

Date: 20 February 2014
To: Professor Wei Shyy, Provost, HKUST
From: Carsten Holz, Professor, Social Science Division, HKUST

Dear Professor Shyy,

I see a number of discrepancies between the reality at HKUST and statements by the President and you, and ask for these discrepancies to be eliminated.

I. Statements

Our president, Tony Chan, has stated that HKUST is an elite research university,¹ that HKUST follows the American model of higher education, and that we have tenure.²

You have stated that one of two factors in the 2012 comprehensive review of salary levels was a compensation benchmark in form of peer institutions internationally.³

II. HKUST

1. Tenure

“Faculty members are hired and promoted through a tenure system. “Of course we have tenure,” [President Tony] Chan said, when asked about it.”⁴

Tenure means that a (tenured) professor cannot be dismissed without adequate cause, except under extraordinary circumstances.

HKUST does not use the term “tenure.” It uses the term “substantiation.” My substantiation contract does not mention adequate cause and reads:

“The University may at any time terminate the appointment of an appointee on giving not less than six (6) months’ notice of termination of employment in writing or salary in lieu of notice if he is a holder of an office or not less than four (4) months’ notice of termination of employment in writing or salary in lieu of notice if he is not a holder of an office.”⁵

¹ “From the very beginning, HKUST was positioned as an international elite research university.” See President’s email of 6 February 2013 to “colleagues, students, alumni and friends of HKUST.”

² See http://www.insidehighered.com/news/2011/05/02/hong_kong_university_embraces_american_style_of_higher_education, dated 2 May 2011 and accessed 24 August 2013 (confirmed 19 February 2014, similarly below). “HKUST -- the youngest of Hong Kong’s eight universities -- is celebrating its 20th anniversary. And Chan says that the model here demonstrates the ability of universities in this part of the world to quickly become players in global higher education. One key, he said, is having no hesitation about embracing the American model of higher education.” The tenure citation is provided below.

³ Distribution of the 2012 new budget for comprehensive review of salary levels of serving faculty colleagues was “based on two factors: compensation structure for each different discipline as benchmarked against peer institutions internationally and the relative attainment and performance profile of individual faculty members.” See letter titled “Faculty Compensation Review cum Annual Salary Review 2012” to “Faculty Colleagues” by Tony F Chan, HKUST President, and Wei Shyy, HKUST Provost, dated 1 August 2012.

⁴ See source given in note 2.

⁵ Terms of Service for Academic and Equivalent Administrative Staff (ii) (Terms of Service A), clause 10a. The item has one more sentence (emphasis added): “If the appointee’s service is terminated by the University on

That is not tenure.

2. Leave

The American model of higher education does not know “annual leave” and “short leave” requirements. You find *none* of the following in the professional norm of the standard American model of higher education, including at the University of Michigan where you taught before joining HKUST.⁶

At HKUST,

“An appointee shall not be absent from duty without obtaining leave from the University, and he may travel outside Hong Kong only during approved leave of absence or on public holidays except for certain appointees whose nature of duty requires them to obtain permission from the University each time they wish to travel outside Hong Kong.”⁷

At HKUST, thus, professors have to apply for leave in order to be “absent from duty” and are not allowed to leave Hong Kong except with approval by HKUST management (or on public holidays).

In addition, HKUST management implements highly discriminatory practices: (i) the contracts of different professors state different durations of potential annual leave, and (ii) the contracts of some professors include “short leave” while those of others don’t.

3. Sabbatical leave

In the American model of higher education, a year of sabbatical leave is granted for six years of service (or six months of sabbatical leave for three years of service).

At the University of Michigan,

“Sabbatical leaves of absence may be granted to provide the faculty member an opportunity for an intensive program of research and/or study, thus enhancing his or her effectiveness to the University as a teacher and scholar.”⁸

At HKUST,

“Sabbatical leave is not an appointee's contractual right and is subject to approval by the University on application. In considering each application, the needs and priorities of the University shall prevail and the granting of sabbatical leave shall be subject to sound justification, the University's regulations and on such other terms as the University may determine from time to time.”⁹

grounds other than those specified in Clause 10(b) below, he shall be eligible for any leave due to him.” Clause 10b deals with items such as “dishonesty” and “failure to attend diligently to his duties.”

⁶ See <http://hr.umich.edu/acadhr/personnelmanual/changes/leaves.html>, accessed 2 September 2013. The University of Michigan has sabbatical leave, scholarly leave, leaves of absence without salary, military leave, and leave under a Family Medical Leave Act (<http://www.benefits.umich.edu/events/leaves.html>).

⁷ Terms of Service for Academic and Equivalent Administrative Staff (ii) (Terms of Service A), clause 4d.

⁸ See <http://spg.umich.edu/policy/201.30-2>, accessed 2 September 2013.

⁹ Personnel manual, at <https://www.ab.ust.hk/hro/AdminDoc/leave/regular/sabbatical/sabbatical.html>, accessed 2 September 2013.

The University of Michigan speaks of sabbatical leave to provide the faculty member “an opportunity” to enhance “his or her effectiveness.”

At HKUST, the faculty member’s opportunity and effectiveness are irrelevant: sabbatical leave “is not a contractual right,” “the needs and priorities of the University shall prevail,” and sabbatical leave is “subject to the University’s [unspecified and unpublished] regulations and on such other [unspecified and unpublished] terms as the University may determine from time to time.”

The fact is that in the American model of higher education faculty members have a de facto guaranteed semester of sabbatical leave with no questions asked. In my School of Humanities and Social Sciences, I have heard management say that sabbatical leave is de facto abolished, and that in some other departments faculty members have to make up for the missed teaching during the sabbatical leave by teaching these courses before and after the sabbatical leave (by definition, that is not “sabbatical leave”). The exception in my School is that sabbatical leave may be granted as “a reward for unusual service over multiple years.”

4. Academic self-administration

The American model of higher education is one of academic self-administration. At the University of Michigan, a formal document titled “Principles of Faculty Involvement in Institutional & Academic Unit Governance at the University of Michigan” regulates academic self-administration. This reaches from the primary responsibility and decision-making authority of faculty members on academic matters, including the organization of self-governance itself, to the faculty-elected and faculty-composed Senate organizations.¹⁰

At HKUST, the core of a university, academic self-administration, has been gutted. There is no primary responsibility and decision-making authority of faculty members. HKUST is run by the top-down selected and appointed tiers of management (Provost, deans, department heads). The HKUST Senate—rather than being a 100% faculty Senate following the American model of higher education—is a rubber-stamp management team: two-thirds of Senate members are Senate members due to their position, to which they were appointed by the Provost.

5. Compensation

Salaries at the University Michigan, a public university, are public knowledge (posted online). HKUST does not publish salaries.

The average salary of full professors in the Department of Economics at the University of Michigan in 2010 was USD 211,000.¹¹ A 3-bedroom single family home with garden in Ann Arbor (the location of the University of Michigan) starts at USD 100,000. USD 500,000 buys a luxurious 4-5 bedroom home of 3000 square feet.¹² I.e., a full professor in the Department of

¹⁰ See <http://www.sacua.umich.edu/resources/Principles.pdf>, accessed 2 September 2013. The document, for example, acknowledges faculty’s “primary responsibility for curriculum, subject matter, and methods of instruction, evaluation of student performance, research, faculty status...” and for “matters relating to academic titles, appointments, reappointments, decisions not to reappoint, promotions, the recommending of tenure and dismissal,” and “the faculty shall participate in the determination of policies and procedures governing compensation of faculty.”

¹¹ See <http://www.collegiatetimes.com/databases/salaries>, accessed 2 September 2013.

¹² See, for example, http://www.realtor.com/realestateandhomes-search/Ann-Arbor_MI, accessed 2 September 2013.

Economics at the University of Michigan purchases a luxurious home with approximately 2 years of his gross salary.

A 1000 square foot (saleable area) apartment in Clear Water Bay costs 16 years of my gross salary—eight times more than it does the professor at the University of Michigan to buy a luxurious single family home with garden near the university.¹³ Assuming a mortgage with a monthly payment equal to one-third of my gross salary (and no down payment), my monthly payment wouldn't even cover the interest. If a 30% down payment miraculously falls from heaven, the mortgage payments run for longer than HKUST allows me to be employed.

6. Retirement

In the American model of higher education, there is no mandatory retirement. HKUST has a mandatory retirement age of 65.

A professor at the University of Michigan who retires at age 75 earns income for ten more years than a professor at HKUST, and needs to draw down retirement savings for ten fewer years. Comparing an economics professor at the University of Michigan with one at HKUST, the difference in income is on the order of USD 4 million that HKUST management makes HKUST professors worse off.¹⁴

III. Conclusions

I welcome that our HKUST President, Tony Chan, explicitly embraces the American model of higher education (including tenure) and declares HKUST an elite research university. I welcome that you explicitly benchmark HKUST faculty's compensation to that of international counterparts. In my view, the current reality at HKUST falls starkly short of these claims.

The closest label that comes to mind to describe HKUST is a reasonably comfortable “Shenzhen sweatshop model:” migrant workers who can be fired any time, who live in the factory compound while they are employed at HKUST, who are disenfranchised and without the standard industry break, who require management approval to leave the enclave, whose career depends on (arbitrary) approval from management for everything from grant applications to undertaking research not in Hong Kong, whose salary is determined in non-transparent fashion by the dean, and who are discarded once they are presumed to be past their best-by date and then become homeless (and if they leave Hong Kong may be without old age health insurance/care).

I ask that the discrepancies between the current reality at HKUST and the proclaimed elite research university that follows the American model of higher education, including with tenure, and with internationally comparable compensation, be eliminated.

Sincerely,
Carsten Holz

¹³ See www.hongkonghomes.com, accessed 2 September 2013.

¹⁴ Between ages 65 and 75, the economics professor at the University of Michigan earns USD 2.11 million, while the one at HKUST draws down retirement savings (on the order of USD 2.11 million if s/he were to have had the same salary as the Michigan professor and maintained the pre-retirement living standard).