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**Transparency: Merit review and salary numbers**

**Carsten Holz** <carstenholz@gmail.com>

Wed, Jun 18, 2014

To: Carsten Holz <carstenholz@gmail.com>

Cc: HKUST President

Bcc: SOSC faculty

Dear colleagues in SOSC (bcc to avoid long list of email addresses),

following, in Andrew Walder's terms, a century-old Chinese tradition of documenting everything:

A. From my experience as member of the division merit review committee this spring 2014, suggestions for improvements to the merit review process:

(1) The merit review covers three years. Let the electronic system provide the review committee with one report for all three years (rather than 3 separate reports with overlapping information).

(2) Ask faculty members to submit Harzing's Publish or Perish citation metrics. Google scholar only provides total citations and doesn't adjust for the number of authors. (Agree with three other faculty to put each others' names on all papers and quadruple your citations.)

I am interested in metrics such as citations per author, hI-norm, and AWCR per author. Attached is a comparison of how SOSC faculty fare across the different metrics – different metrics tell different stories.

It would be good to have a comparison of relative citation performance by discipline and seniority, for a set of social science disciplines at another university. (This is time-intensive but straightforward work that can be done by administrative staff.)

(3) Ask faculty members (or administrative staff) to provide journal impact factors for publications. Again, ideally we have a disciplinary comparison available.

(4) Some faculty teach fewer courses than others (or only courses of a particular type). In order to evaluate teaching, the review committee needs information on the reasons for these variations, i.e., on deals struck between management and individual faculty.

(5) A few faculty have a significantly longer/different list of HKUST-internal "service" than others. In order to evaluate HKUST-internal "service," the review committee needs information on if certain sets of "services" come with extra pay or teaching reduction, on if this is special trusted- lieutenant "service" for management that comes with special hiring, and on if management provides non-publicized money-making opportunities or other favors to these faculty in exchange.

-- Especially for service, but possibly also for teaching and research (opportunities), there is an issue of endogeneity (of committee decisions to management decisions). Management selects/hires a few people it wants (or is able) to work with and relies on them for key

“service.” The review committee dutifully notes the over-proportional “service” of the ‘select’ and management can then feel confirmed in their hiring and salary decisions.

-- The division merit review committee (just as the UASC and everyone else in management) evaluates research by discipline. There is no regulatory basis for this and there is no evidence that this is reflected in salaries.

-- My last year’s email to the Provost re merit review, all of which remains valid, is appended below. None of the issues that I raised was addressed in this year’s review.

## B. How it’s done elsewhere: one example

Talking recently to an economics professor at a North American University (and I didn’t get it in writing word for word), their annual salary review has four components:

(i) The faculty association (labor union) reaches a faculty-wide agreement on wage increase with management. This wage increase includes but is not limited to inflation-adjustment. Last year it was 2.5%.

(ii) Positional wage increases. Within each professorial rank, there are about eight salary ranks, which one moves up automatically.

(iii) Merit review. An exco comes up with a ranking, the department head comments on it / develops his own ranking(?), the dean decides. About half the faculty get merit increases every year, and the amount a faculty member typically receives is small compared to (i) and (ii), on the order of USD 1000 \*annual\* salary.

(iv) Special adjustments, for example, to retain faculty with outside offers. Decided by the dean on a discretionary basis.

Salaries are published online with a one-year lag.

## C. Salary numbers

On our salary levels in general, see the memo I wrote when we were asked to benchmark ourselves for the special faculty compensation review (attached).

On specific salaries: My salary is HKD 95,695.

The second-highest salary in SOSOC is HKD 140,000 (or around or above 140,000, information proffered by third person).

My salary history since 2002, which I found via the documentation of my pension contribution, is attached. I don’t know if I want to send out emails every year announcing my current salary. In any case, you can just ask me. (I also attach my spring 2014 CV and Activity Report.)

I receive what amounts to approximately HKD 2,500 per month in form of an annual approximately HKD 30,000 leave passage; I think this is calculated as a full-price economy class return ticket to Germany. There is no other benefit (education allowance, family health insurance, and whatever else there was or still might be).

I signed up for the Home Financing Allowance, which is currently at HKD 24,760 (HKD 17,550 in the first six years). Once the ten-year HFA is exhausted after two more years, I'll be using at least one-third of my salary to rent (bad) housing. Post-tax and post-retirement contribution, that leaves me with 40-45% of my salary. If I want to live more than 12-15 years beyond the mandatory retirement age of 65, these 40-45% should go straight into private savings, leaving little/nothing to live on. (HKUST is a system design failure in that salaries, gratuity and total retirement contributions, housing prices, and the mandatory retirement age of 65 do not add up.)

In terms of salary increases, my salary increased by 21.5% in the four years between 2009/10 (before my 3-year no-pay leave 2010/11, 11/12, 12/13) and 2013/14. This includes the outcome of the "special faculty compensation review." In the same four years, (June year-on-year) cumulative inflation was 17.2%. I.e., on average, per year, I fared about 0.9 percentage points better than inflation.

Viewed differently, according to the Provost (when he visited SOSC in November 2013), the university received 7% and 5% more funding from the government in 2011 and 2012 (or the other way round), and 2.5% more funding in 2013. Assume that in 2010, for which I don't have the data, HKUST received 2.4% more funding to exactly match the CPI. The increase in university funding between 2009 and 2013 then is 17.9%. The faculty compensation review stated that "a recurrent budget of HK\$30 million has been added to the regular faculty budget" (and other information says that several dozen open positions, presumably part of the 334 transition, were turned into additional salary funds). At 450 faculty, HK\$30 million translates into an average HKD 5556 more per month per faculty, equivalent to 7% of my 2009/10 salary. This implies that my salary fared *worse* than the university average over the period 2009/10 to 2013/14. The special faculty compensation review, which I was given to believe presented a significant realignment of my salary, over the four-year period, turns out to have been a *\*negative\** realignment (a cut relative to the average).

Best,  
Carsten

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**Carsten Holz** <[carstenholz@gmail.com](mailto:carstenholz@gmail.com)>

Tue, Nov 19, 2013 at 6:04 PM

To: [weishyy@ust.hk](mailto:weishyy@ust.hk)

Cc: [sosc-fac-list@ust.hk](mailto:sosc-fac-list@ust.hk)

Dear Professor Shyy,

earlier this semester my division head (SOSC) informed the division merit review committee (of which I am the chair) that you are changing the merit review evaluation categories. She also wrote that you requested us to come up with criteria for each category.

(1) I find it strange to receive requests from you around two corners. If you want something from the merit review committee(s), why don't you put it in writing so that we know exactly what it is you want? I also lack information as to which aspects of the merit review process and content—affecting choice and form of evaluation criteria—we can determine, and which ones you have pre-determined.

(2) The division merit review is a farce and you are not addressing the real issue. (I have consistently boycotted it, with exceptions for very specific reasons.)

(a) The division merit review committee evaluates, the division head evaluates, and the dean decides who gets what and informs the individual faculty members. The division review is a farce because the dean can fully ignore the evaluation of the division merit review committee.

I expect something like: all materials submitted by individual faculty members are open to viewing by all faculty members, the evaluation done by the merit review committee is open to viewing by all faculty members, and the salary decision is open to viewing by all faculty members.

(b) Historically, the selection of division merit review committee members is biased. I have seen the same people on the committee for years on end and I do not regard this as fair.

I expect something like: divide all substantiated faculty into four or five groups by discipline and have one person from each group be on the merit review committee. Within each group, rotate the delegate to the division merit review committee according to a pre-determined rule (say, according to alphabetical order of second letter of last name), every year or every second year.

(c) There is a disconnect between a division merit review committee evaluating for the purpose of salary changes and the fact that the current salaries of faculty members are unknown.

If I look at the CVs of persons A and B in a merit review exercise and find that both performed equally but don't know that person A's current salary is twice that of person B, then I don't see how my evaluation for salary change can be fair (which I would want it to be).

(3) In the bigger picture, the merit review appears pointless.

(a) If I compare my salary increase of early fall 2013 (presumably the 50% that's equally distributed) to the CPI and if I assume this pattern continues into the future, then by the time I retire my salary will buy about half of what it buys today. Sharing information around the school, it seems that not even the best research record prevented a real salary decrease.

(b) In the early 2000s, the administration made abundantly clear that anyone who cares

about income should teach extra courses in the self-financing program and forget about research. Even if one teaches just one extra course every year, one is likely better off for the remaining period until retirement than with the most stellar research record. That has not changed. (I have so far not taught in the self-financing program.)

Given the importance of teaching in the self-financing program for personal income, are the arrangements for such teaching fair? Access to such teaching is not equal, and not transparent. The administration increasingly constrains the number of such courses that one can teach as well as remuneration. It discriminates against SOSC compared to, for example, the B-School.

In other words, you decrease our (real) salaries in merit review exercises and cut our other income.

(c) Beyond the self-financing program, dean and division head distribute money-making opportunities to particular faculty members, with some of these decisions apparent and some not (“don’t tell anybody”). Merit salary increases appear the smallest part of a dean’s bag of monetary favors to distribute (and that doesn’t yet include the non-income favors).

(d) Specific to me, when you deny sabbatical leave and I decide to self-finance most of a year at Stanford out of my savings (on no-pay leave from HKUST), the foregone HKD 1mio in salary and pension contribution exceeds any extra income I can possibly get from merit review salary increases over my remaining lifetime at HKUST.

If you are not running a clean system, with real incentives, then I prefer you drop the pretense of a “merit review” at the division level—i.e., proceed as currently, let the dean decide in private, and drop the add-on division-level review farce.

Sincerely,  
Carsten Holz  
SOSC

 **SOSC-Citation-Metrics-ChartsAndDefinitions-2May14.pdf**

58K

 **CarstenHolz-FacultyCompReview-Benchmark-4Nov11--Omissions-13Jun14.pdf**

32K

 **CarstenHolz-SalarySince2002-16May14.pdf**

12K

 **CarstenHolz-CV-23April14.pdf**

50K