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OPERATIONS AND EFFICIENCY

Faculty Buyout Packages: An Emerging Higher Ed Trend? (Part 2)

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There are numerous advantages to having veteran faculty on campus, including experience, knowledge and continuity. On paper, though, it passes the “smell test” for a college in anticipation of steep funding cuts or continuous revenue losses to take the step proactively to reduce salary, benefits and wage costs. These incentive programs provide a way to redirect the allocation and appointment of faculty positions to capitalize on the institution’s ability to fulfill its academic mission on a continuing basis. Each institution’s buyout option is slightly different, but most are thoroughly vetted legally to avoid any subsequent age discrimination lawsuits upon acceptance. Typically, they require eligible faculty be at least a certain age and to have a minimum number of years of service to determine the specific amount of their buyouts, which include earned vacation days and often money for some health insurance. However, this carrot does not necessarily mean that the faculty will elect to participate. For example, in 2013 when the enrollment

dropped, the law faculty at the private Hofstra University were offered two full years of salary to retire and yet not a single one accepted the buyout.

Conducting thorough faculty searches takes time, sometimes even a full academic year. It is also costly to replace professors because of the productivity losses when someone leaves a job. Moreover, there are the costs of hiring and training any new employees, and the issue of slower productivity until the new professors get “up to speed” in their new jobs. As an alternative to decimating an academic program by suddenly losing all its seasoned full-time faculty or having to temporarily rely on part-time adjunct instructors paid by the course on a semester-by-semester basis, a phased-in voluntary retirement program should be explored.

To avoid potential problems either with accreditation agencies or with student retention (or even both) a more measured, phased-in retirement option would

identify and then provide those interested and eligible full-time faculty with the option of a gradual reduction in their responsibilities as they near retirement. The plan could be introduced over a few years with full or reduced salary and still provide the same health insurance and other benefits available to full-time faculty along with a continuing college contribution to retirement funds. That would also permit the respective academic departments to plan over several years for the integrated administration and replacement of senior faculty while utilizing their expertise and vast institutional knowledge. Transitioning full-time faculty to part-time faculty status could be quite attractive for some faculty who might be contemplating winding down their academic careers.

Most college offices of human resources are not sufficiently staffed or equipped to implement such a significant undertaking on top of their day-to-day operations. As the administrators in student services have recently learned it is indeed a best practice to employ actual military veterans in the student veterans' office on campus, it likewise would be a good idea to hire back a recently-retired faculty member to be available to advise senior faculty about retirement options.

As more professors near retirement age and realize the insufficiency of their financial preparedness, more are likely to choose continued employment. Just as an institution would not exist without students, it equally needs competent, dedicated, and caring faculty who are valued and appreciated if it is to pass muster as an academic institution worthy of enrolling and graduating students. If colleges must cut expenses now by incentivizing their faculty with buyout packages in order for them to retire prematurely, the offers should benefit not just the institution and the faculty, but also the students served. With each tenured or multi-year contract faculty position that is removed, the college also loses a potential committee member, dissertation chair, faculty adviser, grant's principal investigator, etc., with a long-term institutional commitment.

As with any calculated initiative, careful thought, strategic planning and precise succession planning are advisable. Part of this systematic preparation involves conducting a thorough needs assessment. Anonymously surveying employees, holding large group meetings, enlisting smaller focus groups on campus, and actively listening to the academic administrators and faculty can be helpful strategies. In order to get the all-important buy-in of the stakeholders who are

impacted, institutional transparency is required. After a thorough review and analysis of all the data, it would also be sensible for a college to first identify and then study other similar type and size institutions that have already successfully rolled out such a voluntary retirement buyout program for their faculty before drafting its own.

Doing nothing and ignoring the needs of the full-time faculty and the academic concerns of the departments is not a realistic option as all the forecasts predict that the trend of professors continuing to work into their "golden years" is not going away. Having a humane buyout program that provides eligible faculty members with incentive compensation based on their annual base salaries and number of completed years of service to either voluntarily separate from employment or choose a gradual phased-down workload certainly makes sense on a number of levels. Allowing those who are interested to remain a vibrant part of the institution they have long served through mentoring, teaching a course, or having access to the library, etc., could prove beneficial to all. It will indeed take time from the initial planning to the actual implementation stages to get it right. It should be a "win-win" for the entire institution.