

[snippet from SC minutes April 2, 2012]

iii. Proposed Restructuring of the School of Management in the Gatton College of Business and Economics Farrell said that the SAOSC moved two motions at their meeting earlier in the day. He explained that the SAOSC **moved** to disapprove the proposed restructuring of the School of Management, within the Gatton College of Business and Economics, based on its academic merits. The SAOSC then **moved** to not endorse the proposed restructuring of the School of Management, within the Gatton College of Business and Economics, based on its non-academic merits, including but not limited to the method in which faculty were polled throughout the restructuring process and the inability of faculty to choose a home academic unit. Farrell said he intended to first give an explanation of the SAOSC's review process and timeline. He read from the minutes of the SAOSC's open hearing on Friday, March 30.

- The proposal was first sent to the SAOSC on December 5.
- Farrell, Hollie Swanson (SC chair), Lee Blonder (SC chair-elect), interim Senior Associate Dean Ken Troske (BE) and former interim Dean Merl Hackbart (BE) on January 30.
- Troske and Hackbart attended a meeting of the SAOSC on February 6 when a variety of questions were asked.
- SAOSC members asked additional follow-up questions that were forwarded to Troske and Hackbart on February 9. Troske responded with answers on February 21.
- Farrell and the SAOSC met with Swanson and Blonder on March, regarding how to proceed.
- At the suggestions of Blonder and Swanson, Farrell and the SAOSC invited faculty from the Gatton College to speak with the SAOSC on March 10.
- SAOSC members had additional questions, which were emailed on March 10 and 15, and answered on March 22.
- The need for an open hearing became apparent and appropriate plans were made to hold the hearing.

Farrell then explained that, with respect to reviewing the proposal to restructure the School of Management (SOM) within the Gatton College of Business and Economics (Gatton College), the SAOSC looked at the issues outlined in *Senate Rules 3.3.2.1.B.a-i.*, pertaining to the procedures governing consolidation, transfer, discontinuation, or significant reduction of an academic program or educational unit.

- a. The centrality of each program or course of study to the mission of this institution or to the mission of the college, school, or department within which it is located;

The SAOSC did not deem this issue (a) to be relevant to the restructuring.

b. The academic strength, productivity and quality of the academic program or unit, and of its faculty;

The SAOSC deemed this issue (b) to be relevant to the restructuring.

c. The importance of the program or unit to the state or region in terms of its cultural, historic, political, economic, or other social resources;

The SAOSC did not deem this issue (c) to be relevant to the restructuring.

d. The importance of the program or unit to the state or region in terms of its geologic, geographic, environmental, or other natural resources;

The SAOSC did not deem this issue (d) to be relevant to the restructuring.

e. The relationship of the academic program or unit and the work done therein to some essential program or function performed at this institution;

The SAOSC did not deem this issue (e) to be relevant to the restructuring.

Other considerations may include:

f. The current student demand and projected enrollment in the subject matter taught in the program or unit;

The SAOSC reviewed material pertaining to this issue (f) and found it to be relevant.

g. The current and predicted comparative cost analysis/effectiveness of the program or unit;

The SAOSC reviewed what little information was available regarding this issue (g), which was believed to be relevant to the restructuring.

h. The duplication of work performed in the academic program or unit by work done in other programs or departments at other public institutions of higher education elsewhere within the Commonwealth of Kentucky;

The SAOSC did not deem this issue (h) to be relevant to the restructuring.

i. Such other factors as the committee deems pertinent.

The SAOSC did find a couple of areas under this issue (i) to be relevant to the restructuring. The SAOSC was concerned about the governance involved in the approval process and what information was available to faculty and when. In addition, the SAOSC thought that using the report by the Pappas Consulting Group, Inc., was not sufficient justification for doing away with the Decision Science and Information Systems area although the other areas in the SOM became departments; the Pappas report suggested raising all areas to the level of department, even though it was noted that the Gatton College had no plans to change the School of Accountancy to a department.

Another area of concern for the SAOSC was the characterization of a key vote in April 2011 by some faculty on the issue of restructuring from four areas within the SOM to some other structure. The end result was that of 42 eligible voters, 27 faculty voted. Of those 27, 13 were in favor of restructuring into three departments, seven voting to reorganize into four departments, and five voting to keep the existing structure that would retain four areas in the SOM and leave the DSIS area intact. The SAOSC concluded that the 13 votes in favor of restructuring into two departments was not a majority, but rather a plurality.

The SAOSC asked for information about why the dissenters voted the way they did and was told that information was not available and the vote did not include any discussion. The SAOSC subsequently received a document from the former head of the DSIS area who had chronicled the vote and indicated the opinions for and against the different proposal. This discrepancy was problematic for the SAOSC.

Guest and Dean of the Gatton College David Blackwell added that the Gatton College had and continues to offer two doctoral programs – a PhD in Business Administration and a PhD in Economics. McCormick asked if there was a doctoral concentration in DSIS and Dean Blackwell confirmed that. Debski commented that the Gatton College’s website indicates the specific concentration of DSIS.

Farrell continued. He said there were discussions with DSIS faculty about where they would be transferred. After looking through substantial documentation, the SAOSC felt that the DSIS faculty wanted to move together to the Department of Management or to another new department, as a whole. The new appointments were announced via email on August 18. Multiple DSIS faculty have expressed dissatisfaction with their new placements and movement away from their academic interests. The SAOSC heard that the low voter turnout in October had to do with some faculty feeling the restructuring was a *fait accompli* or “done deal.” There was a unanimous vote by the Gatton College faculty in October, which does show that the will of the majority had spoken. The SAOSC was concerned, however, with characterizations that the vote and restructuring was widely agreed upon, when they were not; and that information about dissent was not made known to the SAOSC when the SAOSC asked for it.

Farrell explained that the SAOSC looked at the impact of the change on the DSIS faculty members. The SAOSC generally felt that some restructuring that took the SOM’s four areas to some number of departments was not problematic – a review of similar units’ structure at UK’s benchmarks show a wide variety of different structures. However, very few, if any of those benchmarks, do not have a DSIS unit.

The SAOSC was not sure if the proposal to restructure took into consideration the achievements of the DSIS faculty – the Gatton College’s website lists a substantial series of publications and achievements by the DSIS faculty.

Farrell said that he had no further comments to offer, but was happy to answer questions. He asked Debski, a member of the SAOSC, to weigh in with her recollections. Debski commented that Farrell had done an excellent job throughout the review process and gave an excellent summary. Debski said she wanted to reiterate the SAOSC’s concern over the discrepancies observed during the review process, including the characterization that the vote on structure was “overwhelmingly” supported by SOM faculty when it was not; that faculty were given a

choice as to where to go, although only some faculty members' choices were not respected; that faculty may or may not have known what exactly they were voting for and the consequences of the vote; and the statement that the justification for going from four areas to three departments was in the Pappas report, when the Pappas report suggested departments for each of the four areas.

Provost's Liaison Greissman commented that the proposal to restructure had three parts: 1. The proposed restructuring 2. The transfer of four undergraduate degree programs to the new departmental structure; and 3. The suspension of admissions into the BBA in Analytics (formerly DSIS). The Chair noted the suspension had already received SC approval earlier, and the program transfers were not being considered, yet.

Greissman respectfully asserted that the first motion from the SAOSC, to "not approve" the proposed restructuring of the SOM was not legitimate and that the Senate only had endorsement authority on the administrative restructuring. The Chair replied that she respectfully disagreed – she believed there was quite a bit of academic relevance to the restructuring. Farrell concurred with the Chair, saying that the SAOSC followed the *Senate Rules (SR)* with regard to their review of the structural changes, including the academic impact and impact on faculty, as well as used the statement in the *SR* that the committee should review other factors it deems relevant. The SAOSC "divided" the restructuring proposal into academic and non-academic considerations, and included a review the governance involved with the restructuring. Farrell said he disagreed with the characterization that the proposal was not before the SAOSC for approval (as opposed to endorsement).

Guest Davy Jones, chair of the Senate's Rules and Elections Committee, said that the Senate has purview over the academic merit and academic content, but the Senate only plays an advisory role in issues that pertain to infrastructural resources and reporting. The academic merit component of reorganizations is not the same as the academic merit of degree programs. Jones said there was only one vote that should be taken, to endorse or not endorse. Farrell replied that the proposal to restructure appeared to have a direct effect on the BBA in Decision Science and Information Systems (DSIS), as well as the PhD in Business Administration with a DSIS emphasis, resulting in a significant reduction of those two academic programs. Therefore, the review included academic considerations.

Grossman asked if the Senate had approval authority over moving of one faculty line to another unit, or changes in ownership in degree programs. Jones replied that both were actions on which the Senate offered an advisory vote only. Grossman opined that the proposal to restructure could not be separated from the proposed ownership changes for the degree programs.

Grossman **moved** that, given the difficulties in the process outlined by Farrell, the motions from Farrell be tabled until the Gatton College can address some of the concerns that the SAOSC has raised, maybe through new votes or reconsideration of how many departments into which the School of Management will be divided. Wasilkowski **seconded**.

Guest and Gatton College Dean David Blackwell offered comments in support of the proposal to restructure. He said that the process undertaken for restructuring was extraordinarily open, inclusive and transparent. He said the Pappas report made the right recommendations

restructuring. He said there were some other universities that had restructured DSIS faculty into other departments. He added that DSIS was not really a discipline and faculty in that general area could fall into any number of different disciplines. Dean Blackwell added that seven of nine faculty found their new department to be agreeable and that basically two faculty out of 85 were attempting to drive an administrative decision.

In response to a question from the Chair, guest and Senior Associate Dean Merl Hackbart explained that students were not being admitted into the DSIS area of the PhD in Business Administration because there was only space for one student. He noted that the Marketing area also periodically restricted admissions into the Marketing area of the PhD in Business Administration.

Debski opined that the suspension of admissions into the BBA in DSIS and suspension of admission into the DSIS area of the PhD in Business Administration were part of the SAOSC's concern that the restructuring was clearly having an academic impact on DSIS faculty. Dean Blackwell said that those actions would have been taken anyway.

Seeing that the time was past 5 o'clock, Grossman **called the question**. Wasilkowski **seconded**.

Farrell noted that the motion to table would delay final actions associated with the restructuring of the SOM; he said that he had been urged by the Chair to move as quickly as possible so the proposal could be reviewed by the Senate on April 9. The Chair commented that her request for speed was driven by other people's urging, not her own. Grossman commented that the Gatton College could take as little or as long as it wanted. Hackbart commented that with a vote of 13 in favor, asked if it was necessary to go through the whole process again. McCormick commented that 13 votes were only 33% of eligible voters; she wondered if that issue was something that Dean Blackwell would want to look at. Brion commented that the Pappas report stated that shared governance in Gatton College was not working well.

After the last of the discussion, a **vote** was taken on the **motion** that, given the difficulties in the process outlined by Farrell, the motions from the SAOSC be tabled until the Gatton College can address some of the concerns that the SAOSC has raised, maybe through new votes or reconsideration of how many departments into which the School of Management will be divided. The motion **passed** with four in favor and three opposed.



Gatton
COLLEGE OF BUSINESS & ECONOMICS
UNIVERSITY OF KENTUCKY

MEMORANDUM

TO: Provost Kumble Subbaswamy
Professor Hollie Swanson, Chair University Senate

FROM: Interim Dean Merl Hackbart 

Interim Senior Associate Dean Kenneth Troske 

DATE: December 5, 2011

RE: Restructuring and Departmentalization of Gatton College's School of Management

After considerable deliberation and discussion, the faculties of Gatton College's School of Management, Interim Dean Hackbart, Provost Subbaswamy and Gatton College's faculty have concluded that the School's programs, majors and faculty would strongly benefit from the restructuring of the School of Management into three departments. The decision was also based on the belief that the goals and regional and national stature of the academic disciplines currently housed within the School would benefit from the departmentalization of the School. This memo summarizes the background and justification for the restructuring of the School as well as a recap of the process followed in arriving at the School and College's decisions to restructure. Please consider this memo a request for University Senate and University approval of the restructuring of the School of Management.

Background: In 2010, Provost Subbaswamy contracted with the Pappas Group consulting firm to study the structure and functioning of the Gatton College to suggest organizational or operational changes that would enhance the College's ability to meet its full potential and mission. One of the major recommendations from their August 2010 report was that the College consider reorganizing the School of Management (SOM) into smaller more cohesive academic units. This recommendation was consistent with SOM faculty perceptions that the SOM was too large and diverse in terms of background and academic focus and that the School lacked effective faculty governance and a sense of direction. As such, the School faculty had developed apathy and a sense of indifference regarding the future of the SOM. Given the report's

recommendation, and the faculty perceptions that the SOM had become a dysfunctional academic unit, the SOM faculty held a meeting in November 2010 to discuss the Pappas Group recommendation and their views of the School and its future. Following that discussion, the SOM faculty voted to consider alternative organizational structures for the SOM so as to enhance its programs and the opportunity to establish academic units with a stronger sense of purpose, enhanced academic governance, and an invigorated vision for the future.

A faculty committee was formed and charged with developing a set of alternative organizational structures based on an analysis of the structures of our benchmark colleges and schools. This committee developed several options and forwarded the options to the Provost in February 2011 for his review and consideration. As is required by University Regulations, the faculty of the SOM were asked to discuss the merits of each option and express their preference in a vote, which was conducted in April 2011. The results of this vote indicated that the SOM faculty preferred dividing the SOM into three departments. Based on this vote, the Provost requested that Interim Dean Hackbart begin the process of re-organizing the SOM into three separate academic units.

Working with Interim Dean Hackbart, Interim Associate Dean Steve Skinner solicited input from faculty in the SOM regarding the tentative names and focus of the three new departments. They also solicited input regarding the alignment of the SOM faculty members to the three academic units, principally based on discipline and departmental focus. Dean Hackbart and Associate Dean Skinner also sought input from the Gatton Faculty Council during the restructuring and faculty alignment process. Based on faculty input, along with considering student and program needs and future opportunities for development, Interim Associate Dean Skinner and Interim Dean Hackbart recommended to the Provost the creation of the three new departments: the Department of Finance and Quantitative Methods, the Department of Management, and the Department of Marketing and Supply Chain, as well as the faculty's departmental assignment. Provost Subbaswamy approved their recommendations.

Since the formal reorganization of the School of Management involves administrative and academic changes, which require SOM and College faculty endorsements and approval, respectively, the SOM and the College faculty considered and voted on three proposals associated with the SOM reorganization. The proposals were developed by the Gatton College Operating Committee and the process for dealing with both the administrative and academic issues associated with the SOM reorganization was reviewed by the Gatton Faculty Council. Since the SOM faculty originally voted to reorganize into the three departments (the administrative change), it was not necessary to have them vote again on that proposal. However, SOM faculty needed to approve the proposed assignment of the SOM degree programs to the new departments (the academic program changes—see proposal 2 below). The Gatton College faculty needed to vote on endorsing the administrative change (the reorganization of the SOM) and to approve the academic program changes (the assignment of majors to the new Departments). These meetings and votes took place, first at the SOM faculty meeting on October

28, 2011 and then at a College-wide faculty meeting on November 18, 2011. The proposals that were voted on are as follows:

VOTE ON ENDORSEMENT by the faculty on the non-academic (administrative) merits of the following proposal:

PROPOSAL 1: The disciplinary areas that comprise the School of Management be reconfigured as three separate departments - Department of Finance and Quantitative Methods, Department of Management, and the Department of Marketing and Supply Chain - and that the School of Management, as an educational unit, be abolished. The faculty employees associated with the areas of the School shall have their current faculty appointments transferred to the appropriate proposed department.

VOTE ON APPROVAL by the faculty of the educational (academic) merits of the following proposal:

PROPOSAL 2: The four areas of concentration of the undergraduate degree program in Business Administration (BBA) shall move to the appropriate proposed department: The BBA in Finance to the Department of Finance and Quantitative Methods, the BBA in Analytics to the Department of Finance and Quantitative Methods, the BBA in Management to the Department of Management, and the BBA in Marketing to the Department of Marketing and Supply Chain.

At the SOM meeting earlier this fall, the faculty voted to approval proposal 2 by a vote of 24-3. (The SOM faculty voted last spring in support proposal 1.) At the Gatton College faculty meeting the faculty were unanimous in their support of proposals 1 and 2

In a separate but related matter, the SOM faculty and the Gatton College faculty also discussed the future of one of the SOM undergraduate degree programs, the Bachelor of Business Administration in Analytics. There were significant reservations expressed in those discussions about the future viability of the BBA in Analytics. Given the significant administrative and academic changes in the College which include the relocation of the Analytics major in the Department of Finance and Quantitate Methods, the fact that the faculty teaching the major courses will be housed in all three new departments, and the fact that some Gatton faculty felt that there were questions about the material included in the new major (approved by the Board of Trustees in June, 2011) the College operating committee felt that it was a good time to study the major and its administration under the new organizational structure.

It was also noted that the Analytics major classes are the smallest in the College and the Analytics major has the fewest majors of any program in the College. The student-faculty ratio in the Gatton College is 33:1 while in the Analytics program the student-faculty ratio is 9:1. In the discussion, some faculty felt that given the significant changes in technology and analytic methods that have occurred in businesses in the past several years that now was an ideal time to

conduct a comprehensive review of the Analytics major with the intention of improving the quality and therefore the attractiveness of the program to students.

As a result, the faculties in SOM and in the Gatton College voted on a proposal (proposal 3 below) to suspend admissions into the BBA in Analytics for one academic year (2012-13). The temporary suspension will enable the Gatton College faculty to engage in comprehensive and thoughtful discussion on this matter before it admits another cohort of Analytics majors.

PROPOSAL 3: There shall be a one-year (temporary) suspension of admissions into the Bachelor of Business Administration in Analytics for the 2012-13 academic year.

The SOM faculty voted 13-11 against proposal 3, and the Gatton College faculty voted 30-11 to approve proposal 3. Interim Dean Hackbart plans on forming an ad-hoc committee consisting faculty from all academics units in the College to review the program.

As the next step in the reorganization process, we are seeking approval from the Senate Council and University Senate for proposals 1 and 2. *Given the timeliness of the issues attendant to proposal 3, we are requesting that the Senate Council approve proposal 3 on behalf of the full Senate so that we can begin planning and informing students of the temporary change.*

Thank you for your attention to this matter. Please contact either Interim Dean Hackbart or Interim Senior Associate Dean Troske if you have any question or need additional information.