



# Recruitment, Retention and Retirement in Higher Education

BUILDING AND MANAGING THE FACULTY OF THE FUTURE



Edited by Robert Clark and Jennifer Ma

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Building and Managing the Faculty of the  
Future

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*Edited by*

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**Edward Elgar**

Cheltenham, UK • Northampton, MA, USA

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Published by  
Edward Elgar Publishing Limited  
Glensanda House  
Montpellier Parade  
Cheltenham  
Glos GL50 1UA  
UK

Edward Elgar Publishing, Inc.  
136 West Street  
Suite 202  
Northampton  
Massachusetts 01060  
USA

A catalogue record for this book  
is available from the British Library

ISBN 1 84542 185 X

Printed and bound in Great Britain by MPG Books Ltd, Bodmin, Cornwall

# Recruitment, Retention and Retirement in Higher Education

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# Foreword

**Herbert M. Allison, Jr**

*Chairman, President and Chief Executive Officer, TIAA-CREF*

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Over the last century, American colleges and universities have been the world leaders in higher education. Our campuses have also generated the theoretical and applied research that has helped fuel our nation's remarkable long-term economic growth. Today, however, this position of global prominence is being tested, as higher education faces a range of financial and human resources challenges: budget reductions, soaring health-care costs, the aging of faculty, and declining endowments. The chapters in this volume examine these challenges and how they are causing academic administrators to rethink their employment and compensation policies.

For over 85 years, TIAA-CREF has partnered with colleges and universities to promote the well-being of faculty and help ensure the academy's vitality. Throughout its history, TIAA-CREF has produced research and analyses to help higher education address its challenges effectively. In 1998, we deepened our commitment to our core market by establishing the TIAA-CREF Institute. It serves as a bridge between our business and the business of higher education, striving to enhance our knowledge of the issues confronting institutions, administrators and the individuals they employ. The April 2004 conference on which this volume is based is one example of the Institute's work.

TIAA-CREF is proud to have sponsored *Recruitment, Retention and Retirement in Higher Education*. The Institute's Three R's conference reflects our dedication to doing all we can to assist colleges and universities maintain their position as world leaders. The conference brought together prominent scholars and university decision makers to debate the current problems and identify potential solutions. It addressed both broad macro issues as well as specific concerns of front-line administrators.

For example, the conference looked at one of the most significant trends in employment and compensation policies: the increasing use of part-time instructors, contract faculty, and post-doctoral fellows instead of traditional tenure-track faculty. While research has documented and accounted for the trend, we are just beginning to learn about its impact on student learning, and the quality of teaching and research.

Another issue addressed was how to craft salary and benefit packages competitive enough to retain top faculty. Several chapters in this volume illustrate the importance of strong benefit plans, and show how various national trends are affecting the ability of universities to maintain the level of benefits they provide.

The conference also considered the implications of the aging of the professoriate, as faculty delay retirement. Pension plans, phased retirement plans, and retiree health plans all play central roles in faculty retirement decisions; these plans also constitute a significant component of labor costs.

We have received much positive feedback about the Three R's conference, and this provocative and useful volume expands on its findings. We hope this collection's insights help administrators confront the challenges they face, while giving scholars fertile research ideas. We at TIAA-CREF stand ready to work closely with campus leadership and other stakeholders in academia to seek innovative solutions to the issues surrounding faculty recruitment, retention, and retirement.



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# 1. Changing faculty demographics and the need for new policies

**Robert L. Clark**

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Colleges and universities are facing a series of challenges and opportunities that demand immediate action if American institutions of higher education are to remain the best in the world. Public universities must confront financial difficulties associated with substantial reductions in the growth rate of state appropriations and, in many instances, the absolute reductions in operating budgets. Public and private institutions are concerned with fluctuations in endowments and escalating costs of employing faculty, especially the increasing cost of providing health insurance to active and retired faculty. In addition, faculties are growing older and low retirement rates limit the number of new hiring opportunities.

The importance of these issues varies between public and private institutions, between those where human resource policies are collectively bargained and those that are non-union, across differing local economic environments, and by Carnegie classification. However, colleges and universities of all types are facing a series of common challenges that will shape higher education in the twenty-first century. In order to maintain high quality faculty in the coming years, colleges and universities must carefully consider their compensation policies and working conditions. The primary questions facing presidents, chancellors, provosts, deans and department heads are:

- How do they continue to recruit the best faculty?
- Having hired the best, how do they retain them?
- How can the faculty be restructured in the coming years through the orderly retirement of older professors and the hiring of appropriate replacements?

This volume addresses the key issues associated with recruiting, retaining, and retiring of faculty across all types of institutions. The chapters examine the increasing reliance on non-tenure-track faculty to staff classes, the role

of health insurance in attracting, maintaining, and retiring faculty, and the development of retirement policies that produce an orderly transition from full-time work to complete retirement. This chapter provides a framework for examining these issues by describing the aging of the professoriate and examining the implications of the demographic changes that are occurring. Faculty aging presents both challenges and opportunities for institutions of higher education. Developing appropriate employment and compensation policies will be the key to successfully aligning the age structure of the faculties of the future.

## 1.1 AN AGING FACULTY

Faculty are aging. Data from the National Center for Educational Statistics (NCES), shown in Table 1.1, illustrate how quickly the American professoriate has aged. The table reports the age structure of full-time and part-time instructional faculty and staff in two- and four-year, degree-granting institutions (NCES 2002, Table 234 and unpublished data provided by Thomas Snyder of NCES).<sup>1</sup> In 1987 the age structure could be described as uniform with 25 per cent of the full-time instructional staff less than 40 years old, 25 per cent were 55 years or older, and 50 per cent were between the ages of 40 and 54. However, the professoriate aged rapidly during the next decade. By 1998, only 18 per cent of faculty was less than age 40 while

*Table 1.1 Age structure of full-time and part-time instructional faculty and staff in degree-granting institutions*

Age	1987	1992	1998
Less than 30	1.6	1.5	1.6
30–34	8.4	6.6	5.7
35–39	14.7	12.7	10.7
40–44	16.8	17.0	14.6
45–49	18.8	18.6	17.3
50–54	15.1	18.0	18.7
55–59	12.1	12.7	16.1
60–64	12.7*	8.5	9.8
65 and older		4.5	5.5

*Note:* \* This entry is for faculty aged 60 years and older

*Source:* NCES (2002). The data for 1987 was provided by Thomas Snyder of NCES



over 31 per cent were aged 55 years or older. The changing age structure of faculties is due to past hiring patterns, low turnover rates, low retirement rates, and the end of mandatory retirement.

This rapid aging of the faculty reflects past hiring patterns, turnover rates, and retirement decisions. A relatively large number of faculty were hired in the 1960s and 1970s. These faculty are now in their 50s and 60s. Slow growth in the number of new faculty positions and relatively low exit rates from the academy have produced the aging of the professoriate shown in Table 1.1. As the large cohort of older faculty approaches traditional retirement ages, many academic leaders have expressed concerns over the elimination of mandatory retirement policies a decade ago and the prospects that senior faculty will remain on the job into their 70s. These concerns are at the heart of the debate over early and phased retirement plans and the continued offering of retiree health insurance.

Ultimately these relatively large cohorts of older faculty will retire and this will create a unique opportunity for institutions of higher education to restructure their faculties. Large number of retirements will allow academic administrators to reallocate positions across their institutions. Past trends indicate that many colleges and universities have been replacing retiring tenured faculty with non-tenure-track instructors, post-doctoral fellows, and part-time staff. Advantages associated with replacing retiring tenured professors with contract staff, post-doctoral fellows, and part-time faculty include greater staffing flexibility and lower employment costs. The wisdom of this trend was one of the topics of discussion for this conference. These staffing decisions will be even more important in the next decade with the expected large number of retirements. Academic leaders should recognize the long-run importance of today's employment decisions on the faculty of the future.

While Table 1.1 illustrated the aging of the American professoriate, decisions are made at individual institutions. Each institution should examine its current faculty age structure and begin to plan for the future. Development of long-term faculty planning models would enable chancellors, presidents, and provosts to predict the expected number of retirements and thus new hiring opportunities. A better understanding of future retirements should guide today's hiring decisions.

For the past six years, I have been working in the University of North Carolina (UNC) Office of the President to evaluate new and existing retirement programs.<sup>2</sup> As part of this effort, we have examined the changing age structure of the faculties at the 15 campuses of the UNC system. Therefore, to assess the implications of faculty aging in a specific institution, we can review data from the UNC as an example of the aging of the faculty in one institution. Overall, the UNC faculty aged considerably from 1982 to 2001.