

How Nail May Ultimately Fail

A Guest Editorial

New CoB dean Lance Nail introduced his reorganization plan just over two short weeks ago. That plan created two additional departments, splitting up economics from finance and international business, information systems from accounting, and management from marketing. The new organization is, relatively speaking, a thing of beauty. But, there is one aspect of it that may bring the whole thing down, along with Nail's administration. That is the current goal of staffing the chairs positions with six new, external individuals.

Nail is already headed down the path of hiring six new department heads. The job ads have been posted, and the search is on for new heads of (1) accounting, (2) economics and decision sciences, (3) finance, (4) management, (5) marketing and (6) tourism management. It is this path that may spell doom for Nail's stint atop USM's College of Business. And, this possibility is not new; it has already been hinted at here at USM News.

One of the reasons that economics is often paired with finance in business schools is so that an economist can be hired as chair. Why? Economists are, relative to finance, the proverbial "dime a dozen." By separating finance and setting it up as its own unit, Nail is now forced to hire a finance PhD to chair finance. What will that entail? Even the old 2005-06 AACSB data paint a bleak picture in this regard:

Table 1
2005-06 AACSB Salary Data: Finance

<u>Rank</u>	<u>New Hire</u>	<u>w/ 10% Markup</u>	<u>as Chair</u>
Full	\$142,000	\$156,200	\$171,200
Associate	\$126,000	\$138,600	\$163,600

As the table above shows, even using the 2005-06 AACSB salary data Nail faces an annual expenditure of about \$159,000, *not including fringe benefits*, to staff a finance chair position. If these older data are marked up by 10%, the total climbs to about \$167,000, again *not including fringe benefits*. With fringes, we're looking at near \$200,000. After that, there are still five more chairs to hire, and we know already that USM authorized former CoB dean Harold Doty to spend up to \$175,000 on a new accounting director *back in 2006-07*. It is now 2008-09.

All things considered, Nail may soon be pouring well over \$1 million annually into CoB administration, and as a result we will be no closer to having a CoB we can be proud of than we have today. Make no mistake about it, the CoB is about to undergo the greatest expansion in administration than heretofore ever seen. If you think that is the way to go, then you certainly haven't been around academia very long and you surely haven't been keeping up with things in the CoB.

What should Nail have done? That's easy. He should have negotiated an additional \$200,000 out of the Martha Saunders administration of USM in order to hire an outsider as associate dean. He could have then elevated more weak and docile CoB faculty (cut from the Joseph Peyrefitte, Kenneth Zantow and/or Gwen Pate cloth) to fill the new department heads holes. With everyone in place, Nail and the new *outside* associate dean could have run the CoB from their second floor office suite in JAG. Better outcome, and at a \$1 million savings. The additional monies could have been shared by the CoB and central administration, with the CoB portion going to faculty lines for new hires – hires that would be made by Nail and the new *outside* associate dean.

Yes, on its current path, the Nail administration is going down the tubes. There is, however, still time to turn things around. Whether that will happen or not remains to be seen.