

Public/private partnerships: a Trojan horse for higher education?

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Abstract Partnering with private industry is presented as a sensible solution to some faculties at institutions of higher education during the current economic downturn. The authors discuss the historic context for increased efficiencies and provide descriptions of how two institutions responded to the prospect of “collaborating” with a corporation. In one case, a partnership forged without faculty consent resulted in dramatic changes in curriculum, class size, course delivery, and instructor authority. In a second case, a proposed partnership, championed by the central administration, was shown to be detrimental to program quality, institutional reputation, and faculty autonomy, and was soundly defeated.

Keywords Privatization · Higher education · Online learning · Public welfare · Ethics

We can see our forests vanishing, our water-powers going to waste, our soil being carried by floods into the sea; and the end of our coal...is in sight. But our larger wastes of human effort, which go on every day...are blundering, ill-directed, or inefficient, and which [the president] refers to as a lack of ‘national efficiency.’

During times of economic swoon, it is common practice to examine ways to cut costs and increase efficiency. Although the above comments may seem timely and relevant, the president decrying a lack of national efficiency is not Barak Obama, but Theodore Roosevelt. The words are those of Frederick Taylor, taken from

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page 1 of his book *The Principles of Scientific Management*, published in 1911. Taylor's ideas about efficiency, and his insistence that most workers do far less than their capabilities allow, still exerts tremendous influence in the United States.

Taylor (1911) writes, "There is no question that the tendency of the average man (in all walks of life) is toward working at a slow, easy gait, and that it is only after a good deal of thought and observation on his part or as a result of example conscience, or external pressure that he takes a more rapid pace" (p. 7). Originally designed as an analytical tool for industry, Taylor's conception of a "one best way," i.e. the cheapest and most efficient use of inputs to achieve maximally beneficial outputs, has been a recurrent theme in educational reform for the past 100 years.

With regularity, outraged pundits, politicians, and parents lament that increased spending on education does not equate to higher test scores (Callahan 1962; Finn 2010; Peterson 2009). The assumption undergirding the comparison is that increased expenditures on inputs should yield corresponding increases in outputs (test scores). In one of Taylor's most famous experiments, the product was pig iron and the worker was a man nicknamed Schmidt who was paid to lug around 100-pound bundles of pig iron for short distances over the course of a 10-hour day.

In trying to convince Schmidt to accept more money in exchange for working harder, Taylor set firm ground rules:

You will do exactly as this man tells you tomorrow, from morning till night. When he tells you to pick up a pig and walk, you pick it up and you walk, and when he tells you to sit down and rest, you sit down. You do that right straight through the day. And what's more, no back talk. (Taylor 1911, p. 19)

By offering Schmidt more money, the amount of pig iron that was moved from Point A to Point B increased by 360%—from 14 tons to 52½ tons per day. This ancient, anecdotal evidence provides the bedrock for the new, value-added approach to education that is being aggressively championed by Secretary of Education Duncan and President Obama. At the K-12 level, this policy means that teachers who manage to increase student scores on standardized exams will receive more money; teachers who do not increase student scores will be fired.

For those who might doubt the sincerity with which the current administration adheres to *Principles of Scientific Management*, there is the example of Central Falls High School in Rhode Island, whose entire teaching staff was summarily dismissed following a disappointing report on student achievement (Khadaroo 2010). Secretary of Education Duncan and President Obama responded to the massive layoffs with accolades for the superintendent who did the firing.

As Taylor (1911) advocated, when productivity falls short of expectations, expenditures on inputs should be reduced and current workers should be replaced by "first-rate men," Taylor's characterization of new hires who would replace the "mentally sluggish type" (p. 19) unable to meet management goals. Though Taylor's characterization of the problem of underachievement may shock contemporary sensibilities, in many ways, his theories continue to guide American institutions' *de facto* response to the complex issues surrounding the costs of a quality education. Taylor's enduring legacy helps explain the popularity of the

sketchy meta-analyses of Hanushek (2009), whose tirades against reductions in K-12 class size, even in schools overflowing with children, emerge every time a school district ponders the prospects of new construction. The logic seems to be that, if erecting a new building will not raise achievement, why do it?

As the current shortfall slams educational institutions yet again, universities find themselves in the same predicament as many K-12 school systems. Faced with daunting deficits and little hope of an infusion of funds from the state government, the fear is that universities may go the way of Central Falls High. Kozol (2005); Berliner (2009), and even the United States General Accounting Office (1996) have documented the damage that lack of funding has on student achievement, community development, and human welfare. The incredible freefall of student learning in California, from its ranking as the highest performing state in the nation in terms of student achievement during the 1960s to a rank of 48th today provides ample evidence of the effects of budget reductions on educational systems (Carroll et al. 1995). At the post-secondary level, some states, including California, have already begun firing professors; some state universities have eliminated entire departments in response to declining revenues.

Hope exists that instructional technologies can somehow help to slow the carnage, at least temporarily, at the post-secondary level. After all, one of instructional technology's defining attributes is the ability to increase economies of scale by orders of magnitude. For example, a business that charges customers 99 cents to download a song may not make much money by selling to 10 customers, but when 10 million customers purchase the song, significant profits can be realized. Whether a business sells 10 copies or 10 million copies over the Internet, the cost to the corporation is the same.

What if a university paid faculty the same salary to teach an online class of 1,000 students as it paid for faculty to teach a class of 25 students? If such a transformation could be realized, then Taylor's (1911) ideal would be attained—higher productivity at a dramatically lower cost.

Some scholars in instructional technology agree that resources in higher education could be leveraged so that “educational institutions benefit by being able to conduct more instruction with the same resources or the same instruction using fewer resources (thereby releasing funds for other functions)” (Molenda 2009, p. 84). Of course, teaching 1,000 students presents a different set of challenges than does teaching 25 students. Although effort, time, and motion will be exponentially greater when a professor must respond to emails from 1,000 students and assess 1,000 projects, such tradeoffs are necessary to realize greater profits. Thus, the ghost of Frederick Taylor, father of scientific management, has turned his skeptical gaze towards higher education.

Survival of the fittest

Faced with the threat of declining revenues, administrators are entertaining such “game changing” scenarios as public/private partnerships, which they hope will simultaneously save faculty jobs, increase enrollments, and reduce costs. Utilizing

faculty-created, “in house” online learning systems commonly arises as a possible way of increasing economies of scale. For institutions who lack faculty with expertise in instructional technology, businesses such as Embanet, Compass, Colloquy, and a host of others, have rushed into fill the void. Embanet, for example, markets their services through a booklet with the seemingly innocuous title *Can universities address the recession dilemma through online partnerships?*

Reduced funding has forced some universities to enact mandatory furloughs for staff and faculty across the institution. Others have moved to freeze salaries and cut back administrative staff. Recently, Brown University announced a plan to cut annual spending by \$60 million. Harvard University froze salaries at the Kennedy School of Government and the Faculty of Arts and Sciences. Brandeis University announced plans to sell more than 6,000 works of art housed in its soon-to-be-closed Rose Art Museum—drawing significant protest from the art community and others. Clearly, drastic times have inspired drastic measures. (Embanet 2009, p. 2).

Indeed, the explicit message communicated by such corporations is that institutions of higher education will be unable to survive difficult economic times without partnering with an outside vendor.

Corporations offer the undeniable lure of abundant resources—instructional designers, disk space, software, and a marketing staff—a package that some fiscally-challenged colleges and universities may find intoxicating. Although a cost-benefit analysis of contracts dramatically favors the corporation, the institution is usually guaranteed a small profit, which is granted at minimal risk, a godsend in the current economic climate. Theoretically, the university makes money on thousands of new students who never would have enrolled without the marketing intervention of the corporation.

Partnering with an accredited, nationally-known institution of higher education gives corporations something that takes decades or more to build for themselves—credibility and name recognition. However, as with Frederick Taylor’s (1911) edicts for the pig-iron worker Schmidt, the transaction comes with strings attached. In exchange for money, corporations expect time, effort, and the power to establish the rules of the game. While the mania for profitability seems to be antithetical to the altruistic, humanistic roots of higher education, the fiscal realities faced by administrators today have put institutions in survival mode. When a professor’s livelihood and future are threatened with extinction, philosophical discussions of power and ethics may seem superfluous.

How far public higher education has fallen since the 1950s, when governments paid for most of the costs associated with public higher education. In most states today, the governmental contribution has shrunk to a fraction of actual costs and the percentage of state contribution continues to decline. No longer perceived or funded as incubators of innovation and learning for the citizenry, universities and colleges have evolved into big businesses and prosper or perish with the fluctuations of tax receipts, endowments, and the whims of politicians.

Two case studies

We had the opportunity to observe firsthand how new, public/profit partnerships might play out for institutions of higher education. In late 2008, two universities, Midwest University and Southern College (pseudonyms are used to protect faculty), were approached by one of the private corporations operating in this arena. In both cases, the corporation, Post-secondary Options Provider (POP, also a pseudonym), began its courtship by marketing its services directly to the central administration—President, Provost, and Vice-Presidents—of the institution without the knowledge or consent of faculty.

Using its success with reviving enrollments at a beleaguered, POP-affiliated university in Texas as a centerpiece, POP's sales managers explained how an existing, low-profit, face-to-face master's degree could be transformed into a new, online profit-center at no additional cost to the institution. The central administration from Southern College, whose enrollments had been in slow decline for a decade, needed no further prodding and, in 2008, signed an agreement with POP—without consulting faculty. Indeed, faculty at Southern College were not even notified of the agreement until weeks after it had been signed.

Eventually, a meeting of Southern College's faculty was called to announce the partnership. The meeting was not led by Southern's central administrators, but by POP employees who tried to sell the move as a kind of academic outsourcing, a canny and helpful response from a friendly business to a college in crisis. According to the presentation by POP employees, the college had disappointing enrollments, low profitability, and little visibility. Not only would POP save the college from financial collapse, the new program would be so economical that students from across the state and eventually, the nation, would flock to the program by the thousands. The turnaround would not only save existing faculty jobs, it would fill college coffers with much-needed cash and restore the college's faltering reputation.

Under the POP plan, faculty would serve as “instructors of record,” and would design the curriculum, but responsibilities for course delivery and student evaluations would fall to employees hired by POP, called “coaches.” Because coaches might have limited knowledge of course content or professorial intentions, assessments had to be straightforward and simple with little room for nuance. POP's plan actively discouraged students from contacting “instructors of record” (faculty). Instead, students were supposed to interact exclusively with coaches who were to resolve all but the most intractable problems. All courses would be pre-packaged and offered to students at drastic discounts to standard rates of tuition.

Most faculty at Southern College felt as if they had just emerged from a train wreck—dazed, and unsure exactly what had happened. They did not know that their enrollments were subpar; that their reputation was in question; that the partnership with POP meant that their job responsibilities would be re-formulated. When some faculty at Southern objected that interactions with POP seemed more like a “hostile takeover” than a partnership, they were threatened with termination by administrators of the college.

Over the course of several “professional development days” for faculty, POP staff reiterated that faculty would have “absolute control” of the redesign of the

curriculum. In defining absolute control, POP staff noted that absolute control meant that faculty could make all decisions regarding instruction, assessment, and curriculum as long as the decisions fit the model—a 5-week, Internet-based program, capable of being easily evaluated by coaches, scalable to thousands of students, and with limited interaction between students and faculty. In other words, in the POP universe, *absolute* was a relative term.

During subsequent training sessions, faculty heard the term *high quality* continuously, though parts of the package that emerged seemed anathema to high quality. For example, one odd dictum was that a coach's grading time would be limited to a maximum of 10 minutes per graduate student per week. Obviously, a student response would have to be short and simple if the total grading time allotted were limited to less than a 90 seconds per day.

Over time, it became clear that faculty assumptions about acceptable levels of quality and control were light years away from POP's assumptions. For example, once the substantive redesign of courses commenced, faculty learned that absolute control had additional limitations, such as the following:

- No textbooks could be assigned;
- Readings had to involve less than 80 pages per week;
- Courses had to address exactly five major themes and consist of exactly five modules, one per week;
- Courses had to have 2–5 learning objectives for each week;
- Each assignment had to have an accompanying explicit grading rubric;
- A short, multiple choice quiz had to be given once per week;
- All mid-term and final exams had to consist of 20 multiple choice questions.

Midwest University

Shortly after POP signed Southern College to a deal, the corporation moved north. As with Southern College, POP's marketing team began courting central administrators directly, purposefully bypassing faculty. Unlike Southern College, however, faculty at Midwest University learned of the possibility that an impending deal could be signed with POP. As with faculty at Southern College, faculty at Midwest University had initial questions about quality, rigor, and control of the curriculum. Unlike faculty at Southern College, who were notified about the partnership only after the contract had been signed, faculty at Midwest had the luxury of time, albeit less than 2 weeks, so they began a series of investigations into POP.

Faculty contacted peers at colleges who had previous experience with POP. All faculty who were contacted confirmed that POP's 5-week, Internet-based modules were quick and easy for students, but faculty also offered a litany of complaints, including:

- lack of student contact;
- prohibition against any sort of clinical or lab experiences;

- low quality control regarding “coaches” who carried out the daily interactions with students;
- restrictions on readings, assignments, and tests; and
- the inflexible, accelerated time frame for every course.

One professor remarked, “They tell you that you have total control over the curriculum. What they do not tell you is that the curriculum must fit onto the head of a pin with some room left over for evaluation.”

After Midwest University faculty voted overwhelmingly against the proposed partnership, POP departed, but warned that it would re-emerge as a competitor at a rival institution in a matter of months.

A Trojan horse

Certain aspects of public/private partnerships are alluring. If a corporation can provide services at lower prices by using a more efficient business model than universities traditionally do, it would seem appropriate to explore possibilities for such partnerships. Already on many campuses, food services, parking, and even residence halls have been outsourced, why not the academic programs themselves?

Fortunately, the “product” in higher education has little in common with moving pig iron. Most professors desire to instill knowledge, to encourage innovation, and to promote positive interactions between the learner and the subject area. As Garrison and Akyol (2009) have noted, “The ideas that drive and shape technologically mediated teaching and learning experiences must also be congruent with the ideals and values of higher education” (p. 27). Any technology that achieves increased profitability at the expense of student learning is a Trojan Horse, a seemingly attractive gift disguising a perilous core.

Myriad ways exist to deal with a crisis, either real or imagined. At Southern College, administrators responded quickly to a perceived crisis in enrollment by signing an agreement, without faculty input, that granted all legal authority for a corporation to use the college’s name to sell its product. In contrast, faculty at Midwest University, who were given less than 2 weeks to respond, quickly marshaled forces to express disapproval at the prospect of such profiteering through academic outsourcing.

An argument might be made that many online programs today already utilize a version of academic outsourcing. As most professors of instructional technology are aware, online courses retain the reputation of being inferior to face-to-face classes, but better than nothing (Ulmer et al. 2007). Additionally, concerns over quality, rigor, and relevance continue to plague online programs, regardless of institutional affiliation (McGorry 2003). However, brick and mortar universities like Drake or Penn State have extensive online degree programs that have been highly successful for years. Although these programs may offer brochures featuring young, beautiful students sprawled on the bucolic lawns of idyllic campuses and photos of lively group discussions in oak-paneled libraries, students know going in that the degree is going to consist of long hours alone, sitting in

front of a screen, typing comments, downloading readings and assignments, pointing and clicking.

Nevertheless, the expectation for students enrolled in Penn State's online program is that the prestige of the institution offers an assurance of quality that carries over from the main campus to the online format. Students expect the program to have the *imprimatur* of Penn State, but pared down to its academic essence, without the extracurricular activities and physical beauty of the geographic headquarters in State College, Pennsylvania.

The new model of outsourcing as represented by POP challenges the implicit links among faculty, student, and institution. In the POP model, faculty never take roll, never meet students, never lead discussions, never issue grades. To those who ascribe to the aphorism that "teaching would be great, if only we could get rid of the students," POP's new wave of academic outsourcing may represent a perverse "dream come true."

Although POP may wrap-up its "partnership" as a gift, this corporate model also challenges some fundamental beliefs upon which higher education has been built (Clark 2009). In many ways, POP's inflexible rules for institutions, while integral to profitability, resemble Taylor's (1911) rules for the pig iron worker, Schmidt, replete with the warning about "no back talk." In higher education, faculty expertise is the fuel that drives the engine; relationships between students and faculty are paramount. Authentic learning cannot be circumscribed, let alone drawn and quartered into neat 5-week blocks assessed via 20 multiple choice questions assessable in under 90 seconds by a complete stranger.

This article opened by citing a book published 100 years ago. Consider the dilemma described in the following excerpt, another snapshot from the past, this time from the 1970s.

1,000 institutions of higher education with 56 percent of the national college enrollment were under severe financial stress; another 500 institutions with 21 percent of enrollment were having financial difficulty; and only 800 institutions with 23 percent of the enrollment were not yet in financial difficulty....Cost conscious politicians, policy makers, and administrators have been quick to take steps to reduce costs and develop more efficient operations. Many of the practices are adaptations of what in industry is called scientific management. Using formulas not very different from productivity standards in industry, entire departments, curricula programs, and divisions within colleges and universities have been cut. Overnight professors learned about student credit hours as a criterion for allocation of faculty positions and budgets. The productivity of college faculties was being assessed, and faculty began to note business metaphors in administrators' jargon.... (Weaver 1974, p. 485)

Financial crises have been a feature of higher education since Harvard University was established in the seventeenth century. In many respects, the current fiscal calamity is nothing new. Despite the dreary economic forecast, now is not the time to trade the future of American higher education for a wooden horse.

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