

Nibbled to Death by Corporatization

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This seems like an appropriate time to remind faculty and others interested in preserving the acknowledged high quality of US institutions of higher education that these institutions continue to be seriously threatened by attempts to import the policies and practices of commercial, for-profit business enterprises into the academic environment (i.e., "corporatization"). What evidence exists for these disturbing threats? To illustrate, consider in rough chronological order what has occurred recently here at The University of Iowa (UI).

One of the first signs of corporatization became evident in the 1970s after a prolonged period of decreasing financial support. In response, institutions sought to find new funding sources, and many concluded that one of their more attractive options was to more effectively market their considerable teaching and research capabilities to those external agencies who could be persuaded to purchase these services. This marketing response involved aggressively seeking externally funded research grants and contracts, offering for-profit but not for academic credit short courses, seminars and workshops to local business and governmental agencies, and replacing currently unpopular but academically essential courses and programs with trendy but nonessential courses and programs.

Unfortunately, however, the net result of this marketing response is to shift the burden of providing the funds to support institutions of higher education away from the free democratic society these institutions were established to serve, and instead to place that funding burden on the faculty who were hired to provide the educational opportunities offered by their institutions. The importance of this shift in funding responsibility is difficult to overestimate because, when coupled with consistent changes in the faculty reward system, it effectively changes the primary focus of faculty away from providing high quality educational opportunities through a balanced allocation of effort in teaching, research and service, and instead coerces them to concentrate their efforts on institutional fundraising. This unfortunate shifting of the funding responsibility is arguably the main source of problems in higher education today, and these problems are likely to persist as long as faculty are expected to function primarily as institutional fundraisers.

The first instance of corporatization at UI occurred in the 1990s when major changes in the US health care delivery system persuaded the Iowa Board of Regents to allow any UI college wishing to do so to establish nontenured, full-time, renewable term "clinical-track" faculty specialist positions. These contingent professorial positions were proposed because recurring funds for tenure-track positions were not available, and they were initially limited in number to no more than 20% of the number of full-time-equivalent (FTE) tenure-track college faculty. The qualifications for appointment, reappointment and promotion, the position responsibilities, and the rewards were specified to depend only on contributions in teaching and clinical service. Participation in shared governance, peer review and due process protections was significantly limited, and

research contributions were explicitly excluded from the required evidence of acceptable job qualifications and performance.

When the mandated five-year review of the clinical-track faculty policy was conducted, it was approved to continue in a modified form. The 20% restriction on the number of clinical-track faculty had not been enforced and was removed. Currently the number of clinical-track faculty in all five UI health science colleges exceeds 50% of the college's tenure-track faculty. The modified policy retained the restriction on the number of clinical-track faculty eligible to serve in the Faculty Senate to no more than 20% of the college's FTE tenure-track faculty, and the Senate also reaffirmed by resolution that clinical-track faculty could not be required to demonstrate research contributions as part of acceptable job performance.

The second instance of corporatization involved the establishment of faculty salary incentive plans, on a pilot basis, in the basic science departments of the Carver College of Medicine (CCOM), and in the College of Pharmacy. These very similar plans provide a sliding scale of bonus payments to eligible faculty for obtaining competitive research grants and contracts from external funding agencies. Bonus amounts are determined by the extent to which external funds offset the faculty member's salary, and the lump sum bonuses are awarded in addition to and unrelated to yearly merit salary increases. These plans were implemented as an incentive to increase research productivity and the subsequent salary return for departmental uses. They significantly modified the faculty reward system to encourage faculty efforts in institutional fundraising.

The third instance of corporatization at UI involved the extension, by up to two years, of the standard AAUP recommended six-year probationary period for all tenure-track faculty who are assigned significant clinical responsibilities. This general extension was approved while at the same time retaining the ad hoc one year or shorter extensions granted to individual probationary faculty on a case-by-case basis in response to requests for maternity or parental leave, or to care for a sick relative. The rationale offered for extending the probationary period was that six years simply was not sufficient time for probationary faculty with significant clinical responsibilities to establish a record of achievement in teaching, research and service sufficient to qualify them for a tenured faculty appointment. The proposed remedy for this acknowledged inconsistency was simply to extend the probationary period, and the obvious reason for choosing this remedy was that the alternative of appropriately limiting clinical responsibilities would decrease the clinical income these individuals would be able to generate. This two-year extension has subsequently been approved in both the CCOM and the College of Dentistry.

The fourth instance of corporatization at UI involved the routine separation of the salaries of CCOM faculty into the amount supported by recurring internal funds and the remaining and generally much larger amount provided by non-recurring external funds, with tenure protecting only the much smaller portion (e.g., 20 to 30%). Unfortunately, this practice is pervasive in medical schools across the country, and precipitated two 1999 statements adopted by the AAUP ("Tenure in the Medical School" and "Academic

Freedom in the Medical School") questioning this practice as inconsistent with tenured faculty appointments providing levels of compensation and benefits needed to attract, reward and retain persons of ability to the academic profession. Nevertheless, this ill-advised practice persists, and it appears likely, from the Minutes of the CCOM's Medical Council, that CCOM administrators intend to make this "salary associated with tenure" arrangement explicit in its future letters offering tenure-track faculty appointments.

The fifth instance of corporatization at UI involved the Regents recent encouragement of future offers from commercial business enterprises to donate large sums of money in exchange for the right to add the organization's name to the descriptive name of the academic unit (e.g., Wellmark's offer of \$15M in exchange for the right to name the UI College of Public Health the "UI Wellmark College of Public Health"). In this instance, the Regents considered an internally proposed amendment to current policy, and rejected the portion that explicitly discouraged the submission of such offers in the future. Their action establishes not only an Iowa but a national precedent since there appear to be few if any US higher education institutions that have ever accepted any such "naming rights" offers from commercial business enterprises.

In the aftermath of that decision, the UI, acting on a prior recommendation by a newly reactivated Honorary Degrees Committee composed entirely of faculty, decided to nevertheless award an honorary doctorate to long-time UI supporter and former Regent President, Marvin Pomerantz. Mr. Pomerantz had been active in soliciting Wellmark's naming offer, and in response to learning that the dean of the College of Public Health had supported the vote of his faculty to reject Wellmark's offer, he publicly called for the dean's dismissal. Such actions provide additional evidence that the search for external financial support remains a very high UI priority, and is supported by not only the administration and the governing board, but also and in this case perhaps inadvertently by the faculty.

The sixth and most recent instance of corporatization at UI involves the Faculty Senate's approval of establishing nontenured, full-time, renewable term "research-track" faculty specialist positions in any UI college wishing to do so. Modeled after "clinical-track" faculty specialist positions, these contingent professorial positions were proposed because recurring internal funds were not available for tenure-track positions, and they are limited in number to no more than the lesser of eight positions or 10% of the number of FTE tenure-track collegiate faculty. The qualifications for appointment, reappointment and promotion, the position responsibilities, and the rewards are specified to depend primarily if not exclusively on contributions as independent research investigators. Participation in teaching and service activities is essentially limited to possible membership on master's thesis and doctoral dissertation committees, and service activities are essentially excluded from the required evidence for acceptable job performance. Participation in shared governance, peer review and due process protections is also significantly limited. The Senate's recommendation was subsequently approved by the UI administration and the Regents, and the CCOM has subsequently sought and received approval to establish, recruit and appoint research-track faculty.

All these instances of corporatization have been motivated by attempts to generate additional institutional income from external sources. Unfortunately, these attempts have all led to operational changes that have served to erode and subvert the core principles and practices that have made the US system of higher education the acknowledged world leader. In the process, the faculty reward system has been skewed to preferentially favor institutional fundraising, and the path to faculty career success has become indistinguishable from that of a self-employed, small business, teaching and research entrepreneur.

Corporatization was initially encouraged and supported by governing boards and the administrators they appoint most likely because many if not most of these individuals are conditioned to employ a "business-like" market-oriented response to financial pressures. What has occurred recently, however, is a willingness on the part of a growing number of elected faculty representatives to abandon the academic profession's core principles and practices in the face of these administratively imposed pressures. Hence, if corporatization is to be effectively resisted at all, leadership in that effort will most likely have to come from professional faculty organizations such as the AAUP. Perhaps the seriousness of the problems associated with corporatization may finally motivate more faculty to join the AAUP, and to actively and effectively participate in preserving and strengthening our fragile higher education institutions. Current AAUP members need to actively and persistently encourage their faculty colleagues to make this professional commitment, not just in their own self interest, but in the long-term best interests of their institutions and the free democratic society these institutions were established to serve.

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