

Faculty Resource Plan 2004-2005
Stan Ross Department of Accountancy

The Stan Ross Department of Accountancy faculty resource plan begins with a description of the department's faculty and its recruiting, promotion, and tenure processes. Following this is a summary of challenges faced by the department, recruiting priorities, and faculty development. The plan concludes with a list of faculty resource-related action items

The department has 30 full-time accountancy faculty members and an approximately equal number of adjunct faculty. Of the full-time faculty, 69 percent are academically qualified and 25 percent are professionally qualified. Academic and professional qualifications for adjunct faculty are 12 percent and 85 percent respectively.

With respect to scholarly pursuits, the mission emphasizes publication in the leading journals in the field. Faculty members who have articles published or accepted in top-tier journals over the most recent three-year period include the following persons:

Professor	Date published or accepted
Donal Byard	Journal of Accounting Research, 2002 Accounting Review, 2002
Masako Darrough	Journal of Business, 2002 Journal of Accounting Research, JAR 2004
John Elliott	Accounting Review, 2002
Aloke Ghosh	Review of Accounting Studies, 2004 Accounting Review, 2004
Steve Lilien	Journal of Business, 2004
Bharat Sarath	Review of Accounting Studies, 2003
Jimmy Ye	Journal of the American Statistical Association, 2002

Concerning professional activity, 11 full-time faculty and most adjunct faculty hold CPAs or possess similar professional qualifications. Baruch's accountancy faculty are the authors of training materials in accounting and auditing and internationally recognized books and reference materials used by practitioners in business and accounting. Some faculty present programs at national meetings and present seminars for professional accountants, auditors, and tax staff.

Dr. Martin Benis has written practice oriented books and interacts frequently with people in business. Dr. Harry Seward also brings a particularly rich practice orientation in management accounting to the classroom. Professor Norm Strauss, an internationally recognized expert in alternative accounting principles and the background of principle development, brings this orientation to the students and faculty. Dr. Steve Lilien represents a combination of interests. While his scholarly output places him in the top

tier of accounting academics, he is also heavily involved in the practical implications of alternative accounting practices. Both students and other faculty members benefit as a result of these different backgrounds, perspectives, and different approaches to problem-solving.

Recruiting Process

Full-time faculty are recruited on the basis of their potential excellence in teaching and scholarship. The recruiting process begins with letters to leading AACSB schools with doctoral programs. The positions are also advertised in the *Accounting Review*.

The recruiting committee, chaired by Masako Darrough, reviews vitae and other application material. Candidates with demonstrated records of research accomplishment or who are judged to have the potential for research accomplishment are invited to submit research papers for consideration. Papers are reviewed by the recruiting committee and candidates with promising papers are invited to visit the campus and make presentations to the faculty and graduate students. These presentations provide important insights concerning the candidate's potential to teach and publish.

In addition to presenting a paper, candidates who visit the campus meet with faculty members, administrators, and doctoral students. Faculty members who attend the candidate's seminar or meet with the candidate typically provide feedback to the chair or members of the Executive Committee. The Executive Committee then considers the expected ability to teach in various programs at Baruch, ability to perform significant research, ability to continue to develop professionally, and the expected overall contribution to the department's academic mission and objectives. This committee recommends appointments or requests additional information such as teaching evaluations and additional references. Candidates must then be approved by the school, the college Affirmative Action Committee, the college Personnel and Budget Committee, and the college president.

The chair appoints adjunct faculty on a semester-to-semester basis.

Success in Recruiting

In 2002, the department was pleased to appoint three new assistant professors and one associate professor. The assistant professors are Ying Li, Mehmet Ozbilgin, and Ping Zhou. Jimmy Ye joined the faculty as an associate professor.

John Shon, who is working on his dissertation at the University of Chicago, joined the faculty in 2003.

Peter Joos who is presently on the faculty at MIT, and who has an impressive record of accomplishment, has agreed to join the department as an associate professor beginning in February 2005. During 2004, the department also made offers to several impressive people including two minority candidates, but these candidates accepted other positions. Fortunately, a number of excellent people accepted temporary appointments and presently serve on the faculty.

Retention

Retention of untenured faculty requires excellence in teaching and the promise of significant scholarship. All faculty members (except full professors with tenure) are reviewed annually by the chair. The chair prepares a letter for the individual's file which comments on the individual's teaching, research, and service. The chair also meets with each faculty member to discuss these evaluations and if necessary, to work out a plan for future accomplishment.

Nontenured faculty members are subject to annual renewal. Recommendations for reappointment are based upon the candidate's record and potential for teaching, research, and service. The Executive Committee considers each candidate, each year and forwards recommendations to the school. Usually, these recommendations are favorable and unanimous.

Promotion and Tenure

Tenure and promotion to associate rank requires significant scholarship, excellence in teaching, as evidenced by student course evaluations and peer evaluations, and external letters from prominent faculty in the field. At a minimum, successful candidates for associate professor and tenure generally have at least one publication in a major academic journal with additional publications in the next level peer-reviewed journal. Two first-tier publications are preferred. Full professors should be known nationally. Service to the department, school, and college is also expected.

Candidates for tenure or promotion to associate professor indicate their candidacy to the departmental chair. The promotion or tenure package is then forwarded to the appropriate committee. All tenured faculty members serve on the tenure committee. The promotion committee is comprised of all associate and full professors.

The recommendations of these committees are then forwarded to the school's Promotion and Budget Committee. Tenure and promotion to associate rank requires favorable action by the department, school, college, and university. Consideration for promotion to full professor begins with the school. Department faculty members may forward inputs to the school concerning full professor candidates.

Promotion Successes

During 2003, Bharat Sarath was promoted to Full Professor. During the Fall Semester 2004, the department recommended promotions to Associate Professor for Steve Melnik and Donal Byard, two candidates with particularly distinguished records. Both individuals will be considered for tenure during the Spring Semester 2005.

Challenges for the Future

1. **Tenure-Track Faculty.** In 2004-2005, the funding for the department's open positions is not sufficient to fill all open faculty lines at market salaries. The state funding is not competitive and supplemental funding sources are required to

competitively fund all available positions. As a result, the number of tenure-track offers will be limited.

On a per credit-hour basis, the total number of faculty is substantially lower for accountancy than for the school as a whole. As shown on the following schedule, accountancy ranks last amongst the school's departments in terms of student credit hours per faculty member. Two departments have considerably fewer students, but considerably more faculty than accountancy.

Department	Student credit hours (SCH)	FT and PT faculty	SCH per faculty member
Statistics and CIS	12,483	67	186
Management	13,675	68	201
Marketing	10,888	52	209
Law	6,188	29	213
Econ and Finance	21,912	88	249
Accountancy	17,557	58	303

2. **Adjunct Faculty.** Accountancy relies upon large numbers of adjunct faculty for two reasons. One is the dearth of full-time faculty lines, the second relates to the difficulty of hiring qualified tenure-track faculty due to limited funding. Unfortunately, the salaries available for adjuncts are also low, especially considering the New York City location and other outside income opportunities available to accounting professionals. While the department is fortunate to have the services of large numbers of qualified adjuncts, the time commitment is a constraint. Adjuncts are encouraged to attend seminars and faculty meetings and otherwise participate in departmental activities and participation has been quite strong. However, some highly capable instructors limit participation to class meetings and office hours, in some cases due to the existing salary arrangement.

On the positive side, the department's adjuncts bring valuable professional exposure to the classroom and serve as professional role models for students in addition to providing excellence in teaching.

3. **Turnover.** Another challenge relates to the turnover of full-time faculty. The department has recruited excellent faculty over the past several years. However, approximately equal numbers of valuable faculty have left.

One reason for faculty turnover is the inability to obtain tenure. The emphasis for retention, promotion, and tenure is on strong teaching performance and publication with at least one major publication. Service to the department, school, and college is also expected. Consistent with the commitment to continuous improvement, the Zicklin School seeks to increase the quality of its faculty with respect to intellectual contributions. In line with this objective, the expectations for promotion and tenure have increased. Previously, candidates were advised that one major publication and evidence of additional research along with continuing scholarly activity should be sufficient for tenure and promotion. Now, the expectation is for two major publications, or at least the expectation of two majors. This performance expectation is ambitious in view of Baruch's short tenure clock (five years). In the past, Baruch

has lost faculty members who were accomplished researchers, but who needed more time.

A second reason for turnover is that some senior faculty members believe that salaries are well under market. Within the last several years, Professors Sudipta Basu, Steve Bryan, and Lee-Seok Hwang left Baruch for other positions. All three individuals were hired as assistant professors, successfully met the requirements for tenure and promotion to associate, and demonstrated leadership in teaching, scholarship, and department administration. Competitive salaries are a necessary condition for retention of the most productive faculty members.

4. **Faculty Recruitment.** Baruch's high expectations of performance for promotion and tenure in conjunction with the short tenure clock, means that the department can extend offers to only the most promising candidates. The problem is that Baruch must compete with aspirant rather than peer schools with respect to faculty recruiting. Thus, a significant number of the offers extended by the department are not accepted. As a consequence, the department spends an inordinate amount of energy recruiting qualified faculty candidates.

Positive factors, in addition to the department's reputation for scholarship, facilitate recruitment. One is Baruch's location in central Manhattan, arguably the financial center of the world, with proximity to other excellent universities including Columbia and New York University. The city offers unparalleled exposure to the performing arts, museums, restaurants, sports, ethnic diversity, and is especially convenient for domestic and international air travel.

These features increase the department's attractiveness to many potential faculty members and students. However, the big city lifestyle with its associated activity and costs is not for everyone. This is a particular problem for people with school-age children. Thus, Baruch's New York City location is both an advantage and disadvantage.

5. **Course Offerings.** The department offers a relatively small range of course offerings both at the undergraduate and graduate levels. Courses offered to undergraduate students during the Fall Semester 2004 are as follows:

- Financial Accounting Principles
- Accounting Information Systems
- Intermediate Financial Accounting 1 (fixed assets, inventory, etc.)
- Intermediate Financial Accounting 2 (leases, bonds, pensions, etc.)
- Managerial Accounting
- Internship
- Advanced Accounting (consolidations, partnerships, foreign currency, Federal Income Taxation (individuals)
- Principles of Auditing

In teaching its courses, the department tends to emphasize general concepts and the theoretical basis underlying accounting. As consequences, faculty members are able to deliver these courses especially well and the department obtains efficiencies and flexibility in scheduling to meet changing enrollment needs. New concentrations which will require more courses are proposed. Additional faculty members will be needed to expand these offerings.

Recruiting Priorities for 2004-2005

Following is a listing of the department's recruiting priorities:

1. Auditing Leadership – A senior person or executive-in-residence to develop and teach advanced auditing courses, assist junior faculty members and PhD students with research in auditing, contribute to scholarship, recruit and coordinate adjunct faculty, mentor students, and become active in departmental governance.
2. Tax Leadership – To develop and teach advanced courses in taxation, contribute to scholarship, recruit and coordinate adjunct faculty, mentor students, and become active in departmental governance.
3. Accounting Systems Leadership – To develop and teach advanced courses in accounting systems, assist junior faculty members and PhD students with research in accounting systems, contribute to scholarship, recruit and coordinate adjunct faculty, mentor students, and become active in departmental governance.
4. Adjuncts – Qualified practitioners with a willingness to participate in department affairs in addition to excellence in teaching.
5. Financial Accounting – To develop and teach courses in financial accounting, conduct joint research with faculty members and PhD students, contribute to scholarship, mentor students, and become active in departmental governance. These positions replace existing and possible future vacancies.
6. Managerial Accounting – To develop and teach courses in managerial accounting, conduct joint research with faculty members and PhD students, contribute to scholarship, mentor students, and become active in departmental governance. These positions will maintain our strength in managerial accounting in the event of future vacancies.

Baruch is an equal opportunity employer and makes every effort to recruit qualified minority candidates.

Since the supply of qualified academic auditing, systems, and tax faculty is extremely limited, the department is considering the possibility of asking one or more senior faculty members to prepare to teach auditing or systems. Granting course relief in exchange for preparation time may make the switch of teaching assignments attractive.

Faculty Development

One of the department's major strengths is the scope and intensity of its faculty development activity. The mission provides that among other activities, faculty members must publish to achieve tenure and promotion. Consistent with this mission, Baruch's accountancy faculty members have made substantial contributions to both the academic and professional literature. In general, the faculty's top research priority is to develop significant contributions to the academic literature evidenced by publication in the highest quality academic journals.

The following resources and activities are important in promoting Baruch's continuing intellectual contributions and excellence in teaching:

1. **Teaching Load.** A teaching load that allows faculty members to devote much of their time to the development of knowledge. Strong consideration is given to faculty preferences concerning specific courses, days, and times. In many cases, multiple section assignments with a single preparation are given to faculty members who are actively involved in research. Beginning in September 2002, most accountancy teach three rather than four class sections per year. The objective is to increase the time available for course preparation and scholarship and to make the department more competitive relative to departments of schools in the aspirant group. New faculty members are usually assigned to teach basic courses to minimize preparation requirements.
2. **Research Assistants.** Some student research assistance is assigned to full-time faculty members on an as-needed basis. Full-time faculty members also receive limited assistance for classroom support.
3. **Faculty Salaries.** New faculty members receive competitive salaries. In addition, they receive guaranteed summer research grants for up to three years, additional travel support, and computer resources.
4. **Research Seminars.** The department sponsors weekly seminars to stimulate faculty and provide an outlet for communicating research activity while in a developmental stage. Most seminars are presented by outside speakers, academics who are leaders in the field. These seminars benefit faculty members and graduate students in at least two ways. First, faculty are exposed to the most current research. Second, faculty who are interested, may present papers and obtain valuable feedback. The workshops also help to build the department's visibility. During the summer, 2004, Professor Darrough also organized informal seminars on a weekly basis. The seminar schedule for the Fall 2004 Semester includes the following distinguished visitors:

Sasson-Bar Yosef, Hebrew University
April Klein, NYU
Holly Asbaugh, University of Wisconsin
Steven Hillegeist, Northwestern University, and
Shyam Sunder, Yale University

5. **Travel and Other Support.** Funds are available to all faculty for travel to academic and professional meetings. At present, the school and department reimburse faculty travel for attendance at the national AAA meeting and for the presentation of papers at other meetings. Professor Kerstein recently increased departmental funding for both academic and professional meetings. In addition to the school's travel reimbursement, the department now reimburses for 90 percent of travel to present papers or serve as a discussant. This reimbursement is capped at \$1,000. A separate allowance applies to travel to the annual American Accounting Association meeting. Related expenses are 90 percent reimbursed subject to a maximum of \$750. Faculty are also reimbursed for representing Baruch at meetings of professional organizations including the Institute of Internal Auditors and the Financial Executives Institute. Reimbursement is also available for software, supplies, and professional association memberships. Junior faculty members are reimbursed for manuscript submission fees.

In 2004, the department designated junior faculty members as "Ross Scholars." This designation includes an entitlement of \$2,000, to be used for conference travel, journal subscriptions, and other Baruch-related activities.

6. **Technological Support.** Technological support for both students and faculty is extensive. Both students and faculty members have access to large numbers of computers with associated software and high-speed internet availability. The school and department subscribe to powerful, specialized data bases for use in research and teaching. These include Compustat, CRSP, IBES, Lexis-Nexis, and the Factiva news retrieval service. Most key professional journals are available on-line including 158 journals in accounting and taxation. The complete listing of these impressive services is available on the college website, under "Library, Electronic Resources."

The powerful Blackboard system is widely used in accountancy courses. Features include support of two-way communication, the ability to post notices and documents, rapid feedback concerning exams and quizzes. Blackboard increases the department's ability to provide quality education.

All faculty members and doctoral students have computers in their offices and can easily access high speed printers located in the faculty office areas. In addition, most faculty members have printers in their offices. Copy machines are located in many faculty offices and faculty members have access to two nearby high speed machines. A central duplicating facility is available for high volume reproduction.

7. **Conferences.** The department sponsors a number of annual conferences. Beginning in 2004, the department hosted the first annual Joint Research Conference. This conference, developed by Professor Bharat Sarath, is co-sponsored with Columbia, NYU, and Rutgers. Each of the four technical sessions is devoted to presentations of papers by untenured faculty members, followed by discussions with senior faculty. Plans are underway for the 2005 conference.

In 2003, the department began sponsorship of an annual academic conference in conjunction with the American Accounting Association (AAA) and the Financial Executives Institute (FEI). From a selection of articles nominated by the department,

the FEI selects the most noteworthy contribution to the understanding of financial reporting. Professor Guay, author of the winning paper, attended the conference to accept the award and give a presentation. Other distinguished attendees included Bill Felix, President of the AAA. The department received highly positive comments from both the FEI and AAA representatives and both groups strongly favor continuation on an annual basis. The FEI has already accepted the winning paper for 2004 and Professor Steve Lustgarten is planning the Fall 2004 conference. Jane Mutchler, the current AAA president, has agreed to participate.

In 2003, the department hosted its first bi-annual tax conference. The objectives are to update participants on current developments in taxation. This practice-oriented conference was well attended by tax practitioners, high IRS officials, Baruch faculty, other academics, and students. Steve Melnik is planning the second conference to be held during 2005.

Baruch's third annual Financial Reporting Conference was held during the Spring 2004. This seminar, which is organized by Professor Norm Strauss, consists of presentations by key regulators, business people, and academics. The speakers in 2004 included the FASB chairman and the SEC's Chief Accountant. Approximately 200 people attend, including faculty members and graduate students.

8. Faculty Research Plans

All full-time faculty members are asked to submit plans that show research in progress, planned research, and a brief indication of background, progress to date, and expected completion. These plans are expected to help some faculty members focus upon research and help other faculty members determine priorities.

9. **Zicklin Center for Corporate Integrity.** In 2002, the college established the Center for Corporate Integrity. In a relatively short period of time, the Center has sponsored numerous conferences with the effect of promoting student and faculty development and providing national visibility for Baruch College and the department of Accountancy. It is particularly interested in the changing issues of governance and financial reporting confronting U.S. corporations and capital markets. The Center sponsors research and convenes opinion makers in business and public policy to advance this goal through lectures, round tables, and conferences.

Recent guests include the following people:

Arthur Levitt, former chairman of the SEC
David Ruder, former chairman of the SEC
Sallie Krawcheck, chairman and CEO of Smith Barney
Paul Volcker, former chairman of the Federal Reserve Bank
Jack Welch, former chairman and CEO GE
Sir David Tweedie, chairman of the International Accounting Standards Board
Robert Herz, chairman of the Financial Accounting Standards Board
Don Nicolaisen, chief accountant for the SEC
Doug Carmichael, chief auditor, Public Company Accounting Oversight Board
Larry Zicklin, chairman of Neuberger Berman

Eliot Spitzer, New York State Attorney General
Louis Thompson, president of the National Investor Relations Institute
Colleen Sayther, president of the FEI
David Walker, U.S. Comptroller General
Jack Bogle, founder of the Vanguard Group

During 2004, the Center received a \$2,000,000 grant from Robert Zicklin, tangible evidence of the Center's success.

10. Team Teaching

During 2004, the faculty began team teaching activity. One objective is to improve instruction by permitting faculty members to focus upon specific aspects of the course and develop the ability to present these concepts particularly well. Another concerns course scheduling. Team teaching concentrates each faculty member's teaching period therefore permits uninterrupted attention to scholarly activities during the nonteaching period. Professors Li and Shon initiated the team teaching activity.

11. **Leaves.** Faculty members are entitled to apply for paid sabbatical leave every seven years and may also apply for unpaid leave. Unfortunately, most sabbaticals provide only half pay and faculty tend not to apply.

12. **Summer Research Grants.** The school has increased funding for summer research grants. These grants are now available to senior as well as junior faculty members. In 2004, the dean initiated a system whereby faculty members with substantial scholarship activity have an improved chance of receiving summer research grants.

13. **Saxe Lectures.** For many years, the department has brought in a prominent businessperson or academic each semester to give a talk followed by a question and answer session. Presenters for these large audience seminars, which have substantial student, faculty, and alumni attendance, are usually distinguished in accounting regulation, practice, or academia. Past presentors include Catherine Schipper and Rashad Abdel-khalik. These talks are scheduled for the early evening and are followed by a buffet dinner which is attended by faculty members, students, and prominent people in business.

Through activities such as these, Baruch's accountancy students and faculty members are exposed to a wide range of people with different cultures, different approaches to solving problems, and different points of view regarding both technical and general topics.

14. **Training.** The college offers numerous faculty self-improvement and training opportunities. A sample from among these many opportunities follows:

- a. Seminars on the subject of academic honesty and how to deal with problem students,
- b. Videotaping of interested faculty members to help enhance teaching performance,
- c. One-on-one accent reduction tutorials, workshops on classroom communication and U.S. culture (how to ask and answer questions, clarification techniques, nonverbal communication, interactive teaching strategies, discipline, and grading), and reference material relating to pedagogy and communications skills for international faculty,
- d. How to use Blackboard training sessions,
- e. Teaching and lesson planning workshops,
- f. Annual Teaching and Technology Conference with presentations by distinguished scholars in topics such as assistive technology, wireless technology, and library technology,
- g. Training in advanced PowerPoint, web design basics, and using I-Movie.

15. Additional Incentives for Research Productivity. In 2004, the school implemented a policy of increased teaching loads for faculty members who do not have a recent record of scholarship activity. This policy may increase the incentive to engage in scholarly activity.

The above activities are all available to full-time faculty members. Adjunct faculty members are encouraged to participate in research seminars, conferences, Saxe lectures, activities of the Center for Corporate Integrity, and specialized training.

Faculty Development Action Items

Actions items for 2004-2005 include:

1. Continue the following activities:
 - a. Weekly research seminars during the Fall Semester; weekly recruiting seminars during the Spring Semester,
 - b. Sponsorship of the junior faculty conference, the tax conference, and the FEI-AAA manuscript award and conference,
 - c. Support Zicklin Center for Corporate Integrity functions,
 - d. Sponsorship of the Saxe lectures for faculty, student, and practitioner interaction,
 - e. Student course evaluations, faculty peer reviews, and the chair's annual meeting with junior faculty.
2. Investigate additional ways to supplement the salaries of senior faculty to boost morale and facilitate retention.
3. Seek funding to increase travel supplements and reimbursements for software, supplies, memberships, and manuscript submission fees.
4. Seek funding to obtain an acceptable supply of student research assistants to provide support for teaching and for research.
5. Investigate the faculty interest in and the feasibility of providing course relief for senior faculty who are willing to tool up to teach auditing or systems.