

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Discontinue M.S. Degree Program in Industrial Relations, Iowa State University
Date: June 7, 2004

Recommended Action:

Approve Iowa State University's request to discontinue the M.S. degree program in Industrial Relations.

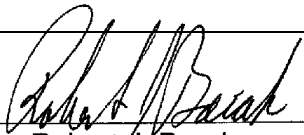
Executive Summary:

Declining Area of Interest The University is requesting approval to discontinue the Master of Science in Industrial Relations (IR) program. This request is a result of several factors, including, but not limited to, budgetary constraints. The program has operated on a marginal budget for nearly 40 years and now a decreasing number of faculty have the expertise and interest in teaching the required courses. The decision to discontinue was made after a thorough review of the program, and in the spirit of necessary prioritization of institutional resources.

Alternatives Available Currently, this is the only program in Iowa; the University of Iowa previously discontinued its IR program. It is expected that students who would be interested in this area of specialization will enroll in either the M.B.A. or M.P.A. program once the IR program is not available.

Current Students Able to Complete Program At the start of this academic year, there were 18 students enrolled in the program. Current students will be able to complete the program, with the latest expected completion date to be Spring of 2008 (per Board of Regents policy).

Additional information on the proposed discontinuance is attached.



Robert J. Barak

Approved: 

Gregory S. Nichols

Proposal for Discontinuation of the Industrial Relations Program at Iowa State University

1. Name of administrator and contact person

Peter F. Orazem
University Professor of Economics and
Director, Industrial Relation Program
(515) 294-8656
pfo@iastate.edu

2. Name of the program.

Master's of Science in Industrial Relations

3. Name of administering department

Graduate College

4. Rationale for discontinuation.

(see attached report)

5. Availability of similar programs at other Regent's institutions.

This is the only program in Iowa. The University of Iowa previously discontinued its program. Students may get some of the background in an MBA program.

6. Enrollment data for current and previous four years.

F03: 18
F02: 18
F01: 23
F00: 13

7. Student survey

(i) Students intending to complete the program: 20 (note some students have completed course work and are working on their creative component or thesis in absentia

(ii) Students transferring to other programs at Iowa State: 1

(iii) Students intending to leave the institution: 1

8. Faculty and staff need, time frame, and cost of program phase-out

Staffing costs: \$0

The staffing for the program has been on a voluntary basis. Professor Orazem has directed the program as an overload. Affiliated faculty have agreed to continue advising students on a voluntary basis. Remaining coursework is being offered for other programs (MBA, MPA, Psychology, Economics, Statistics, Sociology) and so there is no anticipated course cost.

Time frame: About half the students are full-time and would be expected to complete their degrees by August 2005. The other half are part-time and should be able to complete the program by May of 2008.

Costs of program phase-out: We expect to continue funding for four currently funded students in AY 2005 at an anticipated cost of \$27,330 including the associated tuition scholarship and a modest inflation adjustment. Two other assistantships will not be filled. No additional assistantships will be offered after AY2005, freeing up a total of \$40,995 per year.

9. Amount available for redirection

No additional assistantships will be offered after AY2005, freeing up a total of \$40,995 per year.

10. Impact on other programs and the overall mission of the institution.

To the extent that faculty time currently used to advise student research will be made available for other uses, there will be a modest gain in time available for students in the affiliated departments.

We will lose some research potential on problems associated with the Iowa labor market.

11. Impact on minorities and on women.

The program was about 80% women and 6% minority. As students can get Master's degrees in other programs (notably the MBA and MPA) that cover some of the same areas, the harm will be modest.

12. Potential faculty and staff reductions or reassignments

None

13. How existing facilities and equipment freed by the discontinuance would be utilized.

Not applicable

Review Process

1. Departmental/interdepartmental Review

Committee composed of Peter Orazem, past directors Paula Morrow and James McElroy, and IR Advisory Committee Cynthia Anderson, Kathy Hanisch, Yong Lee, and James Werbel wrote the initial report advising discontinuation

2. College Level Review

Recommendation accepted by John Mayfield, Associate Dean, Graduate College.

Rationale for Discontinuation of the Industrial Relations Program at Iowa State University

Cynthia Anderson, Associate Professor, Sociology
Kathy Hanisch, Associate Professor, Psychology
Yong Lee, Professor, Political Science
Paula Morrow, University Professor Management
James McElroy, University Professor Management
Peter Orazem, University Professor, Economics
James Werbel, Professor, Management

Staffing: There are no funded positions in Industrial Relations. Faculty have volunteered their time to the program because of research interests in the area of human resources. Faculty get access to research assistance on occasion in exchange for directing graduate student research. No classes are taught solely for Industrial Relations students. Most classes have a majority of students in other departments. As a consequence, we do not impose many costs for courses on the University. However, when faculty leave or retire, we lose access to critical classes if the faculty member is not replaced. Over time, we have seen an erosion of faculty numbers able to teach courses in the core of the program. Those losses include:

- 1) Industrial Psychology. When Paul Muchinsky (now a Distinguished Professor at North Carolina-Greensboro), the Psychology Department opted to drop industrial psychology as an area of emphasis. Additional loss of funded positions in Psychology make it unlikely that there will be future hires in the area.
- 2) Arbitration. When our resident expert on arbitration Cliff Smith retired, Industrial Engineering decided to go out of the HR area.
- 3) Employment Law has not been taught for at least five years. The class had been taught by a labor lawyer, but budget cuts have eliminated the funds needed to pay the instructor. We use Yong Lee's POLS 583: Law and Public Management class as backstop, but that course does not cover private sector applications that are the main concern of our students.
- 4) Collective Bargaining. When resident union expert Peter Mattila retired, Economics opted to hire an econometrician in that slot to make up for earlier lost positions in areas more critical to their program. Collective Bargaining is being taught by Peter Orazem in Spring 2004, but longer term prospects for the class are doubtful, given needs for faculty to cover much larger undergraduate classes or graduate courses in economics.
- 5) Clerical Support. Economics lost its Graduate Secretary position on October 1, 2003. Clerical support for the program is now much more limited, constraining ability to handle student records, application materials, or correspondence with prospective students.
- 6) Loss of OLHRD program—The College of Education dropped the Occupational Learning and Human Resource Development program which eliminated courses in training. These were popular off-campus options for our students.

Of these, reduced staffing in industrial psychology, employment law and collective bargaining have been the most serious threats to the quality of the program. The loss of clerical support for the program limits our ability to respond to inquiries efficiently. There is no doubt that the quality of the program will suffer going forward without strength in these areas.

Funding

- 1) Current funding includes 6 ¼ time research assistants from the Graduate College. The Graduate College faces increasing burden of covering tuition costs for students, and constraints on resources are making it increasingly difficult to justify the expense. While they are not removing funds from the program, it is clear that there are alternative uses for funding that may be more critical to the mission of the Graduate College in tight budget times.
- 2) When taking over administration of the program, the LAS College agreed to offer \$8,000 per year for two years to help with the expenses of the program. They continued the funding for two additional years, but that funding is being discontinued.
- 3) The same problems that exist with administering the program in LAS exist if the program is moved back to the College of Business.

Students

- 1) Domestic students are increasingly part-time and not interested in research assistantships. They also are less interested in research themselves, leading to greater variance in the quality of creative components. It is very likely that there would be a large market for a Human Resource Management program in Des Moines that would be strictly practitioner oriented. However, we have no way to create incentives for faculty to voluntarily teach classes in Des Moines. In addition, faculty would be less interested in volunteering for a practitioner program that drops the research aspects.
- 2) As a consequence of the changing interests of domestic students, most assistantships now go to international students. Because of the program's focus on U.S. labor markets, U.S. enterprises are the most likely employers of our graduates. In the past, we have been very successful placing our international students in positions with U.S. firms. Placement for international students is now more difficult, however, particularly after 9/11. Increasingly, firms have been unwilling to sponsor our graduates for H-1 visas.

Conclusions

In many ways, the program seems healthy--we have as many students as we can handle, they seem to be doing well, and they get jobs. The faculty is very productive, respected and visible on campus. Three were just named University Professor, and we claim another University Professor and a Distinguished Professor among the faculty affiliates. Nevertheless, the core domestic interest in our program is increasingly part-time students working full-time in Des Moines, while our on campus program is increasingly being filled by international students that are more difficult to place and that may not get as much out of our U.S. centered system. Our ability to offer the same quality of classes in the future is threatened by loss of support staff and faculty lines in core areas, just as the past quality has been undermined by lost classes in arbitration and Employment Law.

The budgetary picture for the University is not promising. We do not wish to resume admissions without adequate support staff and faculty to insure a quality program. Therefore we propose that the program end its nearly 40 years of existence. While regrettable, it is more important that we only offer a program as long as we can be proud of the service we provide our students.

Phase-out Proposal Accepted by the Graduate College

The Graduate College will continue graduate student funding for the currently funded first year students through their second year, provided they make satisfactory academic progress. No funding will be extended beyond May 2005. This will mean continuing 4 ¼ time assistantships in AY 2005 plus another ¼ time commitment to a student currently funded through the Minority Student Affairs office.

Peter Orazem will continue to serve as Director until the students have completed the program. Records will be housed in the Economics Department. We will continue to graduate students in Industrial Relations for the five-year time window starting this fall, so the program will exist through spring 2008.