

**Department of Finance**  
**Max M. Fisher College of Business**  
**The Ohio State University**

**Pattern of Administration**  
Since November 2003

**I. Introduction**

This document provides a brief description of the department of finance as well as a description of its policies and procedures. It supplements the rules of the university faculty and other policies and procedures of the university to which the department and its faculty are subject. The latter rules, policies and procedures, and changes in them, take precedence over statements in this document.

This pattern of administration is subject to continuing revision. It must be reviewed and either revised or reaffirmed on appointment or reappointment of the department chair. However, revisions may be made at any time subject to approval by the college office and the office of academic affairs.

**II. Mission Statement**

The mission of the Department of Finance is to provide an environment conducive to faculty research of the highest caliber and to offer nationally recognized instructional programs at the undergraduate, masters, and doctoral levels. The Department strives to develop its faculty throughout their careers in the achievement of excellence in teaching, research, and service.

**III. Department Administration**

The administration of the Department of Finance consists of a department chairperson, standing committees, coordinators, and such other committees and task forces as deemed necessary by the faculty.

**IV. Department Faculty Membership**

Regular faculty, as defined in Section 3335-5-19 of the Rules of the University Faculty, are: Persons with the titles of professor, associate professor, assistant, professor, and instructor who hold appointments totaling fifty percent or more service to the University. Regular faculty is tenure-track faculty.

Except where specifically noted to the contrary (e.g., promotion and tenure cases), all regular faculty members in the department are eligible to vote on most matters unless they also hold the title of associate dean or higher, in which case they

might have a dual, and potentially conflicting role of having to review and/or approve recommendations from the Department.

Other members of the Department include regular faculty who also hold the title of associate dean or higher, auxiliary faculty, and emeritus faculty as defined by Rule 3335-5-19:

Auxiliary faculty: Persons with adjunct titles, visiting titles, lecturers, and courtesy appointments; also professors, associate professors, assistant professors, and instructors who serve on appointments totaling less than fifty percent service to the University;

Emeritus faculty: Regular faculty who, upon retirement, were recommended by the Chairperson (in consultation with the Department), the Dean, and the Executive Vice President and Provost for emeritus status. Emeritus faculty may not vote at any level of governance and may not participate in promotion and tenure matters.

Duties of the Chair. In general accord with Rule 3335-3-35(C), Rules of the University Faculty the duties of the chair of the department are:

1. To have general administrative responsibility for its programs, subject to the approval of the Dean of the College.
2. To operate the business of the department with efficiency and dispatch.
3. To plan, with members of the faculty and the dean of the college, a progressive program that enhances the specific objectives of the department, the college and the university. This includes recruitment and initiation of new faculty to the department.
4. To develop in consultation with the faculty a pattern of administration. This pattern of administration shall be made available to all present and a copy shall be deposited in the office of the dean of the college and in the office of the executive vice president and provost. This pattern of administration will be reviewed and revised as necessary upon the appointment or reappointment of the department chair.
5. To evaluate continuously the instructional and administrative processes and lead in the study of methods of improving them.
6. To evaluate faculty and staff members periodically in accordance with criteria approved by the Board of Trustees and subject to instructions from the executive vice president and provost, and also according to such supplemental criteria as may be set up by the college and the department.

7. To inform faculty members when they receive their annual review of their right to review personnel file and to place in that file a response to any evaluation, comment or other material contained in the file.
8. To recommend to the dean of the college after consultation with the faculty and in accordance with the pattern of departmental administration, college rules and procedures, as outlined in the college Promotion and Tenure document, and university rules – matters affecting appointments, promotions, and dismissals of members of the department.
9. To assure that all faculty in the department are offered departmental privileges and responsibilities appropriate to their rank, and in general to lead in maintaining a high level of morale.
10. To assure that adequate supervision, training and development are offered to those members of the staff who may profit by such assistance.
11. To recognize the multi-disciplinary nature of the College of Business and the corresponding importance of effective collegiality and cooperation in both academic undertakings and administrative operations.
12. To prepare (after consultation with tenured faculty) annual budget recommendations for the consideration of the dean of the college.
13. To encourage research and educational investigations.
14. To promote improvement of instruction by providing for the evaluation of each course when offered, including written evaluation by students of the course and instructors, and periodic review by the faculty.

**V. Department Faculty Meetings**

The Chair is “to consult with the faculty as a whole on all policy matters, and such consideration will, whenever practicable, be undertaken at a meeting of the faculty as a whole” [UFR 3335-3-35(C)(2)(c)].

Meeting Schedule. The Chair will schedule faculty meetings quarterly and as needed, and will provide a schedule of the quarterly meetings to all faculty prior to the beginning of the quarter. In addition any regular faculty member can request that a special meeting be convened. The Chair shall have reasonable discretion and time to call such a meeting after receiving such request.

Voting. Except as specifically noted to the contrary (e.g., promotion and tenure cases), all regular faculty members in the department are eligible to vote on

most matters unless they also hold the title of associate dean or higher in which case they might have a dual, and potentially conflicting role of having to review and/or approve recommendations from the Department. Votes at Departmental meetings will generally be regarded as binding if more one half of the eligible voting members are present. Except as prohibited by College or University rules, electronic balloting can be employed at the discretion of the Chair.

Majority Rule. There is a “presumption favoring majority faculty rule on all matters covered by the pattern of administration.” Further, “whenever majority faculty rule is not followed, the department ... chairperson ... shall explain the reasons for the departure to enhance communication and to facilitate understanding within the department. Whenever possible, this statement of reasons shall be provided before the departure occurs. This explanation shall outline the decision of the majority of the faculty, the decision of the department ... chairperson ..., and the reasons the decisions differ. The explanation shall be communicated to the faculty in writing, where possible, or at a faculty meeting, with an opportunity provided for faculty to comment.” [UFR 3335-3-5(C)(2)(d)]

Agenda for Meetings. The chair of the department is responsible for developing an agenda for the meeting. For this purpose he may solicit items from the faculty, and consult with the departmental executive committee as needed. All eligible faculty members must be informed about scheduled meetings in advance, and also informed about the outcomes of the meetings. The outcomes of the meetings will be broadcast in the form of minutes of the meeting to faculty in the department, including those who were absent from the meeting itself.

## **VI. Additional Consultation**

The Chair will consult with other senior faculty in the Department on matters affecting the department and its teaching and research programs. Group consultation, individual consultation, and electronic consultation will be used as appropriate.

Issues deemed more appropriate for individual consultation include, for example, communication of salary increases and work load assignments; discussion of such things as professional leaves of absence; dismissals of clerical staff; and appointments and dismissals of lecturers. The outcomes of such consultation will be communicated to the faculty as a whole where appropriate.

## **VII. Curricula Changes**

Recommendations for changes to the requirements for any degree programs will be proposed by a faculty committee, and, on approval of the Department, will be forwarded to the appropriate college or university person or committee.

## **VIII. Teaching Schedules**

OAA required policy and guidelines, vii\_teachingworkload, will be followed.

The Chair will obtain the teaching envelopes from the various programs (undergraduate, MBA, and PhD). After soliciting faculty teaching interests, the Chair will prepare a tentative teaching schedule for the coming year. As part of this process, the Chair will consult with the deans and appropriate program directors. Based on the teaching preferences of faculty, AACSB accreditation standards, program needs, financial resources, and the scheduling needs of students, the Chair will prepare final teaching schedules for each quarter. In coordination with this process, the Chair will assign administrative, committee, task force, classroom teaching, and other assignments in accordance with the College Faculty Responsibility Allocation Policy as he or she deems appropriate to meet the diverse needs of the Department.

It is the responsibility of the Chair to arrange for the instructional coverage of courses not taught by regular faculty. Alternatives include part time adjuncts, PhD students, full time non-tenure track faculty, and visiting faculty. In the case of non-tenure track faculty and visiting faculty, the Chair will seek the advice of senior faculty prior to proposing an appointment to the Dean. As appropriate, the Chair will also seek the advice of interested faculty regarding the use of adjunct faculty and PhD students.

## **IX. Faculty Evaluations**

A. Annual Review of Regular Faculty. Each regular faculty member will be evaluated annually in accordance with the College's Faculty Responsibility Allocation Policy and the College Compensation Policy.

### 1. Work Allocation Recommendations

The Faculty Responsibility Allocation Policy requires each department to design and implement an internal evaluation system that is based on a rolling three year window of professional contributions. Such evaluation system must imbed an expectation that each faculty member will earn a total number of work load credits that is appropriate for the corresponding contract (9 credits in the case of a regular faculty member on a 100% contract) where each actual section of teaching normally counts as one credit.

As approved by a vote of the regular faculty in the Department of Finance, it is the current practice of the Department to assign non-teaching work load credits as follows:

a) Service contributions are assessed in terms of their impact on Department, College and University objectives and are measured relative to the corresponding number of teaching sections that would otherwise be delivered at an assumed College-wide average quality. The Chair normally assigns numerical credits of 0, 1 or 2 sections, but can seek additional consideration from the Dean's office in special situations.

b) Research contributions are awarded 0, 1, 2 or 3 credits corresponding to ratings of below average, average, good, or excellent compared to peers in similar rank at other leading finance departments. In the case of a truly exceptional research record, the Chair can request additional consideration from the Dean's office.

c) In the case of newly hired faculty, it is the custom of the Department to contractually agree on specific teaching assignments for the first year, and occasionally beyond the first year if required by market conditions.

d) In the case of untenured assistant professors who are not covered by a contractual teaching agreement, it is the custom of the Department to assist with their professional development by recommending "investment" work load credits at the following rates: 1.5 credits in years 1 and 2; 1.0 for faculty in years 3 and 4; and, in the case of a faculty member who receives a favorable fourth year review, 0.5 in year 5.

e) In the case of tenured faculty members not covered by a contractual teaching agreement, credits are normally based on actual performance over the three-year rolling window. However, any faculty member can propose an alternative "developmental" work allocation plan. The alternative plan must be in writing and must clearly identify the tangible results that will be used to evaluate its effectiveness at the next annual review. If, in the judgment of the Department Chair, the proposed plan: i) is feasible given the total work load assigned to the Department the department; and ii) would clearly enhance the objectives of the Department the College and the University, then the chair will forward the alternative proposal to the Dean's office for its consideration. Note that developmental credits are normally limited to no more than one credit per year and to no more than two consecutive years.

## 2. Compensation Recommendations.

The College Compensation Policy requires two types of recommendations from the Department Chair: i) an assessment of each faculty member's current compensation in relation to his or her assesses external value at competing schools as good or better than OSU; and ii) the assessment of quality of each faculty member's "traditional scholarly contributions". Rules for assessing potential external value are covered in the College Compensation Policy. The Finance department, in combining the various dimensions of contributions, gives

the most importance to research, followed by teaching, and finally service contributions.

3. The Department Chairperson will communicate the composite and individual performance ratings to each faculty member through an annual performance evaluation letter followed by the opportunity for a one-on-one meeting.

B. Supplemental Reviews for Untenured Faculty. There will be a supplemental review of every untenured faculty each year to determine if the probationary period is to be continued or if the faculty member should be offered a terminal one year contract. As in the case of other personnel matters, recommendations from the Department are forwarded to the Dean for his or her consideration. Procedures are described in the Fisher College Appointment, Promotion, and Tenure Review Document.

C. Evaluations for Promotion and Tenure are conducted in accord with criteria and procedures set forth in Department, College and University documents.

D. Evaluations for Faculty Professional Leaves must be approved by the Chair with the advice of the regular faculty, and by the Dean with the advice of the College Personnel Committee. Criteria and procedures are described in the University Policies on Leaves to be found in OAA Guidelines.

## **X. Committees**

Standing Committees are established by the faculty to handle matters of ongoing interest. The Chairperson appoints the Chair of each standing committee and additional members as needed unless otherwise stated, committee members are appointed for an annual term subject to review and renewal. Depending upon College and Department Priorities, some committees may be left vacant in a given year. The standing committees of the Department are currently as follows.

PH.D. Committee. The committee is responsible for Ph.D. policy and curricular issues as well as the admission, development, and evaluation of Ph.D. students. The Chair of the Department Ph.D. Committee normally serves as the representative to the College PhD Committee.

Faculty Recruiting Committee After consulting with the faculty and the Dean as to the specific needs of the department in any given year, the committee is responsible for: i) advertising potential positions; ii) developing the applicant pool, including the screening of any applications that are received as well as the solicitation of potential interest or other promising candidates; iii) conducting preliminary interviews; and iv) arranging campus visits for the most promising

prospects. Note that the committee will typically need to consult with the Dean as well as with other faculty members to determine both the number and nature of the final pool of prospects for campus visits.

## **XI. Additional Committees**

Ad Hoc Committee and Task Forces may be established as deemed necessary by the department Chair or as directed by the Department faculty when assembled in a meeting. One that deserves special note is the Departmental Promotion and Tenure Committee.

Promotion and Tenure Review Committee: The duties and make up of the Department Promotion and Tenure Committees are described fully in the Fisher College Appointment, Promotion and Tenure Review Document. However, in recognition of the fact that the Department of Finance consists of two distinct sub groups, Business Law and “Finance”, it is the custom of the Department to make every reasonable effort to choose faculty from the corresponding faculty sub group to serve on the committee for a given promotion and tenure case (i.e., the Department has a strong preference to have a Business Law Faculty serve on Business Law cases and Finance faculty serve on Finance cases).

## **XII. Grievance Policy**

A faculty member may bring a written grievance to the chair of the department. It is expected that prior to such submission, the faculty member will have consulted with the department chair on the matter. All relevant policies of the College and University will apply regarding the treatment of the grievance and any appeals.

Reviewed and approved by department faculty on November 20, 2003:

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Anil K. Makhija, Chair, Dept. of Finance

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Date