



## **Why Universities Should Not Bend to Market-Driven Economy Demands**

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Universities are increasingly under pressure to provide outreach programs for growing numbers of students who may never visit the campus in person. With the availability of advanced interactive technology, more university extension programs can be made more accessible to traditional and non-traditional students than deemed possible as little as a decade ago.

In order to accommodate the rise in demand for university programs, restructuring of the status quo must be undertaken by traditional educational institutions to incorporate new technologies and develop the best educational practices associated with their use. There is little question that restructuring will take place. Issues concerning how to deal with the unprecedented growth and dissemination of knowledge, the growth of technology itself, and the subsequent means it offers for increasing learning productivity require that universities find optimal strategies and procedures to manage growth in ways that preserve the excellence and sustainability of campus-based and outreach programs.

At stake is the issue of whether or not the transition to accommodate information technologies as new media for instruction should take place quickly — or cautiously, and hence more slowly. Also at issue is the question of how institutions and the students who attend them are best served. That is, should universities make changes from within or look outward and make concerted efforts to more closely attune the university to the needs of a market-driven economy? This essay contends that changes made in accordance with an outward focus are potentially diametrically opposed to the process of change likely to be undertaken from within the institution.

In brief, from an external perspective, universities are urged by funding agencies, government, and the corporate sector to embrace the changes technology brings. Education-on-demand at home or in the work place is now both possible and potentially lucrative, and revenues from this sector may well offset investments made in the technology itself. Universities are urged to respond quickly to the demands of the marketplace for profitable, just-in-time learning. If

they do not, institutions that do act to fulfill the need will reap the benefits accordingly. Indeed, it is alleged that unless market-based adaptations are soon made, the traditional university may not survive (Denning 1996). From the perspective internal to the university, of utmost importance is the need to preserve traditional academic values cherished by members of the scholarly community — values concerned with excellence in teaching and research and supported by the constancy of resources needed to do the job properly. Also, the need to preserve and sustain core university courses and programs, including those of no apparent or immediate fiscal value, must not be compromised (Noblitt 1997).

In order to get a better understanding of the nature of the contrast between the external and internal perspectives on change, this essay presents a description of how factors underlying a market-driven economy affect higher education. This is followed by an examination of the goodness of fit between the factors and values associated with the marketplace and those associated with the inner workings of the traditional university. This analysis supports the conclusion that universities are ideally placed to meet the needs of both campus-based and outreach students, without need for speedy embrace of the principles and practices of the marketplace. Indeed, the prod to make haste or put the survival of the traditional university at risk stands to lower the very standards that attract students to universities in the first place, but not for the reasons put forward by advocates for a market-driven institution.

### Designing a Marketable University

There is an emergent chorus of educators and corporate leaders who argue that the same factors influencing the market-driven economy also exert pressure on the university to deliver education-on-demand to anyone, anywhere, and at any time, and universities are slow to appreciate the gravity of the situation. Put most simply, educational programs are recast as "products" designed to meet specific ends, and university faculty provide the intellectual capital to develop and offer the goods. In this way, education will better serve the need to prepare individuals to enter the increasingly competitive work force of the twenty-first century (Hairston 1997). What universities must do to retool the institution to best serve the marketplace is to assess and optimize programmatic strengths that are in accord with market demands, cut the weak areas, and focus on the future. The goal is to improve competitiveness by streamlining services, increasing productivity, and improving customer service. Faculty resistance, it is argued, reflects entrenchment in the status quo mainly for reasons of self-interest (Olcott and Wright 1995). Needless to say, this vision of the university is not necessarily shared by those within it. The charge that resistance is due to entrenchment and self-interest entirely misses the mark.

It should prove instructive to look more closely at the assumptions upon which the market-driven vision of the university is based and then assess the goodness of fit between factors that drive

the business community and those that drive the university. Understanding how these factors operate then allows for judgments to be made about whether or not changes prescribed on the basis of market forces are both desirable and possible for universities to undertake. The fundamental question is, can education be considered a marketable commodity? Applying arguments put forward by Winch to the higher-education context demonstrates that, on the face of it, there is not a good match (1996).

### Markets and Universities: Assessing the Goodness of Fit

How does the market work? At risk of oversimplification, consider consumer purchase of a new sofa. As with any purchase, customers are best served when knowledgeable about the product. Purchasers either bring relevant knowledge to the retail outlet, or rely upon the advice of a well-informed mediator. The manufacturer makes information about sofas available and is held accountable for the stated quality of the goods. As the marketplace is competitive, consumers can comparison shop to get the best price on the quality of sofa in their price range. Thus, the decision made on which sofa to buy lies with the consumer, and is a rational one based on identifiable criteria; providers are accountable for the state of the goods, and the purchase satisfies an instrumental aim or purpose (sofas can be beautiful, but their purpose is primarily for seating).

At first blush, there is no reason to assume the prospective student could not shop for his or her education in the same manner. A closer examination of the matter, however, shows this notion to be naive. Factors concerning the aims of education, the position of consumers in the purchase of education, how universities sustain a competitive edge, and accountability for and evaluation of the quality of educational programs take on a different cast in educational circles; most of these assessments are overlooked by advocates of market-driven education. While factors belonging to traditional universities must be modified in order to meet increases in demand for outreach programs, I contend the process for doing so should take place from within the institution and in an evolutionary manner, as the ensuing discussion makes clear.

### The Aims of Education

From the perspective of the individual, the aims of education are not purely instrumental. They can, of course, be instrumental in the sense that one takes up further studies to prepare to enter the work force or to enhance job prospects. These students bear the closest resemblance to the notion of "consumer" and constitute the focus of the market-advocacy group. But many people also attend universities with the aim of personal fulfillment. Further, from an institutional perspective, the aims of education itself are instrumental in that they serve the public good. The provision of higher education contributes to the social welfare of the populace, to economic growth, and to improved standards of living, for example. These different types of aims are contained within the university and it follows that

universities would stand to lose a great deal in either funding or enrollment if they were to give up any one of them. It also follows that it would not serve the university well to accommodate personal-instrumental aims alone. This means that not-for-profit courses and programs — those having either no immediate fiscal value or that offer ideas, research results, and information that may not be perceived to be valuable for many years to come — must remain intrinsic to higher education curricula. These lie at the heart of the scholarly community and represent the highest of educational values, that is, the freedom to pursue knowledge for its own sake, without undue restraint. It is highly unlikely that any university would willingly compromise the right to academic freedom.

### The Consumer

Consumers purchasing educational goods and services do so for a variety of reasons. It is true they can shop and compare among different institutions in order to apply to those that best fit their needs, whether instrumental or personal. It is also just as true that students will apply to a particular university for a host of other reasons: it is within close physical proximity; it is the family tradition; it offers more in student funding; it offers programs through distance education; it is the only place that accepted the student's application for entry; the student's friends are going there; if paying the student's expenses, parents or employers may insist on its selection. Thus, there are many reasons for attending a given university, only some of which may be tied to rational choice as exemplified by the marketplace. It is reasonable to conclude, then, that even students having instrumental aims may choose a university for reasons tangential to specificity of purpose.

There is another important aspect of consumer choice overlooked by marketplace advocates: That universities adjudicate and select students after students have selected them. In fact, selecting students for admission is arguably one of the most rigorous processes universities undertake, particularly at the magistral and doctoral levels. For students, acceptance bestows a sense of worth and confirms confidence in one's abilities while rejection may have a deleterious effect. The rejected but determined student will look elsewhere. Not to put too fine a point on it, but sofas or vegetables or televisions do not choose their purchasers, nor do they care if they are selected for purchase, and those who provide them for the market care little about who buys them. Adjudication of applicants, on the other hand, is core to maintaining the university's competitive edge.

### Maintaining Competitiveness

Universities, whether privately or publicly funded, compete for the best students and faculty. They do so by offering the finest programs, funds to support students, excellent research opportunities, and good instruction. Institutions of the highest quality attract the most capable students who, in turn, sustain the

quality of the institution. Accepting less-capable students would lower the standards of the university; it, in turn, would experience a decrease in its market value, that is, its desirability. For this reason, inherent dangers confront universities that opt to invest time, money, and technology in majority expansion into academic areas having high appeal in the marketplace at the expense of those that do not, particularly if it means jeopardizing both the traditional values of the institution and those who sustain them. The very features that make a university a desirable educational "good" in the first place would then diminish. First to go may be departments, programs, or courses of high intrinsic educational worth but of no obvious marketable value. Good students wanting something other than instrumental education are then forced to go elsewhere, taking tuition revenues with them. It is folly to underestimate their

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numbers. Arts faculties on most campuses typically enjoy the largest student enrollments. Further, retiring faculty may not be replaced and choosing to invest in technology rather than hiring replacements sends the wrong message to faculty. The best teachers and researchers can always opt to change institutions and by doing so will thereby lower the standards of the universities who become their former employers. Monetary or promotional recognition for teaching and research efforts pertaining to technology-based program development and instruction can be given in the spirit of compromise, but not at the expense of more

traditional promotional and funding practices.

One further point needs to be made and it concerns the issue of excellence and sustainability of university programs. In the marketplace, consumer preference changes quickly and providers are attuned to its fickleness in order to capitalize on the next emergent fad. Quick change of this nature would be difficult and costly to do in the university setting. Imagine, for example, the case where Spanish falls out of favor and the Spanish Department is cut because of low enrollment. At some future point, exchange agreements to foster trade are then made between local governments and Spanish-speaking countries. Spanish is once more in demand, but reconstituting the Spanish Department is an exceedingly complex and expensive undertaking. Few universities can afford to meet marketplace demands in this manner — nor would they be tempted to do so. Reputations and credibility of educational institutions are built on maintaining the quality, excellence, and sustainability of

university programs. It is apparent that rapid or quick-fix transitions are out of the question.

### Quality and Accountability

Judging the quality of educational goods is normally carried out by two distinct groups — the students who take university programs and the resource providers that fund or make monetary contributions to the institution. In the first instance, the students may or may not pay for the educational goods themselves. Payment could be provided by parents, employers, students loans, scholarships, grants, and the like. In these instances the purchasers are not the consumers of the educational goods and services. Are students good judges of quality? Yes, if they have available relevant information about instructors, curricula, standards of research and teaching, and practices of the institution they plan to attend. Are they good judges of quality of programs *per se*? Perhaps, but in hindsight, because students often will appreciate the value of a good education after the fact. During the course of pursuing it, the demands and hardships encountered may be arduous, painful, and accompanied by fears of low achievement or outright failure. Success puts university-level studies in a most positive light and enhances the quality accordingly. In the second instance, the funding agencies, primarily governments, or private contributors such as corporations or special foundations also do not use the goods they purchase. However, some form of accountability for quality is usually required, and normally provided by the university in an institutionalized form, by request from the donor or by some other agreed-upon arrangement. In short, in marketing terms, in both instances, the purchasers are not necessarily the consumers, a fact quite counter to the fundamental nature of the marketplace. Under these circumstances, it is unclear how quality, accountability, and ultimately the sustainability of educational programs are to be accounted for under the auspices of a market-driven economy. By implication, how would the reputations and prestige of educational institutions be established? Just what are the marketplace's criteria for judging quality and accountability?

### Conclusion

The need for universities to change to accommodate increases in demand for programs and services and implement the technologies that make accessibility possible is not at issue.

What is contentious is the focus of change — should it be internal or external; the process and pace of change — should it be evolutionary or revolutionary; and the agents of change — should they be from the marketplace or the academy?

For universities, there is much at stake here: The preservation of quality, excellence, and sustainability of courses, programs, and opportunities for research; the need to adjudicate applications and select the most capable students in order to remain competitive with other educational institutions; and, most importantly, the

preservation of academic freedom. After assessing the goodness of fit between factors that drive the marketplace and factors that drive the university, I conclude that change must take place from within the university, that the process should proceed in a determined, but cautious manner, and the agents best suited to define, implement, and manage the change process are those most directly affected by it — the members of the university community themselves. Some factors associated with the marketplace may be modified to suit the needs of the outreach student, but others are better left to the Red Queen's list of impossible things. ■

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