Does Economic Self-Interest Translate into Educational Improvement?

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Abstract. Business/higher education partnerships are proliferating. The motivation behind these partnerships is economic self interest on the part of both the corporation and the university. Partnerships hold out the opportunity for universities to maintain or improve their research and graduate training programs while corporations can utilize the university facilities to minimize their capital investment. The challenge for the university is to make sure that academic credibility is not foresaken for economic gain.

Whenever we have in mind the discussion of a new movement in education, it is especially necessary to take the broader, or social, view. Otherwise, changes in the school institution and tradition will be looked at as arbitrary inventions . . .; at the worst, transitory fads, and, at the best, merely improvements in certain details . . .

John Dewey
School and Society, 1900

Introduction

Partnerships between business and education are part of the educational reform movement of the 1980s. They are everywhere. President Reagan has established an Office on Private Sector Initiatives with a Special Assistant whose job is to stimulate business/education partnerships. There is a national magazine about collaborative programs, *Pro Education: The Magazine about Partnerships with Education.* Eighty chief executive officers from business and higher education participated in the Business/Higher Education Forum which recently published a report entitled, "Corporate and Campus Cooperation: An Action Agenda." Even American Federation of Teachers President Albert Shanker, a long-time critic of corporate influence on education, has called business and education partnerships "a question of self-interest, rightly understood" (Shanker, 1984, p. 9).

While the private sector has always been involved with higher education in collaborative endeavors, some of them formal contractual agreements, the proliferation of formal partnerships represents a relatively recent phenomenon. Critics have described such partnerships as threats to academic freedom, supporters as a salvation for financially hard-pressed academic institutions. Whether business and higher education partnerships fall into one category or the other, or somewhere along the continuum between the extremes, they are a presence on campuses and merit considerable attention.

Why are such partnerships "all the rage"? What factors are motivating their proliferation? What are the promises and pitfalls in business and higher education partnerships? How can universities achieve their stated promise while avoiding the oft-reported pitfalls? The purpose of this article is to address these questions and to speculate on how to place partnerships into the "broader, or social, view" such that their use will enhance the quality of education rather than serving as only "arbitrary inventions or transitory fads".

Origins of Business and Education Partnerships

The proliferation of business and education partnerships has its origins in the changing structure of the American workplace. Business has come to the realization that education is not meeting the needs of corporate America. The changing business environment requires new technological and managerial skills, an expanded fundamental and applied research base, and a greater global presence in order for the U.S. economy to compete effectively. A 1983 report by the Business-Higher Education Forum examined the declining competitiveness of U.S. industry and called for improvements in technological innovation and educational programs to strengthen the U.S. presence in world markets. (Business-Higher Education Forum, 1983).

Higher education has suffered from declining federal and state support (spending for higher education dropped by 12.8%, in real terms, during the high inflation period 1973-1983) and an eroding population base from which to draw students and generate tuition income. Outdated research and instructional facilities and deteriorating faculty salaries have undercut the ability of Universities to maintain a position of excellence in the areas of research and teaching and have jeopardized the retention of outstanding faculty members. (Business-Higher Education Forum, 1984)

The self-interest motive drives business to focus increasing attention on employee education, especially that of middle managers. The corporate sector, facing competitive pressures, has established many of its own training and development programs because academic institutions were not responding to the business sector's educational needs. In-house training essentially challenged higher education's monopoly on graduate education. Company-run training programs such as the Wang Institute, Xerox's Center for Training and Management Development, and Arthur D. Little's graduate level training institute offer high quality, field-specific training in ultra-modern surroundings utilizing up-to-date educational technology. But such programs cost the private sector between $30 billion and $40 billion annually. Economic reality suggests that, except for some financially flush firms or those with particularly narrow training needs, it is more cost efficient to invest minimally in in-house training, and leave the bulk of training to academic institutions.

Institutions of higher-education, especially some of the smaller private schools which have been particularly challenged by financial constraints, have themselves responded to the perceived demand for training related to corporate needs by designing programs to prepare skilled business professionals. Such programs, although financially remunerative, are questioned by many educational leaders. Ernest Boyer, President of the Carnegie Foundation for the Advancememnt of Teaching, worries that the pressures of the marketplace may lead to student-driven programs requiring "a minimum of effort and with no clearly defined core of demanding studies" which will ultimately devalue higher education (Boyer, 1983, p. 32). Boyer's criticism is concerned more with the quality of program design than with the notion that higher education should respond to the changing world of work.

Scope of Partnership

Business/higher education partnerships are different from both the corporate sector's own graduate training and the hastily developed professional training programs offered by some colleges and universities. The former programs are too expensive and the latter do not carry prestige or allow access to the research skills of faculty at major research universities. Instead, corporations are taking advantage of the facilities and personnel within academic institutions and entering into cooperative arrangements to achieve their stated goals. The phenomenal success of Genentech, the California genetic engineering firm that began in Berkeley, has encouraged collaborations because it demonstrated that the ivory-tower university and the bottom-line corporation have a lot to gain by working together. Examples of partnership programs abound, but several are worth mentioning for purposes of illustration. Worcester Polytechnic Institute and Emhart Corporation, Pace University and AT&T, and University of Vermont and IBM have developed cooperative programs in which university faculty design training to meet the needs of the firm. Such programs incorporate firm-specific needs without sacrificing academic rigor.

Research initiatives include the Center for Excellence in Engineering established by Arizona State University in conjunction with Motorola. IBM provided multimillion dollar gifts of equipment to various universities. The Bechman Corporation sponsored a post doctorate training program in molecular biology at the University of California at Irvine. Exxon and MIT entered into an $8 million agreement for research into the combustion process. In many cases, the university will share with the corporation in royalties. While these programs continue to draw criticism from some academics because they allow "outsiders" to influence the content of academic programs or because they jeopardize fundamental research by focusing on product development, such partnerships can offer faculty members the resources to take full advantage of the stimulating, self-initiated intellectual environment of the university. They can prevent an academic brain drain and provide the foundation for improved instruction. Evidence exists that with clear guidelines such cooperation can prove to be beneficial to the university and to the corporation (Serferis and Williams, 1984).

Such cooperative endeavors need not focus exclusively on large corporations. In Minnesota, New York, and Vermont, the state legislatures have allocated funds to link colleges and universities with small businesses. In most instances, this cooperation is primarily the provision of expertise by faculty members to new or struggling small businesses. In some cases, the small business and a university-based center collaborate to undertake a new project or to market a product or service. Under either arrangement the cooperation can serve as a research stimulus or as a faculty renewal project.

Motivation for Cooperation

The corporate sector's graduate programs and the preponderance of business and higher education partnerships have evolved in the areas most pressured by changing economic and technological conditions. Business administration, strategic management, computer information systems, and engineering research were the first subdisciplines to feel the challenge of corporate initiatives (Staff, 1982). Other areas within higher education are now faced with the opportunities and the challenges of these initiatives. Within education, partnerships are appearing at the college and university level after years of experimentation at the elementary and secondary school levels. We can gain some insight into the promises and pitfalls of cooperative arrangements by looking at the partnerships developed between businesses and the public schools, many of which are facilitated by college-based programs reaching out to these schools.

Realizing that the quality of their labor force depends on the quality of instruction in America's schools, businesses are taking a leadership role in promoting excellence. Ranging from the adopt-a-school program involving over 15,000 schools and 46,000 companies and agencies, to Burger King Corporation's Teachers and Principals Recognition Symposium, to Control Data Corporation's gift of computer equipment and training to a suburban Minneapolis district, the corporate sector is using incentives to improve elementary and secondary education. In some communities where teacher shortages are particularly acute, business and community groups are offering travel funds and free rent to attract new teachers and are advertising "signing bonuses" to at-

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tract experienced teachers. These initiatives, and the many hundreds of others which abound in this country, stem from a realization that a measurable pay-off accrues to business because of better community schools (Cohn, 1974). These kinds of programs encourage change rather than dictate curriculum.

In other instances, firms are supplementing the public school curriculum. American Express Company developed a program called the Academy of Finance in the New York Public Schools. The program has since expanded to Arizona and Minnesota. Students take a special curriculum including courses in computer programming, business practices and accounting, in place of the regular curriculum during their last two years of high school. For participation in the program they are guaranteed summer employment with financial firms in their communities. This program places high priority on career development albeit only in terms of careers in the financial industry.

Strategy for Evaluating Partnerships

Business/education initiatives hold great promise but they also present some pitfalls. How can Colleges of Education take advantage of partnerships to promote career development opportunities to enhance the quality of teacher training and to improve educational programs in K-12 classrooms?

A major consideration for maintaining academic integrity while gaining the leverage provided by corporate incentives is to provide distance between the corporate contributor and the educational program development and delivery. This does not imply ignoring the expertise of corporate managers or trainers, but it does mean that such expertise should fit into a thoughtful approach to curricular change and innovation. This will help guarantee that the effective decision-making process within the university will continue to provide professional academic oversight to program development and curricular change. In reviewing business/higher education cooperative programs, faculty members need to focus on the word "cooperation" so as to avoid an abdication of their responsibility to produce and transfer knowledge within an academically sound context.

For years the national economic education network has successfully executed this delicate balancing act. Over 250 college and university-based centers for economic education deliver programs in schools and for various community groups. The bulk of the dollars to support this program delivery comes through contributions from business and many programs are delivered in a cooperative fashion. The dollars are generated by an umbrella group in each state called a council on economic education. The council provides the bridge between the funding agency and the university-based program development and delivery. The bridge also functions as a buffer to ensure that the contributed dollars do not unduly influence programmatic content. The private sector and the university community combine to explore the areas of greatest educational need. University faculty use the suggestions from the business community but develop programs themselves. Funding flows from agreement on an educational need and a recognition that faculty are in the best position to devise ways to meet this need. The dollars do not drive the program—the perceived need leads to program development which generates the contributions.

Within higher education, faculty and administrators must ensure that thoughtful reflection establishes the programmatic agenda. Private sector input through partnerships can provide valuable assistance without dictating program content when institutions of higher education establish the direction for educational improvement.

Some examples of partnerships which meet this criterion are sabbaticals for corporate executives to participate in university programs, funding for scholarships to attract outstanding students into the teaching profession, faculty-executive exchanges to provide a cross-fertilization of ideas, funding for general research programs which are administered by the university, pre-service teacher practica within corporations rather than just in schools, and undergraduate and graduate internships in corporations, government agencies and non profit agencies.

Out of this entire issue emerges the notion that economic self-interest is the motivating factor behind the corporate sector's desire to form partnerships with higher education. In most instances colleges and universities are responding to these corporate initiatives for the same reason. The challenge is for faculty and administrators to utilize the economic motives of corporations as a vehicle for educational change which is systematic and credible so that the end result is more than "arbitrary inventions."

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