



Secondary occupation of University Professors Evaluation of Policy and Practice

Key facts

At practically all universities and Federal Institutes of Technology throughout Switzerland, professors have to a greater or lesser extent the possibility of pursuing secondary occupation on a private basis during working hours. Theoretically, around 2,500 persons from universities and Federal Institutes of Technology in Switzerland could undertake such part-time work, and if all of them were to apply on average 15% of their working time to such activities then, assuming an average gross income of CHF 200,000 per person, some seventy-five million Swiss Francs would be turned over.

Secondary occupation includes any personal services performed by professors in their own name, on their own account and at their own risk. In general, these activities should be somewhat related to study and research and must not conflict with their academic position. Typical secondary occupations are consulting, freelance specialist assessment, and appointments to boards of directors.

Subject matter and questions arising therefrom

The subject matter of the analysis to hand is the secondary occupation of professors at the universities in Switzerland. The three following issues will be examined:

- Is secondary occupation in the Swiss universities clearly defined and uniformly regulated?
- Are the regulations implemented and supervised?
- To what degree are secondary occupations pursued at Swiss universities?

Not included in the analysis are private medical practices of full professors of university hospitals, which, in the Cantons (Basle, Berne, Geneva, Vaud and Zurich), are regulated by cantonal hospital legislation.

A dozen different statutory regulations

Each university has its own regulations governing secondary occupation, but these regulations are not coordinated between universities. Most regulations are relatively new and therefore up-to-date, an important reason for this being the introduction in 2002 of a cost accounting system binding on all universities, following which some of them reconsidered, adjusted or revised their organisation and their operational procedures. A further reason is that some universities now have their own particular legal status so that certain regulations have lost their validity. A third cause of modifications of regulations is the results of two investigations into irregularities at the University of Geneva in 2007 and the Swiss Federal Institute of Technology Zurich in 2005.

One disadvantage of these differing regulations lies in the fact that they apply to different areas (persons). Sometimes only full professors are affected, another time it is the entire teaching staff – whether full or part-time, and then again it can be all personnel of the particular university. Not only that, but no two universities require the same particulars from the persons involved.

Additional income as main motive for secondary occupation

Practically all secondary occupation could be treated by the universities as third-party contracts, a typical example of this being consulting assignments. The prime motive of most professors for carrying out assignments as a private person is often to be found in the additional earnings.



Pragmatic and sometimes "lean" implementation of the regulations

Secondary occupation is considered by the universities to be neither of priority nor as involving any particular risk. Those responsible see no particular problem and do not wish to generalise because of a few "black sheep". The regulations are often essentially preventive in nature. The cost of their application is generally considered by the universities to be low or at least justifiable (balanced cost-benefit ratio). A consistent implementation can generally be found where money changes hands and accordingly accounts are to be kept. A "lean" practice (declaration and approval partly given orally and informally) is found primarily at smaller universities with little secondary occupation.

Lack of effective means of supervision

There are hardly any means of checking whether or not professors obtain necessary approvals, that their private activities do not conflict with the interests of their university, that there is a relationship to research and development, and that the use of existing infrastructures is properly declared. Because such data belong to the private sphere of the professors, access is limited, making it difficult for the universities to make sure that monies resulting from secondary occupation are correctly declared with regard to tax and social insurance.

Responsible for monitoring is on the one hand the university internal auditing (internal control systems, auditing and financial inspection), and on the other external audits usually carried out by the cantonal or federal financial supervisory organs. But for few exceptions, external auditing paying specific attention to secondary occupation happens almost never.

Lack of transparency and unwillingness to divulge details of secondary occupation

Thanks to information supplied by some of the universities estimates – but only estimates – have been possible: No exact determination of the extent of secondary occupation, the number of persons involved nor of the income generated can currently be made. The reason is that either the universities themselves do not have the required data or, even where they do, they have either not delivered them to the Swiss Federal Audit Office (SFAO) at all, or have done so only in the form of rough approximations. According to the estimates available, less than 30% of the staff in question at the larger universities pursue a secondary occupation, and at the smaller (e.g. Lucerne, Lugano) the share is practically zero.

Lack of sanctions

Most regulations concerning secondary occupation do not provide for sanctions., and no one wants this to become necessary either, so commonly, when a secondary occupation reaches significant dimensions, the employment factor of the professor concerned is reduced. According to information supplied, the majority of the universities have never had cause for the application of sanctions.

Underestimated risks

The universities consider the positive effects of secondary occupation to outweigh the risks by far, although they cannot show what these effects are. Nevertheless, the SFAO considers there to be certain risks in this context. Depending on its extent, its consequences and side effects, secondary occupation can cause impairments to the operation of the university. The primary risks include:



- Less time for principal duties (research and development) can lead to neglect of official duty;
- Use of personnel and infrastructure of the university without corresponding payment (e.g. secretariat, postgraduates, assistants);
- Damage to the reputation of the university and conflict of interest;
- Problems of compensation for the use of university intellectual property rights.

Recommendations of the SFAO

In principle, the Confederation and the Swiss universities and Federal Institutes of Technology support professorial contact with organisations and businesses in the state and economy, because this serves the enrichment of education and research and can contribute to increased cooperation between universities and commerce. The SFAO identifies no added value when such contacts take place in the context of secondary occupation instead of third-party contracts. These valuable contacts can just as well be effected through institutional instead of private assignments.

The SFAO does not necessarily encourage a unified system but does see room for improvement, were the regulations to be applied coherently. The SFAO considers it to be of importance to achieve a higher degree of transparency in this area.

The SFAO makes six recommendations:

1. The SFAO recommends that the Rectors' Conference of the Swiss Universities and the State Secretariat for Education and Research take measures to cause the universities to create incentives for the professors to increasingly seek third-party assignments instead of private secondary occupations.
2. The SFAO recommends that the Rectors' Conference of the Swiss Universities take measures to ensure that secondary occupations for which university personnel or university infrastructure are employed, be principally treated as third-party contracts.
3. The SFAO recommends that the Rectors' Conference of the Swiss Universities take measures to ensure that the universities require an annual written self-declaration for all secondary occupation from the employees concerned. Those who have not engaged in secondary occupation during the relevant period are to confirm such in writing as well.
4. The SFAO recommends that the Rectors' Conference of the Swiss Universities draw up uniform definitions of secondary occupation categories binding on all universities.
5. The SFAO recommends that the Rectors' Conference of the Swiss Universities take measures to ensure that secondary occupation pursued by professors at the universities are revisable by both internal and external authorities.
6. The SFAO recommends that the ETH Board harmonise the implementation of regulations on secondary occupation at the EPF Lausanne and the Federal Institute of Technology Zurich.

Summary of statements

CRUS, SER and ETH Board have submitted their statements in reply to the report and the recommendations.



As regards the first recommendation, CRUS believes that the universities are best able to judge the necessity of creating incentives to encourage seeking third-party assignments rather than private secondary activities. The SER shares this opinion and in addition states that the issue is not in its range of competence. The SFAO on the other hand believes that CRUS, in its capacity as coordination and harmonisation body, ought to go about the subject by issuing recommendations pointing out exemplary practices. The SER could show up the direction desired in this field as well – all the more since it disposes of an incentive system for encouraging third-party assignments and could reinforce the current mechanisms.

In principle, CRUS agrees with the spirit of the second recommendation but does not comment on the application modalities or a possible need for action. The SFAO expects CRUS to initiate tangible measures.

As to the third recommendation, CRUS agrees in principle, though it considers it sufficient to submit a declaration of complementary activities every three years. Based on the experiences of several Swiss universities, the SFAO adheres to its position of requiring an annual declaration. The administrative burden for the universities in command of such a system is considered reasonable.

CRUS receives the fourth recommendation favourably.

As for the fifth recommendation, CRUS finds there is no need for action and that a university's rectorate is the adequate authority to exercise control. The SFAO does not share this point of view and believes that there is a real need for increasing transparency in this domain. The SFAO does not demand additional control, but simply that the information also be accessible for both internal and external supervisory bodies.

The sixth recommendation is directed at the ETH Board which points out that it shares the SFAO's point of view, that is to say that the implementation of the guidelines be carefully coordinated with an appropriate internal control system. Also, the ETH Board agrees with the principle of transparency. Nevertheless, it does not wish to take action for the time being, arguing that the guidelines on secondary activities are recent. It believes that it is too early for taking measures to standardize their application and the practices of the EPF Lausanne and the Federal Institute of Technology Zurich. But the SFAO considers it too vague to say that the measures will eventually be taken as the necessity arises. By 2010, the SFAO expects a progress report on the implementation of the guidelines and the experiences made by the EPF Lausanne and the Federal Institute of Technology Zurich.

Please see annexe 5 for the detailed statements.

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