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More "Jungle Rules" Fallout?

As CoB finance professor James Lindley so eloquently explained to former USM provost Jay Grimes during a CoB-wide convocation on 10-April-2007, when college-level administrators see the university's central administrators choosing to disregard the rules, college-level administrators will soon begin to make the same choice. This on-the-mark "Lindley Logic" extends on down the line, from college-level administrators to professors, and then from professors to their students.



The rules of the Eco Eagle bike program were simple: Use one of USM's bikes to get to your next on-campus destination, and then leave it for someone else when you arrive there. This was called, appropriately, the "free-share honor system." Now, one week into the program, most of the 17 bicycles purchased (at \$300 each) by USM's Office of Sustainability are gone, at least according to Leslie Walters' 16-Sept-08 article for *The Student Printz*. Sources tell USMNEWS.net that, over the past few years, one thing sorely lacking from the administrative end of USM has been honor. So, as they say, when a "free-share honor system" among students results in abject failure, look upward to the "jungle rules" ethos of the CoB and USM, for the answers.

Distinguished Salaries

A number of recent reports here at USMNEWS.net have examined the 2008-09 faculty and staff salaries in USM's business school. What has not been examined heretofore are the potential salaries of the CoB's *distinguished* professors. There are currently five of these:

• John Clark, CFS Distinguished Associate Professor of Finance

- David Duhn, Kaetsu Distinguished Professor of International Business
- Chang-Tseh Hsieh, McCarty Distinguished Professor of Management Information Systems
- Roderick Posey, Morgan Distinguished Professor of Accounting
- Michael Wittmann, Draughn Distinguished Associate Professor of Healthcare Marketing

The first thing to notice about the CoB's five professorships is that two of them, or 40% of them, are held by *associate* professors. This has to be an unheard of figure across academia as a whole, and it would be three-of-five, or 60%, if not for former CoB dean Harold Doty's relatively recent "letter of agreement" gambit with then-associate professor of management David Duhon.

Next, we turn to the potential monetary compensation of these five *distinguished* CoB faculty. This information is shown in Table 1 below, and USMNEWS.net readers are encouraged to pay attention to the **Notes** accompanying the table. It is there that detailed information on the source of the actual E&G salary figures and the estimations of the private stipends is provided.

Table 1
Total Compensation for CoB's Distinguished Faculty

			' 08- ' 09	Estimation of '08-'09	
Name	Rank	Position	E&G Salary	Private Stipend	Total
Clark, John	1	CFS Associate Professor of Finance	\$110,678	\$10,000	\$120,678
Duhon, David	2	Kaetsu Professor of International Bus	\$117,510	\$ 5,000	\$122,510
Hsieh, Chang-Tseh	2	McCarty Professor of MIS	\$101,634	\$21,000	\$122,634
Posey, Roderick	2	Morgan Professor of Accounting	\$105,494	\$21,000	\$126,494
Wittmann, Michael	1	Draughn Assoc Prof of Healthcare Mkt	\$ 98,324	\$50,000	\$148,324
			\$533,470	\$107,000	\$640,470

Notes: Data on E&G salaries come from the 2008-09 USM Budget Book. Estimation of Wittmann's '08-'09 private stipend is based on (1) media accounts of Max Draughn's \$1 million donation to the CoB, and (2) the rule-of-thumb that 5% of an endowment is paid out each year. Data for Posey's '08-'09 stipend are based on actual figures for the Morgan Professorship that are presented in A Year in the Life of the Morgan Professorship, a USMNEWS.net report chronicling former SPA Director James Crockett's use of the Morgan proceeds in '98-'99. As that report indicates, Crockett synt \$17,953 in Morgan money, a figure that supports a \$359,000 balance in the Morgan endowment as of '98-'99, or 10 years ago. Assuming a growth rate of a little more than 1.5% per year, the Morgan endowment now has a balance of roughly \$420,000, a total that supports an annual payout of \$21,000. These figures were used to estimate the McCarty payout as well. Finally, the estimations for the CFS and Kaetsu payouts are based on information from USMNEWS.net sources.

As indicated in Table 1 above, the five distinguished CoB faculty are collectively paid well more than \$0.5 million in E&G monies alone. On average, a distinguished CoB prof is paid about \$107,000 per year in state monies during 2008-09. At the same time, that average distinguished prof is, based on the estimations, supplemented to the tune of \$21,400 from private endowment accounts, bringing the (potential) total average compensation to more than \$128,000 per year. In terms of individual estimations, the highest potential compensation total is a whopping \$148,324 (Wittmann), while the lowest is a stout \$120,678 (Clark). Sources say we should all be so lucky.