

# Business schools facing growing faculty shortage

**Salaries are rising** as the number of people with doctorates in business is falling.

By **LISA CORNWELL**  
Associated Press

**W**hen it comes to teachers, business schools are getting a lesson in supply and demand. The schools have been competing for students for years as the number of master in business administration programs at universities has soared. Now the schools also are compet-

ing for a dwindling supply of doctoral business faculty to teach those students.

Major accrediting groups and business school officials say the diminishing supply of people with doctorates in business and the rapidly increasing demand for their services globally have pushed doctoral salaries through the roof. It's also forced business schools to devise ways to effectively compete for doctoral faculty and find alternatives for filling vacant faculty positions.

"There are two to three times the positions available as there are people to fill them," said Richard Sorensen, board chairman for the

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**Brett Smith stands at the Richard T. Farmer School of Business at Miami University in Oxford, Ohio. Smith, 36, of Oxford, is finishing his doctorate at the University of Cincinnati and will start teaching full time at the Miami business school in the fall.**

## Teach: Business schools learn hard lesson

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Association to Advance Collegiate Schools of Business International. The Tampa, Fla.-based organization accredits collegiate business schools offering undergraduate, master's and doctoral degree programs.

Business education experts say a continuing shortage of doctoral faculty in business will hurt the quality of research and teaching and leave future business executives less prepared for leadership roles in a global economy.

Roger Jenkins, dean of the Richard T. Farmer School of Business at Miami University in Oxford, Ohio, described the shortage as severe.

"There is a huge cut in the supply and no turnaround in sight," he said.

Those in business education say that several factors have combined to create the imbalance.

Besides the growing number of business schools in the United States, there has been an explo-

### BUSINESS DOCTORATES

■ Annual U.S. production of business doctorates decreased by 19.3 percent between 1995 and 2000.

■ Earned doctoral degrees in business conferred by degree-granting institutions totaled 1,158 in the 2001-02 academic year compared with 1,394 in 1994-95.

■ Projections in the U.S. shortage of business Ph.D.s was expected to be 1,142 by 2008 and 2,419 by 2013.

**Sources:** The Association to Advance Collegiate Schools of Business International; The U.S. Department of Education, National Center for Education Statistics, Higher Education General Information Survey

sion of such schools in other countries - schools that are seeking American-trained faculty with doctoral degrees.

There are 80 AACSB-accredited business schools outside of the United States, compared with 21 five years ago, said Sorensen, who is also dean of the Pamplin College of Business at Virginia Tech.

Jenkins said budget cuts to state universities have led many schools to cut back their doctoral business programs, which are

among the most expensive degree programs. The schools bear most of the cost of those programs, providing teaching stipends and tuition waivers to students who spend four years or more earning doctoral degrees.

"The number of Ph.D.s coming out of the large institutions has been decreasing about 20 percent a year for the past three to four years," said Jenkins.

The expense and time required for a doctoral degree also

discourages students who can make much higher salaries in business.

A 24-year-old with an MBA can look at spending at least four or five years on a graduate assistant's stipend or go into business with a starting salary of perhaps \$60,000 or more, said Ashland University management professor Richard Symons, president-elect of the Association of Collegiate Business Schools and Programs, a business education accreditation organization in Overland Park, Kan.

Brett Smith, 36, of Oxford, is finishing his doctoral degree at the University of Cincinnati and will start teaching full time at the Miami business school in the fall. He said he was always interested in teaching, but went into business for economic reasons after getting his MBA. He said he might not have been able to seek the doctoral degree if he didn't still draw income from businesses he owns.

"It's a big choice when you are already out in the working world and married with chil-

dren. A lot of people would love to teach, but can't afford the financial sacrifices," said Smith, whose starting teaching salary will be about 60 percent to 65 percent of what he was earning in business four years ago.

Retiring baby boomers with doctoral degrees who have been teaching for decades also are contributing to the doctoral faculty shortage that is expected to increase at least over the next decade.

Business schools are taking measures to remain competitive and searching for alternatives to fill some vacant faculty positions.

Some, like Miami, are adding student fees to provide more money for facilities and for competitive salaries for new doctoral faculty. Total annual compensation for those new hires can range from \$100,000 to \$180,000 - often much higher than salaries for business Ph.D.s who have been on school faculties for years.

Miami's recent announcement that its business school students will pay a premium of

\$25 per credit hour beginning next year has prompted a flurry of e-mails from other business school deans who are considering similar increases, Jenkins said.

"They said we gave them no fuel to go forward," he said.

Other solutions to the shortage problem include hiring people with doctoral degrees related areas such as statistics and social sciences to teach in business schools. They would then take business courses to help the transition.

Business schools also are hiring more part-time instructors from the private sector who have MBA degrees combined with real-life business experience.

"Nothing has been offered that will provide total long-term solutions," said Arthur Kraus, dean of the George L. Argyr School of Business and Economics at Chapman University in Orange, Calif. "But business schools know they must become more creative in attracting students and faculty."