The Hong Kong model of academia

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Hong Kong’s institutions of tertiary education are among the best in Asia. Three of the local universities routinely rank in the world’s top fifty. Barely a week passes without a Nobel Laureate visiting one of the local universities. But while Hong Kong universities are places of teaching and research like universities in the West, the institutional arrangements in Hong Kong differ. Where universities in the West are built on notions of academic freedom and academic self-administration, this is not the case in Hong Kong.

This article describes some of the distinct institutional features of Hong Kong academia and explores what may explain the Hong Kong model. University-level details are drawn from the Hong Kong University of Science & Technology (HKUST), the author’s home institution, and occasionally from its School of Humanities and Social Sciences with its Division of Social Sciences. Other universities in Hong Kong may differ in some of the details.

The framework for academia in Hong Kong is set by the government through its ownership and regulation of universities. The government’s view of academia is perhaps most apparent in its handling of the government budget crisis in the early 2000s. With a sharp shortfall in government revenues in 2001/02, the budget of HKUST was cut by 20%. Between 2002 and 2005, HKUST management, in turn, cut faculty salaries by 10%, then held them flat through mid-2007. In the same period 2002-07, comparable salaries in the U.S., in the author’s discipline of economics, rose 20%. The academic job market is an international one. When local salaries diverge from the market equilibrium, some faculty members leave while others retire in the job and start collecting supplementary income outside academia.

In the construction industry, laborers are quickly hired and dismissed; their output consists of easily transferable physical assets fully under the control of the owner. Academia is unlike the construction industry. The asset of an academic institution consists solely of its
faculty: knowledge and research networks are faculty-specific. If a faculty leaves, that asset disappears in full. If a faculty retires in the job, that asset depreciates rapidly. Consequently, HKUST has been thrown back towards its start-up phase, hiring predominantly new (as yet worthless) PhDs. Senior new hires are hard to find. Acting department head replaces acting department head, and acting dean replaces acting dean as search after search for department head and dean ends in no hiring.

A second aspect of the budget crunch is that if there is such waste in the university system that 20% of university budgets can be cut, basic rules of accountability suggest an external audit to identify the sources of waste. That did not happen. Nor was there a replacement of the university managers who had wasted 20% of the budget. Instead, the government defaulted on its obligations, the contracts that its agents (university management) had entered with faculty members: these were rewritten three times to implement the salary cuts.

For HKUST, the budget cut may even have come at the right time. HKUST management used this opportunity to replace the contractually guaranteed, performance-based salary promotion system by discretionary salary increases for selected faculty members, now subject to the availability of funds (a fourth rewriting of faculty contracts). If most faculty members are continuously good performers, the new system saves another 25% in faculty salaries. HKUST management thus used the opportunity of the government-imposed budget cut of 20% to cut the faculty salary bill by more than 35%. This means HKUST’s finances were not sound enough before the budget cut to honor the university’s obligations written into faculty member’s contracts when they were hired.

There is yet a third aspect: an increase, or at least a relative increase, in student numbers per faculty member. In The Times Higher Education Supplement (THES) of 2007, HKUST ranked 53rd worldwide. But it had a staff-student sub-score of only 28 out of 100 points, placing it 172nd in this sub-score. HKUST’s 28 points compare to 85 and 80 points for Hong Kong University and Chinese University of Hong Kong (which rank above HKUST in the overall score, at 18th and 50th place, but are well behind HKUST in the research sub-score). This has not always been the case. As recently as 2004 HKUST had the same staff-student sub-score as HKU (and ranked 42nd in the overall score). Perhaps the endowments of the
other two universities helped them cushion the budget cuts? The Hong Kong government then, through a 20% budget cut across the board, de facto singled out HKUST and its students for the severest treatment.

What does the budget cut episode tell about the Hong Kong government’s notion of academia? First, the Hong Kong government appears unable to grasp that the sole asset of a university is its faculty—or simply doesn’t care about the value of its universities. Second, the Hong Kong government appears to have no interest in enforcing proper governance and accountability at its universities. This also includes that HKUST management, as an agent of the government, was able to enter civil servant contracts with faculty for a decade, well knowing that these contracts could not be honored. (Alternatively, HKUST management did not understand the university’s finances.) Third, the Hong Kong government is not concerned about the quality of tertiary-level education in Hong Kong, at least as measured by the faculty-student ratio.

* Within the universities, the differences to the North American norm are very apparent. Take, for example, tenure, the contractual guarantee of job security until retirement. At HKUST, tenure—in Hong Kong jargon “substantiation”—means that the faculty member’s employment at HKUST can be terminated at four months’ notice, without any explanation given. While there may be an implicit understanding as well as a projection to the academic community that substantiation is the local equivalent of tenure, the risk for faculty remains. If the implicit understanding were serious, university management could simply write it into faculty members’ contracts; it does not. And indeed, when salaries are cut, the department head issues ominous warnings of firing if faculty members do not sign that they agree to the cuts, backed up, where needed, with phone calls from staff of the personnel office repeating the same message.

Abraham Gitlow, former dean of New York University’s Stern School of Business (with which HKUST offers a joint program), writes in his Reflections on Higher Education that “tenure is the rock upon which rests the economic security of faculty. No one can deny that
economic security is important to one’s independence of action and thought.” HKUST lacks this ultimate guarantee of academic freedom.

Another example is the selection of deans and department heads. At HKUST, deans and department heads are appointed top down. Contrast this with the U.S., where in 90% of all universities either faculty members outright choose their department head, or formal approval by faculty members is needed in a joint selection process conducted with the administration, or there is “a formal procedure or established practice which provides a means for the faculty to present its judgment in the form of a recommendation, vote, or other expression sufficiently explicit to record the position or positions taken by the faculty.” Similarly, Dean Gitlow writes that “today, chairpeople are typically not appointed without the approval of their departments. When they are [as they are at HKUST], it signals a major conflict. The case is much the same with deans.” Or, in another passage, “It is almost unthinkable for a chairperson to be appointed minus the approval of the department faculty.” The almost unthinkable is the reality of HKUST.

At HKUST, faculty members are “consulted” in the selection of the department head: the search committee, appointed by the dean, is “to solicit feedback, preferably in writing, from those with whom the candidates have interacted.” In the Social Science Division at HKUST, a faculty member once conducted a survey of all department faculty after the search committee had reached its decision. Secret voting revealed a landslide opposition to the search committee’s choice. Maybe the search committee had better information than the faculty when making its decision? One member of the search committee confided afterwards that the opposition of the faculty to the particular candidate, which was so overwhelming in the vote, was not at all apparent in the feedback received by the search committee. This implies that the HKUST “consultation” process, already falling far short of U.S. norms, does not even succeed at its stated goal of consultation.

The list of university-level Hong Kong idiosyncrasies goes on. Department meetings and school board meetings are institutions without decision-making authority. This means, for example, that where Dean Gitlow writes: “In a knockdown collision between a faculty and its dean, faculty have been known to vote censure or lack of confidence in the dean, in which
case his/her term of office is usually cut short, probably with a civilized, supposedly face-saving resignation”, at HKUST a vote of censure is not possible in the first place.

Substantiation of junior colleagues is not decided by discussion and the voting of all substantiated faculty members—the practice in North American tenure decisions—but by the department head, dean, and the committees they choose. New hires are not decided by faculty members through discussion and voting—the practice in North American universities—but by the department head on advice of the committee s/he has chosen.

Where HKUST rules require faculty agreement on the composition of some school level committee, the dean’s office sends out an email saying “If I don’t hear from you by the said date, it will be taken that you endorse the membership in point.” When a faculty member asks for a secret vote, the dean ignores this request.

Where academics all over the world decide on how to allocate their research time, with the obvious teaching obligation and presence at academic events during the semester, at HKUST one must apply to the department head for approval to be absent from Hong Kong, whether for research or for vacation, whether during the semester or not, with civil servant limits on the number of days of “annual leave.” For new hires, the number of days of annual leave has been cut by half.

When too many faculty members appeal against dubious academic review decisions, the answer of the HKUST management is not to ask why there could possibly be so many appeals, but to abolish the review process altogether (officially, to replace it by a review limited to “correctness of procedures”).

Traditional self-administration of academia culminates in an Academic Senate—the university’s supreme academic body—composed of, typically, the president and vice-presidents of the university, some student representatives, and then overwhelmingly faculty representatives. At HKUST, of the 53 members of the Senate, at most 16 have been elected by faculty. The majority of the members of the HKUST Senate are direct or indirect management choices.

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The absence at HKUST of what is normal faculty status in Western academia is no chance event. The founding president of HKUST, Woo Chia-Wei, previously held the position of president of San Francisco State University. San Francisco State University has a perfectly normal Academic Senate and perfectly normal academic practices. For example, department heads at San Francisco State University are chosen by faculty members: “The chair shall normally be selected internally by the faculty of the department to carry out the assigned duties and responsibilities.” In other words, Woo Chia-Wei designed the institutions within HKUST as the polar opposite of academia in the U.S. as he knew it.

This practice of intentionally going against the Western model of academia has become perpetuated beyond Woo Chia-Wei’s tenure as first president of HKUST. When a faculty-elected delegate to the Senate at HKUST proposes to have department heads elected by department faculty, the current president, Paul Chu, redirects the proposal to the University Administrative Committee. That committee, dominated by the four deans, promptly turns it down.

Most of HKUST management appointees have had extensive exposure to the traditional model of academia. Having worked at U.S. universities, they enjoyed the right to elect their department head if not their dean, and the right to participate in departmental and university decisions. Once they come to HKUST, into a position of power, they seem to automatically assume repressive patterns. The privately organized secret voting on the selection of a new department head has the dean up in arms, yet that same dean has enjoyed this voting right in his previous position as a faculty member at a U.S. university, where it was a decision-making right and where he further enjoyed the whole package of standard faculty rights in the West.

The faculty of HKUST has no functioning channels to initiate institutional changes. There is no channel to seek redress against management agents violating formal rules of the university. There are no disciplinary procedures. There is no ombudsman/woman, reporting to some body outside the university, and above the management, that faculty can ask for help. There is no check on management; the HKUST Council, the supreme governing body of the university appears a rubber-stamp organ rather than a potentially supervisory body with
independent insights and an understanding of academic practices in the West. Of the currently 27 members of the University Council, 15 are appointed by Hong Kong’s chief executive. (Up to nine of the maximally 18 that the chief executive can appoint may have been recommended by the University Council). Another 12 members are HKUST’s president, the three vice-presidents, five deans, and three members nominated by the Senate.

The final safeguard of the HKUST model is a particular set of faculty incentives. Dean and department approval are needed at every turn in one’s life at HKUST, beyond the practices at North American universities; how can one dare to challenge one’s (in HKUST terminology) “boss?” In the end, there is always the implicit threat of firing at four months’ notice.

Then there are the lock-ins. Generous sabbatical leave (subject to approval) is combined with the requirement to return to HKUST for at least two years or to pay a penalty of up to one year’s salary. The employer-paid pension contribution for substantiated faculty belongs to the faculty member in full only once s/he has spent ten years at HKUST. If one buys a house on the government 10-year home financing allowance one needs time to digest the transaction costs, if not to recoup the losses incurred in a downturn of the real estate market.

The result is a well-conditioned faculty. When the vice-president for academic affairs expresses a preference for version A of a new undergraduate program while explicitly remaining open to version B, if there were an argument for it, faculty hear ‘version A’ and drop all academic considerations. Fifteen of the 16 faculty-elected members of the Senate do not dare (or care?) to put their name under the proposal to have department heads elected by the faculty. While newcomers may be astonished about HKUST practices, by the time they are substantiated and become full members of the department, HKUST practices have been internalized and are executed almost unquestioningly to the point that the HKUST president can say, with some justification, that the HKUST faculty is “not mature enough” to elect its department heads.

And yet, faculty appear to feel that something has gone wrong. “There is no sense of belonging.” “This is not what I expected when I was hired.” Or, following a trail of what
appears all too often politically dominated academic review decisions: “If you haven’t been screwed at least once, you don’t belong here.”

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Trying to understand the management views of academia that could underlie this Hong Kong model, illustrated with the case of HKUST, the following notions appear important. Management does not see, or do not wish to acknowledge the need for checks and balances. Management of the university is top down, with central decisions and with a clique of agents implementing management’s explicit or perceived wishes.

Management does not recognize, or does not wish to recognize, that consultation and decision-making authority are different processes which yield potentially very different outcomes. Management does not see, or does not wish to acknowledge that its “consultation” process is unable to accurately capture faculty views. Management does not see—or accepts—that the flipside of all-out centralization is the absence of faculty responsibility.

Management does not see, or does not wish to acknowledge, the need for accountability. Department heads, let alone deans or the top management, are not accountable to faculty members in any form. Formally, the department head may be accountable to the dean, and the dean to the vice-president for academic affairs, but there appears to exist no functioning oversight.

The institutional arrangements at HKUST remind of what F.A. Hayek, a Nobel Laureate in economics, called “constructivism,” the false belief that the order in which we live is the construct of rational design by individuals, rather than the outcome of a natural selection process in an extended order where learnt traditions are sifted for the most successful ones. The “fatal conceit,” individual minds so conceited as to believe that design by one mind is superior to design by a very large number of minds coordinated through common participation in a process governed by abstract rules, applies to HKUST in three ways.

- While HKUST has copied institutional terminology from North American universities, HKUST management has single-handedly filled these institutions with new meaning.
- HKUST management has severely restricted evolutionary processes by denying faculty the status of stakeholders.
The concept of a functioning benevolent dictatorship assumes that the top level can monitor its local agents and remedy any instances of non-benevolence. However, the top level simply does not have all information necessary to monitor effectively (while simultaneously suffering from an information and decision-making overload that in its complexity may well exceed the capabilities of one mind).

While the current regime may be the most qualified and the most benevolent in HKUST’s history, it still appears oblivious of the cracks that run through its management logic. Contrast this with the West where organizational principles of universities have evolved in a natural selection process over centuries, and where faculty members are the heart of the university. In the U.S., a Supreme Court decision in 1980 ruled that faculty are managers. Nobody could be further away from having the status of a manager than the vast majority of HKUST faculty members (those not simultaneously holding an administrative position). Thinking in manager-worker terms, HKUST faculty are common shop floor workers.

Accepting faculty members as stakeholders of HKUST and creating mechanisms in which evolution through serious faculty participation becomes possible perhaps has no place in the minds of physics professors (HKUST presidents) whose professional research world, by nature, is a purely constructivist one. Leadership of a university, on the other hand, falls into the realm of human beings and their organizational choices, i.e., is a social science matter. Perhaps appropriately, the social sciences and the Arts in general, the core of Western universities, at HKUST are merely an appendix.

* In the final instance, the design of universities in Hong Kong may simply be the logical consequence of Hong Kong’s political system. The parallels between the part (HKUST) and the whole (Hong Kong) are striking. Alvin So and Ming Chan in 2002 delineated in four points what they saw as the “legitimacy crisis” of the government of the Hong Kong SAR.

(1) Key institutions in Hong Kong are not popularly elected. At HKUST, key institutions are without academic legitimacy because they do not conform to the professional norm. (2) Popular support in Hong Kong has to be garnered through the provision of a high standard of living. At HKUST, support has to be garnered through high salaries; when this is no longer
possible, positions are filled with new PhDs whose ethnicity suggests childhood conditioning that makes them particular suitable to the Hong Kong model. (3) The legitimacy of a “decent and honest” chief executive in Hong Kong is weakened by his overtly pro-Beijing slant on sensitive political matters. At HKUST, “decent and honest” management is ultimately weak and hampered in university development when its institutional arrangements do not command the respect of the faculty. (4) Senior officials in Hong Kong attribute the legitimacy crisis to negative reporting in the media. At HKUST, faculty members at HKUST who speak up are “troublemakers” and associated by an angered dean with an “alarming trend of growing ‘mistrust,’ hardening of different factions, and growing divisiveness among our faculty.”

Alvin So and Ming Chan find that the Hong Kong SAR leadership in 2002 seemed to be embarking on a path of “soft authoritarian developmentalism,” a regime “like that in China today.” With two campuses in the mainland, HKUST appears supremely amenable to mainland practices. How welcome can critical thinking and critical participation on the home campus be when political constraints directly shape the two satellite campuses? Rather than run any risks for the increasingly important business interests of HKUST management on the mainland, would it not be better to create and maintain a climate at home in which management is in total control? (The HKUST faculty had no say in the decision to expand on the mainland in the first place, unlike the faculty of Warwick University which, for reasons of academic freedom, rejected their management’s idea of a campus in Singapore.)

According to international university rankings, the HKUST and Hong Kong model is an all-out success. Faculty members equipped with generous research support have produced well and propelled Hong Kong to the forefront of academia in East Asia and into the upper ranks internationally. And yet, this author cannot help but wonder if Hong Kong has struck on a sustainable model of academia, an East Asian academic model of the future, or if it will turn out to be a historical aberration.
Salary developments in the U.S. 2002-07, in economics

I am using data from the May 2005 issue of the *American Economic Review* (p. 589) for salaries 02/03 (surveyed in October 2002) and 04/05 based on the matched sample over this period, and data from the May 2007 issue (p. 522) for salaries in 04/05 and 06/07 (the latter surveyed in October 2006) based on the (new) matched sample of this period. I rebase the 06/07 values to match the ‘02/03-04/05’ matched sample data.

The salary effect without rank promotion between 02/03 and 06/07 is 12-17%, depending on rank (Assistant, Associate, or Full Professor).

The rank promotion effect in 06/07 is 47% (Associate to Full Professor) and 13% (Assistant to Associate Professor). (The first is difficult to interpret because while the typical academic spends 6 years as Assistant and 6 years as Associate Professor, a Full Professor tends to last much longer, and the average salary of full professors therefore is an average over a much wider range of experience / age than 6 years.)

The rank promotion plus regular annual salary effect between 02/03 and 06/07 is 65% and 27%.

Rank promotion from Assistant to Associate Professor typically occurs every 6 years, but the time span of interest here is only 4 years. At HKUST, some rank-based salary promotions may have occurred early on in the period 02/03 – 06/07 due to the previous floating salary bar system which may still have guaranteed a faculty member up to two annual salary increases after the first salary cut of Oct. 02. I ignore these because I don’t know them; if I were to guess, the best guess would be for 1.5 further salary increases, which could translate into perhaps a 5% salary increase.

The most appropriate comparison for HKUST would seem to be the U.S. data of a 12% salary effect without promotion for Assistant or Associate Professors, plus two-thirds (4 years instead of 6) of the promotion effect from Assistant to Associate Professor of 13% in 06/07 (or similarly in the other years), adding up to approximately 21%. If the (in volume unknown) future salary increases at HKUST guaranteed prior to fall 2002 were considered, the 21 percentage may have to be reduced by up to approximately 5 percentage points.

**HKUST 25% savings on salary bill due to fourth rewriting of faculty contracts**

The calculation assumes a typical starting Associate Professor salary and a switch from annual salary promotion according to performance to one salary promotion every four years (which appears an optimistic assumption about the new regime). A salary promotion is assumed to equal HKD 3000 per month. Summing salaries over thirty years, the total salaries paid to this exemplary faculty under the new salary regime is approximately 25% less than under the old salary scheme.

**THES The Times Higher Education Supplement**

University rankings
http://www.thes.co.uk/main.aspx
Survey results regarding faculty participation in selection of department chair

The results are from a 2001 survey of 903 four-year institutions. (The National Science Foundation’s CASPAR database was used to generate a listing of the four-year institutions in the United States that were accredited to grant bachelor’s degrees in the liberal arts. Of the total of 1321 institutions, all of which were surveyed, 903 responded with at least one reply.)

The chapter has two pieces of information on the selection of department chairs. In Table 7.8 it reports that the percentage of faculty with “determinative authority or joint authority with the administration” in appointing department chairs or heads is 51.6% (56.2% in public institutions, 52.7% in large private institutions, and 45.8% in liberal arts colleges).

In Table 7.20b it provides a breakdown of the methods for appointing department chairs or heads in the form of:
- Faculty determination 16.5%
- Joint action 37.5%
- Consultation 36.2%
- Discussion 6.3%
- None 3.5%

The key difference to the first piece of information, above, is the item “consultation.” The sum of faculty determination, joint action, and consultation is 90.2%. I included consultation in the 90% figure that I report because the definition of consultation in the survey reveals a level of participation that exceeds that at HKUST.

The definitions (p. 293, note 10), applicable to a wide range of questions, including the question on the method for appointing department chairs or heads, are as follows:

**Determination:** The faculty or an academic unit or its duly authorized representatives have final legislative or operational authority with respect to the policy or action, and any other technically required approvals or concurrences are only pro forma.

**Joint Action:** Formal agreement by both the faculty and other components of the institution is required for confirmatory action or policy determination. Negative action can be accomplished by a veto by either faculty or administration and the board. The separate components need not act simultaneously but should act within a reasonable time interval. In no case should the interval be longer than an academic year.

**Consultation:** There is a formal procedure or established practice which provides a means for the faculty (as a whole or through authorized representatives) to present its judgment in the form of a recommendation, vote, or other expression sufficiently explicit to record the position or positions taken by the faculty. This explicit expression of faculty judgment must take place prior to the actual making of the decision in question. Initiative for the expression of faculty judgment may come from the faculty, the administration, or the board.

**Discussion:** There is only an informal expression of opinion from the faculty or from individual faculty members, or there is formally expressed opinions only from administratively selected committees.

**None:** There is no faculty participation. In cases where the specific item is lacking (e.g., there is no long-range budgetary planning) or where the item is mandated, say, by
the state legislature [p. 294 -] (e.g., admission requirements for some state schools), then the form of faculty participation is none.’’

Gitlow citations on selection of department chair

U.S. Supreme Court Yeshiva case (on faculty being ‘managers’)

HKUST faculty consultation in the process of appointing department heads
Faculty handbook, Chapter 3, section 8
http://www.ust.hk/~webaa/AcademicPersonnel/Faculty_HB/ch3.pdf
last accessed 24 Dec. 07

Gitlow quote on vote of censure

HKUST Senate / Council
https://www.ab.ust.hk/ccss/Ordinance.htm
last accessed 24 Dec. 2007
On the number of Council members:
https://www.ab.ust.hk/ccss/Council.htm
last accessed 24 Dec. 2007

San Francisco State University
Senate:
http://www.sfsu.edu/~senate/constitution/constitution.html
last accessed 24 Dec. 2007
Selection of department chairs:
http://www.sfsu.edu/~senate/documents/policies/S00-145.html
last accessed 24 Dec. 2007
On Woo Chia-Wei also see:
http://en.wikipedia.org/wiki/Woo_Chia-wei
last accessed 24 Dec. 2007
The complete passage on the selection of department chairs reads:
Department heads at San Francisco State University are chosen by faculty members: “Administration and leadership of each academic department or equivalent unit (hereafter ‘department’) are provided by a department chair or equivalent unit/program director (hereafter ‘chair’) who is a tenured/tenure-track faculty member of the department. The chair
also serves as representative and advocate for the department within the college, University, community and profession. The chair shall normally be selected internally by the faculty of the department to carry out the assigned duties and responsibilities.”

F.A. Hayek


Alvin So and Ming Chan