltered (e.g., current SoBA faculty will maintain their tenured positions within the School; SoBA will still confer degrees). This proposal would, in effect, return SoBA to the organizational structure it had roughly a decade ago prior to departmentalization.

In other circumstances it is natural that academic proposals develop from the “bottom-up” through the interest of affected faculty (e.g., creating a new department or degree program). By contrast, this proposal is primarily motivated by the need to maintain campus-wide and University-wide standards of excellence, so here a “top-down” proposal from the EVC is quite appropriate (and it is recognized in the UCR Senate Bylaw that such proposals can originate with the EVC).

III. Key Considerations Supporting this Proposal

Our merit-based and labor-intensive academic peer-review process at UC Riverside is a defining feature of what it means to be a world class research university and part of the University of California system. Given the relatively modest size of SoBA’s ladder-rank faculty, having three departments within SoBA necessarily means small departments (see graphic below), and this in turn creates a significantly increased risk of questionable and/or compromised departmental input into the UCR academic personnel process. As your EVCProvost, I believe that consolidating the three departments in SoBA is a necessary first step to ensure that our most cherished values at UCR are rigorously upheld in SoBA and across the campus.

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3 Compendium, page 31.

4 UCR Senate Bylaw Appendix 7.3.

Several developments led me to what is now a firm conclusion: SoBA departments are currently not functioning satisfactorily, including with respect to handling academic personnel matters. I initiated an outside administrative review of SoBA that was conducted last year by three seasoned business school faculty from other UC campuses. The review team made a two-day visit in March 2010, and the team interviewed all SoBA faculty (and several staff) who wished to participate. The review team’s subsequent findings (See Appendix for one-page summary of findings) included the following:

SoBA delegates academic personnel decisions to very small departments in contrast to the norms at the other UC management/business schools that emphasize school-wide voting. We recommend faculty oversight for personnel decisions by an associate dean for academic affairs or through a school-wide body and faculty chair….We also recommend that the School’s academic leaders work with the University leadership to develop a common understanding about how UC shared governance processes apply to SoBA.

Consistent with the review team’s claim, the graphic below depicts the extent to which departmentalization within SoBA marks a clear departure from how other accredited UC business/management schools are administratively organized. Even the UC business schools that are substantially larger than UCR’s SoBA are organized into “academic areas” (UCLA and Irvine) or “academic groups” (Berkeley) rather than departments.6

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6 [http://www.anderson.ucla.edu/x24217.xml](http://www.anderson.ucla.edu/x24217.xml); [http://merage.uci.edu/Faculty/AcademicAreas/index.aspx](http://merage.uci.edu/Faculty/AcademicAreas/index.aspx); [http://www2.haas.berkeley.edu/Faculty/Faculty%20Groups.aspx](http://www2.haas.berkeley.edu/Faculty/Faculty%20Groups.aspx).
Both last year’s external administrative review and a 2006 external evaluation report (part of a Graduate Council program review) identified low morale and a high degree of factionalism among SoBA faculty (consistent with earlier reviews). While faculty morale and conflict are complex issues with multiple causes, I believe such problems are made worse by having three small departments that take away from school- and campus-wide engagement. Likewise, the administrative review team, which interviewed SoBA faculty and Academic Senate leaders, identified shared governance tensions between SoBA and the rest of the campus. This finding rings true based with my overall experience as UCR’s EVC/Provost, as does the finding about sub-optimal academic personnel input.

In light of the external administrative review, Chancellor White and I individually interviewed all available SoBA faculty last fall, and again we met with most SoBA faculty in group meetings a few weeks ago. This proposal is informed by the collective judgment derived from all of the above sources of information. In a nutshell, we must return to prevailing academic norms of UC business schools by disestablishing the departments we now have in SoBA.⁷

⁷ It should also be emphasized that the problem identified is one of organizational structure (and departmental culture); it would be unfair to blame SoBA staff who handle administrative aspects of academic personnel for the problems detailed herein.
IV. Departmental Rights and Related Concerns

“Department” has a particular meaning within UC, including provisions around departmental voting rights (Regents Standing Order 105.2; Academic Senate Bylaw 55). It follows that if the departments in SoBA are consolidated, then faculty in these departments will no longer vote along departmental lines on matters like academic personnel (indeed, that is an aim of the proposal). At the same time, faculty rights and privileges will be maintained in a fundamental sense insofar as other schools at UCR without departments (namely, the Graduate School of Education) and the business schools at other UC campuses all uphold University policy in academic personnel and other matters without voting along departmental lines. In concert with this proposal, Dean Stewart would consult with Vice Provost Bocian on the most appropriate alternative mechanism for handling SoBA academic personnel matters (consistent with e.g., APM 160 Appendix A), and such arrangements would be in place for the next academic year.

While some SoBA faculty might argue that disciplinary differences could raise concerns about the evaluation of their merit and promotion files (e.g., “Marketing professors don’t understand my work”), such an argument is not persuasive given that other large departments on our campus have as great (or greater) degrees of sub-field differences yet are able to fairly and adeptly handle academic personnel evaluations.

Another implication of this proposal is that there would no longer be chairs with departmental responsibilities within SoBA, so note that department chairs serve at the pleasure of the Chancellor and these administrative posts can be terminated at any time with or without cause (APM 245). Thus, for a faculty member holding a chair appointment, ending that chair position (and any associated stipend) does not ordinarily affect his or her fundamental rights and privileges as a member of the Academic Senate.8

V. Conclusion

UCR has individual departments that are larger than the three SoBA departments combined. In this straightforward proposal I recommend that the Chancellor disestablish and consolidate SoBA’s departments, thus paving the way for academic personnel to be handled on a school-wide basis. Disestablishing and consolidating these departments will (1) facilitate improvements in the quality of input into our cherished faculty peer-review system; (2) bring

8 See e.g., University Committee on Rules and Jurisdiction, Legislative Ruling 10.08 (“Inasmuch as having an at-will administrative appointment is neither a right nor a privilege of Academic Senate members, a divisional Privilege and Tenure Committee does not have jurisdiction to hear a grievance that is asserted with regard to the loss or withdrawal of such an appointment.”).
SoBA into closer alignment with the other UC business schools, as noted by the external review team; and (3) given that shared governance is part of the very fabric of UCR, my hope that this proposal is an important first step toward improving understanding across the campus regarding norms and expectations around shared governance.

(Appendix on Next Page: Executive Summary of the 2010 SoBA External Administrative Review)
School of Business Administration (SoBA) Administrative Review, March 1-2, 2010

Executive Summary

The following summarizes the key findings, conclusions, and recommendations of the Administrative Review Committee on the progress of the SoBA since the Graduate Program review of June 5, 2006. The committee members comprised Professors Paul Griffin (Davis), Ganesh Iyer (Berkeley), and Jone Pearce (Irvine), who met with UC Riverside faculty, staff, and administrators on March 1-2, 2010.

• We found faculty compensation, while high relative to other campus units, as reasonable compared to other UC management/business schools. The School, however, lags the other UC schools in not funding appropriate amounts of compensation through self-supporting programs and professional fees. We recommend a clear road map for resolving SoBA’s funding model by shifting from state funds to professional fees and self-supporting programs as the primary revenue drivers.

• SoBA delegates academic personnel decisions to very small departments in contrast to the norms at the other UC management/business schools that emphasize school-wide voting. We recommend faculty oversight for personnel decisions by an associate dean for academic affairs or through a school-wide body and faculty chair. SoBA delegates academic personnel decisions to very small departments in contrast to the norm at other UC business schools of school-wide votes. We also recommend that the School’s academic leaders work with the University leadership to develop a common understanding about how UC shared governance processes apply to SoBA.

• The School suffers from a serious morale problem, in part, because of differences between newer faculty hired since 2006 and those with longer tenure. The level of distrust and animosity is striking. Even routine issues are seized upon as evidence of the perfidy and corruption of the other group (or senate colleagues). We did not observe strong faculty motivation to repair and rebuild trust. Both groups seem to feel they can prevail, or do not need the collaboration and trust of members of the other group.

• The School’s strategic plan should make clear how and when the School will achieve the twin objectives of sustainable long term growth and program excellence at levels approaching or similar to the other UC graduate management/business schools. If the campus were to invest in SoBA, it should exercise the fullest leverage possible to seek firm and credible commitments from the School and faculty.

• Much of the financial success of the strategic plan hinges on two to-be-implemented programs. These programs require campus and possibly system-wide approval, which can be time-consuming in the UC system. Assuming continuity, we recommend that the School and campus work together to expedite approvals of the MS in Accounting and FEMBA degree programs.

• More emphasis should be placed on the undergraduate business program. In the four years since the earlier review, we did not see strong evidence of an increase in the quality of the undergraduate program. During our interviews with faculty and staff, we heard more about issues of poor teaching and excessive class size.
April 10, 2011

Dallas Rabenstein
Executive Vice Chancellor and Provost

As Chair of the faculty of the School of Business Administration, on behalf of the faculty of the School, I would like to thank you for initiating the formal process of disestablishing the separate departments within the School. Indeed, the School faculty is committed to moving to a School-wide department model and has been actively working to accomplish this restructuring in time for implementation by July 1. It is perhaps ironic that your message reached us as we were engaged in a structured retreat that was designed to assure that all members of the faculty are given the opportunity to identify any concerns they may have, to provide constructive suggestions for improvement and implementation, and to develop an inclusive process for preparing the memorandum of understanding that you and the Chancellor have requested. I am pleased to report for this retreat that enabled all faculty members but one to participate, was very positive, collegial, and constructive, and that the process agreed to at the retreat will enable all faculty members (as well as all staff members) to engage and contribute.

I believe I can speak for the faculty in saying that we are on board with the proposal to disestablish the three separate departments of the School and to restructure as a single department. In fact, the smaller departments were actually imposed on the School a number of years ago as a perceived solution to personnel-related issues at that time. Thus, the issue of “top-down” or “bottom-up” should not be of concern to the academic senate in deciding how to respond to the request. However, one can reasonably infer from past evidence that simply restructuring as a single department will not necessarily “fix” whatever problems may currently exist. Accordingly, the faculty of the School is heavily invested in developing and thinking through the implementation details that could enable a single-department model to help us to achieve what we all want – a school of business that respects, recognizes and appropriately rewards the individual and unique contributions of all of its faculty; and that is nationally recognized, respected on campus, and delivers excellent education to students at all levels.

Thus, we join with you in asking the academic senate to begin the processes that will enable it to advise the administration in a timely manner. We invite and encourage the relevant academic senate bodies to engage in an open exchange of information with us. In fact, we have already undertaken some outreach efforts both on campus and with other UC campuses for the purpose of developing a single-department model that will become a core strength of the School.

We look forward to a collaborative and collegial process with the academic senate and the administration.

Regards,

Richard Smith, Faculty Chair
School of Business Administration