The Decline in Undergraduate Teaching: Moral Failure or Market Pressures?

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**THE DECLINE IN UNDERGRADUATE TEACHING:
MORAL FAILURE OR MARKET PRESSURES?**

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It appears to be a consensus of the mid '90s that the quality of undergraduate teaching in the US is in decline or if it's not getting any worse, it's already bad enough to justify public concern. And there is a near-consensus, if not always explicit, that the root cause is a moral failure of American professors. They simply have too much power and they pay too much attention to their research and consulting and graduate students and too little attention to their undergraduates and lectures and advising and caring.

At its crudest, the argument is Sykes' in ***ProfScam*** that identifies all problems of US higher education with a spoiled, devious, and venal professoriate. Or Martin Anderson's ***Impostors in the Temple*** or Huber's ***How Professors Play the Cat Guarding the Cream*** or.. . It's been a cottage industry of the early 90s. At its most recent, the argument is made in the New ***York Times 1994*** survey of higher education.[1] At its most gentle, it is implicit in the Massy and Zemsky[2] argument that sees the complicity of administrators who let academic departments press for "discretionary time" on behalf of their faculty and then let the envy of

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1 Honan, William H. "New Pressures on the University," The New *York Times*, January 9, 1994, Educational Life, pp. 16-18.

2 See their "Faculty Discretionary Time: Departments and the Academic Ratchet, " (Stanford Institute of Higher Education Research, Discussion Paper 4, May, 1992), inter alia.

faculty in other departments ratchet up those costly advantages through egalitarian appeals. An endless spiral of reward-equality-reward-equality.. . results in increases in discretionary time, hence higher instructional costs all around, and reduced attention to undergraduates and teaching.

The implication of much of this literature is that if the problem is located in professorial behavior, the more basic cause must be located in professors' values. The further implication is that the decline in teaching can be remedied by changing the values -- or the power -- of "the entrenched professoriate" (Honan), the "corrupt priests" (Anderson), by coercion, by appealing to their finer instincts, or simply by reducing their tenured power.

I want to take a different tack in getting at the question of why undergraduate teaching is in decline, one that complements the Massy-Zemsky observations but recognizes that there's a deeper structure to the problem -- that there's an important *context in* which all this is operating. I doubt, quite simply, that there's been a general corruption of the moral fiber of America's college and university teachers who no longer keep the bargains with society they once honored. The presumption that there has been doesn't seem likely to lead to useful insights or remedies. A more accurate diagnosis should yield more fruitful treatments.

Let me summarize what I'm going to say.

What's going on appears, in significant measure, to be the working of an active market for faculty -- a national market -- in which prestige-seeking colleges and universities compete with each other to build institutional excellence. They do it, in important part, through the faculty they hire. Institutions vie for both faculty superstars -- the Nobels and potential Nobels

-- and the best of the new PhDs They bid with money to some extent -- healthy salaries -- but they use, more importantly, the subtler coin of “discretionary time” that Massy-Zemsky identify, time for which the faculty recruit will be paid but time she won’t have to devote to <u>undergraduate</u> teaching and advising. She can use it for graduate students and her “own work” -- for research and consulting.
From the leading schools in national markets, these pressures radiate out to affect much of higher education.

If the market context is, indeed, an important aspect of the issue, two results follow from the characteristics of competitive markets. First, individual faculty members are pawns in this process -- pampered pawns, perhaps, but pawns -- and, second, individual colleges and universities are pawns, too. Institutions can refuse to play by the market’s rules but only if they’re willing to put their “institutional excellence” at considerable risk. The hallmark of competitive markets, it may be recalled from Econ 101, is that individual actors -- buyers and sellers alike -- have little or no individual power. They take what they can get or they leave it. That’s a central aspect of competition.[3]

Now let me expand on this fact by looking more carefully at markets and their power.

A bit of the economic theory of non-profit institutions is a useful starting point -- to set the stage. The colleges and universities we’re interested in are non-profits[4]

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3 If there were space, it would be interesting to ask why some faculty members at most schools and most faculty members at some schools **do** teach well and **do** care about undergraduate education, and care deeply -- why some faculty members have successfully <u>fesisted</u> the pressuresaof the market, so r? But I don’t have space for that and the first thing to do is try to understand the existence and cause of those pressures.

4 The classics in this analysis are Hansmann, Henry, “The Role of Nonprofit Enterprise,” Chapter 3 in Susan Rose-Ackerman, <u>The Economics of Nonprofit Institutions</u> (New York: Oxford University Press; 1986), and James, Estelle, “Product Mix and Cost Disaggregation: A Reinterpretation of the Economics of Higher

A fact about non-profit institutions that is perhaps not obvious is that they can and usually do earn profits. What distinguishes them from "for-profit" firms is that they can't ***distribute*** those profits to outside owners. There aren't any outside owners of a non-profit college or university; it owns itself. So what do schools do with their profits? They save them to expand their operations in the future -- to increase their size or their quality -- to become bigger or better or both. Alternatively, they can use profits from one set of activities to "cross-subsidize" other activities that the managers of the institution want to undertake. And finally, of course, there's always the chance that the managers of a non-profit firm can use its resources simply to cross-subsidize themselves -- as has been made abundantly clear by sporadic national attention to things like Jim and Tammy Bakker's Praise The Lord Ministry (with their two Rolls Royces) or William Aramony's United Way (with a high salary and high life style, complements of the charity's expense account) or the salaries of Blue Cross/Blue Shield executives celebrated in a recent "60 Minutes" segment.

What about college and university preferences? What do their administrators and boards want to do with the profits they earn?

They appear to have accepted as a primary goal what's called, with only minor exaggeration, "prestige maximization, " a dedication to the goal of ***institutional excellence.*** It has been, until recently, a largely unquestioned aim of most institutions to improve their reputations and quality and thereby their standing in the academic pecking order. Almost any issue of Change or the ***Chronicle of Higher Education*** offers evidence of this. A recent article

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Education," The Journal of Human Resources, Vol. XII, No. 2, 1978.

by Derek Bok is particularly to the point;[5] so are more formal analyses by Estelle James.[6] Prestige-maximization has become ubiquitous in US higher education in the late 20th Century -- one of its most evident features. The fact that every school can't -- as in Lake Woebegone -- be among the top five research universities seems not to damp the enthusiasm to try. Being at the top of the heap is the quintessential "positional good," of course, limited, by its very nature, to a very few winners, but all can aspire.

Were it not for its byproducts, this institutional striving might be humored or even applauded -- there's something quintessentially American about aiming for the top, whether that's an entirely realistic goal or not. No matter how objectively unrealistic a universal dedication to "excellence" may have become, it embodies hope, a promise to faculty, students, donors, and alumni -- vision, dreaming dreams.

But one of its byproducts, it appears, has been the decline in the quality of undergraduate teaching. The primary source of a national reputation for excellence in a college or university is its faculty.[7] Faculty quality is the link between institutional aspirations for excellence and the declining state of undergraduate education. Universities get the excellence they so want by hiring and growing faculty superstars -- the highly productive scholars who attract honors, news stories, students, and grants though their research activities. These establish a school's reputation for seriousness and academic achievement.

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5 Bok, Derek, "Reclaiming the Public Trust," Change, Vol. 24, No. 4, (July/August 1992), pp. 12-19.

6 For instance, James, Estelle, "Decision Processes and Priorities in Higher Education, " Chapter 4 in Hoenack, Stephen A., and Eileen L. Collins, The Economics of American Universities, (Buffalo New York: State University of New York Press; 1990).

7 An athletic program might appear to be a close second as a source of prestige, but Cal Tech's faculty clearly does it a lot more good in the prestige race than does UNLV's athletic program. The exceptions that prove the rule are probably Stanford and Duke that do both well.

It's at this point that the pressures of the competitive market for faculty enter and with them the disruptive role of discretionary time. Significantly, universities bid for those academic superstars by using not just the lure of money; a primary coin in the faculty market has come to be the discretionary faculty time identified by Massy and Zemsky -- time free of undergraduate teaching obligations that can be devoted, instead, to graduate students, research, and consulting; to one's own work.

But why has discretionary time become the coin of the realm? Why not money or even the chance to teach and advise more undergraduates?

The answer appears to be that the colleges' interests in institutional excellence and individual faculty members' interests in professional advantage come together powerfully in discretionary time. Scholarship and publications "travel" well and broadly -- they signal to the world an excellent faculty and, by implication, an excellent school. The article about a scholar's work in the New York ***Times*** or US News or the segment on Nova or the Nobel itself are the stuff of which prestige is made, for both the school and the scholar. The great undergraduate course, in sharp contrast, gets ***local*** kudos -- not national acclaim -- so it can have only narrow impact on the school's or the teacher's reputation. There can be national publicity about an outstanding teacher's course but, unlike outstanding research output, it can be experienced and appreciated only on her campus. The local, ephemeral, personal, real-time nature of good teaching -- versus the durable, portable a-temporality of good research -- reduces the value of teaching in the faculty market. And good teaching has been little changed by new technologies -- the taped lecture can't be the same as a sensitive, inspiring, personal interaction with a live teacher in a classroom. It's no accident, in a related arena, that live theater thrives in an age of movies and video. They're different. So the technologies that might once have been hoped to give teaching the same mobility and durability -- and respect -- as scholarship haven't done much to change the balance.

It would be both inaccurate and unfair to imply -- as I may have to this point -- that the scholars who respond to the market's promises of discretionary time, to protection from undergraduates, are only pursuing bloodlessly calculated career goals. That would miss the very important fact that most distinguished and productive scholars quite simply love their work and find their research intensely rewarding and important. There's nothing they'd rather be doing, and like the rest of us, they face a twenty-four hour day. So they have to make choices. It's been said that when psychologist Jerome Kagan was asked whether a person was a "workaholic," he said he couldn't tell until he knew whether the person was enjoying his work. They are often genuinely exhausted, going flat out, but most faculty like to do their scholarship -- the telling phrase, "your own work" distinguishes it from work with undergraduates. Not only professional advancement is involved, but ego, autonomy, excitement, creativity,. . . So discretionary time increases the output of prestige-producing activities for both the scholar and the college and it also supports an activity that has a raw appeal to faculty members by allowing them to do exactly what they most want to do with their time. And all with a good, if not obscene, paycheck.

Other characteristics of teaching and researching, too, help tilt the market's choice of activities away from undergraduates. Good teaching is a whole lot harder to judge than good scholarship: those who make the judgments are naive undergraduates, on the one hand, and sophisticated scholars, on the other. Teaching has to be judged locally; a piece of scholarship is as easy to assess in Berlin or Berkeley as in the office down the hall. So with all the good intentions in the world about teaching, a university can simply be a lot more confident that it's hiring the excellent researcher it wants than the excellent teacher it might want just as much. Nor is there any promise of an impending technical fix that might reduce the imbalance between these two kinds of information.

Time spent in undergraduate teaching, what's more, isn't simply taken away from the scholar's prime passion for research, hour for hour. It is an activity that is in some measure antagonistic to research. Good undergraduate teaching calls for enthusiasm and inspiration -- which a leading scholar may have in considerable measure -- but it has to focus on elementary issues and concepts, far from the leading edge at which scholarly success is achieved. While graduate teaching often reinforces research -- leading the scholar into areas that prove useful to her research -- undergraduate teaching rarely does. A faculty member's research can often improve her undergraduate teaching, but complementarity doesn't as often go the other way. And undergraduate advising carries very few professional rewards. So the costs of time spent with undergraduates are, in terms of sacrificed research output, far greater than the costs of time spent on consulting or graduate teaching.

Not only is the stuff of graduate classes more often fodder for research, but graduate students become disciples, leveraging a scholar's own time and ideas -- the research shop in which a principal investigator runs a team of graduates and postdocs who develop his ideas is familiar. Against this, undergraduate teaching and its sometimes banal rehearsal of the fundamentals of the field can look like something to be avoided like the plague by any modestly ambitious and savvy young scholar.

Finally, there are sometimes simple, straight-forward, financial rewards of research. Aside from lucrative grants and consulting, a number of schools, including the University of California system, encourage their faculty to sign over patent rights for development by the school in exchange for a share of the royalties they generate. The resulting additions to income are reported sometimes to have reached a quarter of a million dollars or so a year.[8] I've been at pains to say that faculty members will often respond strongly to incentives other than money -- to opportunities for creativity and recognition and appreciation -- but when the money rewards are tilted that far, they seem bound to have an effect on how people spend their time.

It might be hoped that all this faculty market action -- all this bidding by prestige-seeking universities for freedom- (and prestige-)seeking scholars -- works primarily in the market for faculty superstars. Once a professor has his Nobel, these temptations appear. But it's far more ubiquitous than that. The protege of superstars come quickly to learn the symbols of status in the market for faculty and the key role of discretionary time. All but the most neglected new PhD will be advised by a mentor to negotiate his or her first job with a clear eye on the undergraduate teaching load ("burden") and the resources in free time, computers, and summer salary that will make it easier to publish research and harder to teach undergraduates. Indeed, the advice at leading graduate schools has become so clear on this that only the most confident of top students from a Princeton or Harvard will think of taking a job at a Swarthmore or Amherst or Wellesley, no matter how much he or she may be attracted personally to the prospect of teaching very bright undergraduates. Whatever their prestige in the eyes of the public, even the very best of teaching colleges are not high prestige assignments

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8 Lapin, Lisa, "Hard-pressed UC Finding Cash in its Invention Patents," The Sacramento Bee, October 25, 1992, p.1, c.1.

for young faculty. (It's often assumed by new PhDs incorrectly, that they can easily turn toward those very good teaching schools later if they aren't up to speed on the scholarly fast track).

And if many faculty have got caught up in this market for prestige and discretionary time, so have most colleges and universities. It's not just Harvard and Stanford bidding for a Nobel economist, it's Williams and Tulane and Kent State, each with an eye on their near-competitors in Swarthmore and Amherst or Emory and Vanderbilt or Ohio State and Miami. The EPIC data base includes an article that calls for more emphasis on research and scholarship at community colleges. It appears to be very difficult for any college to say that it simply doesn't care about scholarship -- that its mission is solely undergraduate teaching and if that's done well, it's satisfied.

I've concentrated on discretionary time as a most worrisome coin of this market, but other coins are being traded, too, that affect the quality of undergraduate teaching.

A potentially damaging effect of the bidding for excellence in faculty market for new PhDs lies in the undergraduate curriculum where courses are often taught not because they serve the interests and needs of undergraduates, but because they will appeal to the potential new faculty recruit. If she can teach an undergraduate course in her research specialty, the new PhD may baffle or bore her students, but she will have turned that course into something much like more discretionary time. What's more, given her desire to publish, she will reasonably want to have "somebody to talk to" -- she will ask that her specialty within the discipline be expanded so she can better compete, by honing her ideas in informal discussion, with the kind of research being done at the universities with the most prestige. A familiar variant on this is the inauguration of entire programs -- especially graduate programs offering MAs and PhDs -- not because they're needed in themselves, but because they will allow a university to attract scholars who wouldn't come if they had to be a part, simply, of an undergraduate department. They are certainly not the only explanation, but these pressures of competitive faculty markets have surely encouraged the dis-integration of the undergraduate curriculum and the proliferation of sub-fields in service as often of faculty preferences and prestige as of undergraduate education.

So where does the money come from to support all this? That takes us back to the economics of non-profits. Its source is in cross-subsidies from activities that earn profits but aren't as much fun to do as the activities that lead to institutional and individual prestige. Ironically, the primary profitable activity appears to be undergraduate education.[9]

To some extent, colleges and universities have been able to confine these competitive pressures to the particular individual scholars they want to attract or keep. But inevitably in an academic community, this effort to quarantine has been only partly effective. The kind of ratchet described by Massy and Zemsky -- selective increases in discretionary time followed by an egalitarian appeal to minimize differences in rewards among faculty -- has tended to bring more discretionary time and curricular discretion to all faculty members, whether they've been the subject of competitive market bidding or not.

So competition for faculty excellence in the many faculty markets has linked institutional ambitions for prestige with individual ambitions for success through discretionary time -- and curricula and programs -- that are paid for, ultimately, by the potential profits of

9 See, especially, James, 1990.

the university. And that convergence of institutional and faculty interests operates no less in the market for entering faculty than in the market for superstars and only a bit less intensely in teaching colleges and second-tier universities than in the leading research schools.

A lot of what's been said here has been said before -- especially, but not only, by Bok and James and Massy and Zemsky -- about prestige-maximizing universities, about the relative rewards of undergraduate teaching and research to the universities and to faculty members. What's not been fully appreciated is that all this is set in a competitive market. So what difference does that make? A very great deal, I think, in understanding both what's going on and what can be done about it.

A central implication comes, again, from Econ 101: to the extent that inattention and deterioration in undergraduate teaching is the result of the competitive market forces I've described, no one school. acting alone. can change the situation without paving a high (very high) price in terms of its excellence foregone. It's a cost much higher than any school would have to pay if all institutions could act in concert. The Nobel laureate who went to Stanford with the promise of a lot of discretionary time will be a ripe and tempting target for a raid by Harvard if Stanford's dedication to undergraduate teaching were to lead to a reduction in its faculty's discretionary time. An occasional Nobel laureate might find that attractive, but most, predictably, would not. Derek Bok described it from the perspective of the President of Harvard: "If you are going to do your best to attract the ablest scientists and scholars to your faculty -- to make them happy and keep them from going off to the next university -- you do not want to provoke them with talk about spending more time on their teaching. And so administrators, too, often relegate the interests of undergraduates to the background.. . When we go to recruit a star professor, the bargaining chip is always a reduced teaching load -- never a reduced research load." [10]

My favorite example of the powerlessness of a firm in a competitive market -- used on Williams' environmentally correct Econ 101 students -- is the fact that a perfectly competitive manufacturing firm whose owner wanted very much to reduce its emissions of a pollutant wouldn't be allowed, by the relentless discipline of the market, to do it. If he tried, his costs would go up, his price would go up, his customers would go elsewhere -- specifically to the firms that didn't share his woolly-headed idealism -- and he'd go out of business.

So an individual faculty member has little or no incentive, and less power, to change the existing market (the rare one who really <u>wants</u> to teach undergraduates can happily benefit from his scarcity), while an individual college or university can challenge the market rules and outcome only by risking what excellence it has.

Is this, then, a counsel of gloom and impotence in which those who might arrest the decline in undergraduate teaching -- the faculty -- have little reason to and those who might have reason to -- the universities -- can't, without considerable damage to prestige? The answers appear to be Yes and No. Yes with respect to how much we can rely on any individual institution, acting alone, to resolve to Do Something effective about the quality of its undergraduate teaching and still remain in the prestige game. So such efforts seem unlikely to be much more than rhetorical. Good intentions will, for the university acting alone, confront costs in terms of lost excellence that are likely to prove too high.

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10 Bok, 1992.

The prospects for coordination don't seem much better -- acting together in service of the better undergraduate teaching society appears to want. Often, when markets have produced socially noxious outcomes, the national response has been to modify the market. So a no-faculty-raiding agreement among colleges and universities could reduced the competitive escalation of discretionary time. But it appears, for now at least, that such coordination would be quite illegal in the eyes of the newly sensitized Justice Department -- seen as restraint of trade. In a longer time-frame, the government may relax its new surveillance of higher education to encourage cooperation for social ends, as it has recently relaxed its traditional surveillance of business firms -- Colleges and Universities might be allowed the freedom to coordinate that the '80s have brought to makers of computer chips. For now, though, the possibility of a coordinated response to market pressures seems remote.

But some optimism may yet come from the other side: The market hath given and the market may be about to taketh away. Current changes in both faculty markets and the markets for undergraduate teaching are likely to modify the gloomy picture I've described. Increased national attention to deficiencies in undergraduate teaching should lead more students to those schools in which good undergraduate teaching remains -- the Amhersts and Bucknells and Sienas. In contrast, those schools that have, in search of excellence, transferred faculty energies from undergraduate to graduate and research activities will find it harder to attract classes of good undergraduates. This could be wishful thinking, but I don't think it is. Admissions offices report increased sensitivity to teaching quality as part of the emerging buyers' market. More and better information about individual college's teaching quality will accelerate that. If it develops, better teaching quality will be an interesting silver lining on the clouds of academic depression -- with more price sensitivity and reduced undergraduate profits available to cross-subsidize excellence and prestige, more schools may decide they can't afford quite so much of it and turn, instead, to improved undergraduate teaching.

Weakness in the markets for faculty themselves could reinforce that -- a weakness due in no small measure to the withdrawal of support by beleaguered legislatures, reacting in part to the decline in the quality of undergraduate programs. A softer faculty market in a stringent consumer environment could be expected to slow down and might even stop or reverse some of the competitive trend toward more faculty discretionary time.

So there is hope that softening college and faculty markets will weaken the pressures I've described. There's some hope, too, in the final lesson of Econ 101 -- that firms really can escape the discipline of competitive markets if they can "differentiate the product, " persuading customers that they're different and more attractive. Ben and Jerry's has done it and, even in the very competitive soap market, The Body Shop has sold (along with very good soap) the idea of a moral commitment to support the environment and avoid animal testing. To some extent, the liberal arts colleges do this now as do smaller campuses in many state university systems. They are different.

What lessons should be taken from this emphasis on the pressures and constraints of faculty markets? I think there are three: that there's a measure of wishful thinking in any hope that the intentions of an individual university or faculty member can make much difference; that even a widespread desire to improve undergraduate teaching may prove ineffectual without significant coordination among schools; and that, ultimately, the trend may be reversed only by countervailing pressures from another market if our undergraduate customers, and the legislators acting on their behalf, withhold their tuitions and appropriations from the universities that can't deliver good teaching. In even the most indifferent school, undergraduate tuitions and the appropriations that supplement them are the goose that's been laying golden eggs.