Faculty Figures

An interesting perspective on faculty growth, a core element of Harvard’s mission, emerges from the intersection of Harvard Campaign plans and constrained research funding. In their annual report letter, CFO Thomas J. Hollister and treasurer Paul J. Finnegan cited academic investments, including “expanded faculty.” The capital campaign aims at many objectives (financial aid, House renewal, the new engineering and applied sciences facility—see page 28), but most schools do not identify faculty growth as a major goal. President Drew Faust noted that the campaign had secured endowments for 75 chairs, but most are understood to be existing professorships.

The problem is sufficiently acute that Faculty of Arts and Sciences (FAS) dean Michael D. Smith, sharing his annual report with colleagues in early October, emphasized research funding as among his highest priorities. The report’s financial commentary singled out the importance of “enhancing our internal program of research support to lessen faculty anxiety in an increasingly competitive market and challenging external funding landscape”—so much so that FAS expects to maintain its tenured- and tenure-track-faculty ranks at roughly the current 729 members, rather than seeking to add professorships, with implications for its composition.

From academic year 2000-2001, when these “ladder” faculty numbered just below 600, to the current population, FAS’s profile has shifted. Arts and humanities professors rose from 185 to a peak of 210, and now number 196; the ranks of social scientists increased from 214 to a peak of 251, before settling at 245 now. The science cohort, at a multiyear low of 139 in 2000-2001, peaked at 214 and now numbers 203—up by nearly half. And engineering and applied sciences, with 54 faculty members 15 years ago, before becoming a full school, has been on a steep upward trajectory, to 85 now: up nearly 60 percent. With the faculty census essentially level and engineering-related fields targeted for significant expansion (funds are in hand to add a dozen computer-sciences professors alone), FAS’s mix of disciplines might continue to evolve.

“Let’s just...realize that our job is to improve investment performance.”

“Interestingly, there was a sense of relief from the organization that that was just said publicly internally. This is the new path. This is about moving from recovering...to competing.”

• On relationships with external investment managers: “HMC re-trenched significantly and in a number of ways. It was unable to give capital to subsequent funds from high-conversion managers.... We sold certain interests at a discount, as is well documented. As a result, the relationships with private-equity managers as a particular case were affected following the financial crisis....”

“But the relationships that we have with the top-tier private-equity managers and venture-capital managers are just incredibly valuable. Those are assets that need to be managed and looked after in the same way we would look after financial assets. That’s an area that I personally, the executive team, the private-equity team are highly focused on—developing those relationships back to a place where they are valuable assets.”

• On a more flexible asset-allocation model: “[I]f we’re explicitly saying we have this flexibility, all these portfolios are permissible, it allows us now to incorporate the best-ideas concept. I think that’s something that is going to be additive....We’ll no longer be having, ‘This does not fit in my bucket’ or ‘My bucket is full; I can’t fit any more in.’ Things that are just suboptimal from an investment perspective...are no longer in play.”

• On reorganizing to foster investment decisions: “We have changed the investment-management structure at HMC in an important way. We’ve essentially taken out a layer of investment management....I was head of public markets....[with] public equities, public credit, public commodities, and public fixed income reporting to me. The debate across that second layer and what was then a third layer was...suboptimal. When I became CEO, I didn’t replace myself....and I’m not replacing the head of alternative assets [who retired]....[A]s CEO, I dropped down to sit on top of the investment committee, which is now the portfolio-management heads. That means the discussion is less vertical and more horizontal just by construct. That changes the decision-making process significantly.”

• On HMC’s hybrid model of investing assets internally and externally: “I have no target....There’s no, ‘We want to get this amount internally’ or ‘We want to get this amount externally.’ ...We just want to make sure we have the best investors in everything we’re doing. If we have an external manager who’s not good enough, we’re going to redeem. If we have an internal portfolio-management team that is not good enough, we will have to upgrade.”