



Carsten Holz
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FYI: Carsten's salary update 2015
Carsten Holz <carstenholz@gmail.com>
To: [Division faculty]

Tue, Oct 13, 2015 at 4:30 AM

Dear colleagues in SOSC,

my this year's salary increase, according to HRO, will be 3.96%.

My Annual Activities report and my CV are attached.

My absolute salary (and related information) is in the attached xlsx.

Appended far below is my (still relevant) email of two years ago to the Provost on the topic of salary and merit review.

Appended immediately below is my interpretation of my salary adjustment(s).

Best,
Carsten

-- Coming back from a year of sabbatical leave, I was shocked by prices. Prices in a staple Wanchai vegetarian restaurant have gone from the \$ 40s and 50s range per dish to the 70s, 80s, and 90s range. The apartment that I am renting now is 72% more expensive than the apartment that I rented in 2013/14 (10% larger, better quality, lesser location).

I looked up data on Hong Kong's CPI, on nominal wage increases in HK, on individual prices that allow me to construct my personal CPI, and on university funding. The findings follow. Detailed data are included in the xlsx.

(i) CPI (Hong Kong Census and Statistics Department)

The March 2015 year-on-year increase in the monthly CPI was 4.5%.

I.e., I am taking another salary cut (in real terms).

(ii) Nominal wage increases in Hong Kong (Hong Kong Census and Statistics Department)

Monthly March 2015 year-on-year nominal wage increases in Professional and Business Services stood at 4.9%.

I.e., choosing the most relevant industry among several on which the Hong Kong Census and Statistics Department collects data, I am losing out compared to my peer group. If I look at the time series data, I lose out pretty much every year since the data have been collected (2004).

(iii) Personal CPI

Since the Hong Kong CPI (which captures households with average monthly household

expenditure up to \$66,000 in Oct 2009 – Sept. 2010) does not reflect my personal experience of price developments in recent years, I obtained data on absolute prices of 33 goods and services in September 2010 and in September 2015 from a private survey company. (The particular choice of dates was the company owner's, and the owner asked for me to keep all data confidential.) Before looking at the numbers I identified the 22 goods and services in the list that I may consume (no booze, no smoke, no meat), then applied my actual expenditure category weights. I get a 69.7% price increase in this 5-year period.

Rent is driving the outcome. I budgeted rent at (approximately actual) 25% of my expenditures (income), but should probably set it higher; without home financing allowance it will soon be 55% (driving up the price increase yet further to the 100% range). Dropping rent, the price increase is 27.8%, four percentage points above the official CPI. My salary increase is in that same ball park (despite the heavily marketed HKUST salary re-alignment and "big" increase that I received in this period).

Obviously 22 goods and services are by far too few. A potentially problematic survey method also leads to uncertainty.

(iv) University funding

The government's numbers on university funding do not break out professorial salaries (or any salaries). Taking "block grants and supplementary grants," an item that avoids a good number of individual non-salary items (though still accounts for about three-quarters of all money that HKUST receives from the government), this item rose about twice as fast as my salary in the years for which the data are available (see the xlsx).

I can't match the Provost's data on increases in salary funding from the government, offered once at our division meeting, to my salary increases because I am lacking some salary datapoints. At any rate, that data, too, suggests that I have been left behind.

(v) After-rent income

I am currently renting a similar-quality apartment as in 2009/2010 (actual 700 sqft). If I focus on post-rent salary, i.e., take away from my salary whatever rent I was/am paying out of my salary, then I am looking at a 12% real salary cut over the period 2009/2010 thru 2015/16. ---

Merit review system

Carsten Holz <carstenholz@gmail.com>Tue, Nov 19, 2013 at 6:04 PM

To: {Provost}

Cc: [Division faculty]

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

3 attachments

 **CarstenSalarySince2002-6Oct15.xlsx**
65K

 **HKUST Faculty Online Reporting System-CarstenHolz-2014-24April15.pdf**
251K

 **CarstenHolz-CV-AnnualActivitiesReport2014-24April15.pdf**
227K