Recapturing Academic Business

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Two Corporate Cultures

There's been a lot of talk lately about the introduction of business practices to higher education. Critics suggest that the corporate model judges complex activities like education, research, and community service in the one dimension of profit and loss. Admirers of business see a more corporate higher education as a more efficient higher education. Both of these positions view business management as a proxy for strict cost accounting.

But the meaning of business is more divided than it at first appears. The business world is at war with itself over what good business actually means. Hard-nosed finance remains the conventional wisdom, and it has enormous social and institutional power backing it up. But another business faction has more intellectual momentum at the moment, and probably larger numbers of adherents. This other faction traces value not to fiscal and labor discipline per se but to employee "empowerment" and human development.

The conflict between these positions is long-standing—management tries to reduce worker autonomy and workers try to increase it. The modern form of the conflict continues the hundred-year-old battle between "scientific management" and the labor movement, and the equally old battle between scientific and "human relations" management. The conflict has become even more acute in the last ten or fifteen years, as the boardroom has become more militant about shrinking labor costs and the cubicle has become more threatened. Efforts to improve profits by downsizing, outsourcing, temping, and otherwise liquefying labor coexist with calls to rejuvenate American-style capitalism by making employees happier and more independent, and thus smarter, more innovative, and more productive. The management world is divided on how to proceed—employee discipline or employee development? The speedup or the seminar? Mean business or self-management? Survival of the fittest or teach your neighbor to swim? Weird mixtures abound, as do erratic shifts from one strategy to the other.

The university would seem a natural habitat for the human development side. Since it is dedicated to education and research—developing minds, developing knowledge—we might assume the university would be the place where empowerment and the "human relations" strain of man-

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agement thinking would be most advanced and treasured. But this is not the case. Upper administrators at the large research university—my focus here—are as driven as any corporate boardroom by the prestige of financial discipline. Teaching and research cost money and threaten financial disruption and excess. University administrators appear no more interested than their corporate counterparts in putting human development ahead of financial accounting. The outcome seems familiar—"human relations" perspectives as the underdog.

I set out to investigate the forms this conflict between "downsizing" and "empowerment" takes in the university, where downsizing stands for a wide range of financial and labor discipline. What are the conflict's effects? What special resources do universities have that might move management away from downsizing? My own employer, the University of California (UC), provided the setting for my analysis.

Many shortages plague higher education, but a shortage of criticism isn't one of them. Excellent work has been done on the insularity and elitism of universities, on the snails' pace of racial integration and equity, on partisan politics corrupting trusteeship, on an excessive emphasis on "technoscientific" research and private investment, and on many other subjects. Most of these arguments see political and business forces violating the integrity of the university's educational setting.

While I too dislike many of these interventions, I'm making a different argument. Rather than contrast educational and business cultures, we should increase the influence of education on business culture. The university is a major institution in a capitalist society. In that context, reorienting the university entails reorienting university business. We should not just critique but *redefine* academic business—that is, we should examine and revise the business model. This could lead to collaborations with management writers and trainers, people who surpass most academics in coping with managerial roadblocks and who could also learn from academic experience. We should go beyond critique to achieving real *managerial* power for the nonprofit approaches to human development that drew many of us into higher education in the first place.

The following sections offer a tour through some basic issues: the one-sided, disciplinary version of "business focus" at UC; the historical roots of financial control in universities; "human relations" management writers who oppose financial control in business; the inadequate version of human relations reflected in UC's faculty senate; and better human relations through a combination of senate and union perspectives.

Many members of UC's staff already have union representation. I went to the offices of the dean of sciences at UC Santa Barbara (UCSB) to talk to Martha Cody-Valdez, an administrative analyst who's an officer of one of these unions, the University Professional and Technical Employees (UPTE). This union, with seventeen hundred members system-wide, has bargaining authority for two employee groups—technicians and professional researchers. It is trying to organize the much larger pool of general administrative and professional staff, but the hodgepodge collection of job categories in this pool has not yet been sorted out into potential bargaining groups by California's Public Employment Relations Board.

I went to Cody-Valdez's office to ask about her views on the interesting phenomenon of *professional* unions. Like a lot of other people, I've been wondering whether white-collar employees will ease up on their traditional opposition to unions as they increasingly lose the workplace autonomy they thought came with professional status. In 1996, for example, faculty at the University of Minnesota voted to consider forming a union, thereby using Minnesota labor law to block changes in tenure regulations that were about to be imposed on them by the board of regents. I'm momentarily distracted by my discovery that Cody-Valdez is the daughter of the founders of Cody's Books in Berkeley, so before we could talk I had to reminisce about the mind-altering hours I spent there as a teenager and fight off an urge to ask for her autograph. When I finally asked about the issues her membership faced, I got a very good summary of what most people mean by "the corporate model" in the university.

"We're worried about the casualization or 'temping' of the workforce," Cody-Valdez said. "I think the university is trying to reduce the numbers of longtime staff and increase the numbers of casual employees. It'll then have more part-timers who can be brought in or dropped. The university is turning away from the model of having a stable, loyal, academic workforce. It's like it is saying, 'We want cheap people who are interchangeable.'"

"So it's the Silicon Valley strategy," I ask, "a two-tiered labor force, 'knowledge workers' and 'routine production workers,' working under very different conditions?"

"Sometimes it seems like that. The university is also trying to install market-based pay. They establish an 'average' set of pay rates in a campus's area. They then try to tie university wages to those of the local market, as they've defined it."

"What does that mean?" I asked.

"It allows them to lower wages for campuses in lower-wage areas, rather than having standard rates for each classification across the system.

It isn't just for exerting downward pressure in lower-wage areas. It's for general downward pressure. I have yet to hear of them raising anyone's salary. 'O gee we're not paying you enough. Our mistake.'"

"Right," I laughed. "'We hadn't checked your cost of living. We feel terrible.'"

"'Yes, we're sorry. We owe you for years.' . . . I haven't heard them say that yet," Cody-Valdez continued. "Market-basing is a take-away plan. Libby Sayre, our executive vice president, told me about one university comparison study that came out high. Their analysts then threw in bank tellers, a notoriously underpaid group. So, surprise, surprise, after they factored them in, the average 'market' pay went down, and they said, 'Look, you're leading the market.' It's a way of keeping wages stagnant or actually reducing them."

"What else are you keeping your eye on?"

"We're concerned about performance pay. The university has been taking money out of pools allocated for regular merit raises or general pay adjustments and has been creating one-time bonus pools. The idea, they say, is to reward excellence, but it doesn't raise base pay. And its other effect is to increase the supervisor's discretion. The raises one used to get contractually are now in the hands of a manager who picks and chooses beneficiaries.

"The university has also been looking at outsourcing. A few years ago, there was a plan introduced at UCLA called *UC 2000*. It came right out and said we need to start contracting out a lot of these services, to cut costs, to get rid of all these employees with their big-ticket benefits. They put it out there and then the flak flew and they withdrew it, but you can see that these ideas are still part of their motivation. Some parts of the administration believe that even core functions could be handled by outside people—Manpower temps for accounting. That's a big trend that worries a lot of us.

"The whole affirmative action fiasco is also troubling. The university is not a place where discrimination is unknown. In the tech contract the university wanted to weaken the affirmative action language, saying that they're just following the law. But weakening employee protections is the overall direction of the university's employee relations.

"Look at the new employment standards for staff that were initiated by the office of the president a few years ago. [This is called the Human Resources Management Initiative, or HRMI.] Take the new standards for performance appraisal. They've made it so vague and general that it's practically meaningless. The effect that has is that if an employee feels that he or she got an unfair performance appraisal, and he or she goes to the manual to show that a supervisor violated the policy, they won't find anything. The new policy allows for almost anything. So it's taking away any rights you had under the old policy. The old policy was much more specific about what the university is supposed to do as well as what the employee is supposed to do. There's everything in the new policy about what the employee is supposed to do, but very little about what the university is supposed to do."

"I think you sense a pattern," I exclaimed.

Cody-Valdez smiled patiently. "We're also dealing with staff morale. One thing I've been hearing from staff is a general lack of acknowledgment and respect from faculty and students, especially faculty on campus. Like they're invisible."

"Does the staff feel more disrespected by faculty than by students or administrators?" I asked.

"Yes," she said. "The abusive incidents generally come from faculty."

In Cody-Valdez's description, UC's labor policy is a virtual checklist of the downsizing side of contemporary corporate strategy. Rather than increasing value through enhanced stability, morale, salaries, training, and the active encouragement of innovation and its inevitable mistakes, UC policy seems to emphasize improved numbers through improved discipline. While Cody-Valdez didn't present her views as typical of "UC staff," and noted that personnel relations were better at UCSB than at many other UC campuses, my discussions with other UCSB staff showed mostly overlap with her descriptions of the employment atmosphere. They may have had less comprehensive and detailed views of the situation, but nearly everyone I asked about administrative "policy" described an overriding impression of containment and control.

Three Stages of Financial Control

Downsizing in the broadest sense is what most people expect from the "corporate model" in the university—even if you don't fire employees (and UCSB generally has not), you constantly squeeze them. Downsizing as the reduction of either workforce size or workforce costs continues two longstanding American business traditions: scientific management and anti-unionism. The first increases external supervision of work, and the second decreases employee resistance to it. Scientific management successfully streamlined production, but it also reinforced a more general belief that labor efficiency required cutting labor freedom. Self-regulation meant waste.

From its inception, scientific management has been pummeled by critics both outside and inside business. But it has never been vanquished. This is true even in the professions, or, more broadly, among "knowledge workers." Frederick Taylor, usually considered the father of scientific management in the factory, played a lesser-known role in sponsoring its application to the university around the turn of the century.

The historian Clyde W. Barrow has unearthed an interesting part of this story. In 1905, Massachusetts Institute of Technology President Henry S. Pritchett published an article called "Shall the University Become a Business Corporation?" Although he admitted that faculty-led European universities were actually more efficient than their more "business-minded" American counterparts, Pritchett argued that faculty management of large universities would be a setback for higher education. Businessmen, he claimed, were far superior to faculty as administrators, for "no type of man has been developed who is a wiser councilor than the businessman of large sympathy and of real interest in intellectual problems." A year later, prompted largely by Pritchett, Andrew Carnegie endowed the Carnegie Foundation for the Advancement of Teaching. The foundation's first president was Pritchett.

Pritchett wrote to Frederick Taylor in 1909 seeking advice on sponsoring "an economic study of education." Taylor suggested that the study be directed by a mechanical engineer named Morris L. Cooke. In his report, *Academic and Industrial Efficiency* (1910), Cooke held that

> the problem of academic efficiency was in principle no different from that of industrial efficiency because "all large and continuing causes rest upon formal organization and upon some assured machinery of administration." Organization was primarily an engineering problem. Administering this organization was the function of management. . . . Organizational efficiency demanded that a worker not "produce any longer by his own initiative," but "execute punctiliously" the orders given by management, "down to their minutest details." . . . Professors "must be governed and measured by the same general standards that generally obtain in other occupations."

Cooke made a number of recommendations, including one to abolish tenure on the grounds that it screened inefficient workers from management intervention.[1]

It turned out, of course, that management could give orders regulating the physical labor of manufacturing more easily than it could dictate the motions and timing of office work. They gave it a good try, but the more complex or conceptual the work became the more difficult it was to devise the single most efficient procedure or to know how to enforce it. Some labor is more easily broken into minute component parts than others, and the general category of "white-collar" work required more subtle methods of orchestration. Direct, detailed supervision of teaching and research did not generally take root. The more flexible idea of business management in universities did. The result of the first stage in the development of the modern research university was to establish once and for all that business as a form of practical reason is better at university decision making than the thinking of faculty and staff. Scientific management did not become a set of regulative techniques in higher education so much as it served as the principle of objective efficiency by which existing faculty and staff practices might be regularly judged.

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A second stage involved developing the techniques whereby business administration could be more directly installed within the university. Taylor applied the stopwatch to the arms and hands in motion on the shop floor. Others learned how to apply the account ledger in the office. On its face, financial accounting is simply a way to keep track of the firm's relationship with the outside world. What's coming in? What's going out? What direction are sales going for a particular product? Accounting is also widely used to identify strong and weak areas within the firm—costs are high here, revenues are low there. But accounting can also be used not simply as *one* type of information but as the most important kind. Sociologist Neil Fligstein has shown how by the middle of the twentieth century accounting had evolved into a "financial conception of control." This conception "emphasizes control through the use of financial tools which measure performance according to profit rates."[2] Financial measures dominate other estimates of a company's status—good community ties, a high-quality workforce, strong product development, a record of marketing innovation, and so on. During the last fifteen years, financial measures have further consolidated their position as the final judge in allocating power and resources within an organization. When they arrive on campus, they use instruments developed to calculate profit and loss to make policy in a nonprofit enterprise.

Financial accounting doesn't automatically lead to top-down governance. There are cases in which it democratizes an organization by giving managers and frontliners the same financial information, and I'll mention one example of this below. But accounting does support oligarchical control when financial information is closely guarded at the top, or when it is used to manage units from outside and at a distance. Cooke made it very clear that the engineering of academic labor required not self-management but close supervision. Financial management inherited scientific management's insistence on external management by superiors. The numbers were used not for mutual consultation and collaborative planning but for justifying the override of the preferences of subordinates. They were used to decide from above which divisions or projects would be fed and which would starve, which would grow and which would wither, which would have a future and which would not. Finance assumed the same authority over the products of the knowledge worker that Taylor's assembly line had assumed over those of the manual worker.

Hostility to political and academic Taylorism was by no means limited to the New Left. Retired general and pro-business Republican President Dwight D. Eisenhower ended his second term by warning the country of the intrusive governing power of the "military-industrial complex." And centrist UC President Clark Kerr, appointed in 1958 and most famous for his backfiring efforts to clamp down on the Berkeley free speech protests, warned that new financial powers had disrupted the research university.

Kerr noted in 1963 that the research university was attracting increasing national interest because of the American economy's dependence on the "knowledge industry" for continued world leadership. Contrary to impressions left by Robert Reich and *Wired*, this dependence is not new to the 1990s. Anticipating Daniel Bell and other observers, Kerr believed that the United States of 1960 was already becoming "postindustrial." "The basic reality, for the university," he wrote, "is the widespread recognition that new knowledge is the most important factor in economic and social growth. We are just now perceiving that the university's invisible product, knowledge, may be the most powerful single element in our culture, affecting the rise and fall of professions and even of social classes, of regions and even of nations."[3] The research "multiversity" was already in business big time by the end of the 1950s.

But Kerr was not most concerned about general business pressures on the university. He saw a more immediate danger in the partnership between the research university and the state. "Federal support of scientific research during World War II," he wrote, has had a greater impact on higher education than any event since the land grant movement was enshrined in the Morrill Act of 1862.[4] Kerr detailed the ways in which an indirect form of "federal influence" operated through a nearly irresistible structure of financial opportunities to reduce "the authority of the department chairman, the dean, the president, [and] . . . faculty government."[5] The research institution had become a "federal grant university" in which direct state control is avoided in favor of a much more effective system of financial rewards and penalties that, for Kerr, amounted to a shadow government:

> The university, as Allen Wallis, president of the University of Rochester, has remarked, becomes to an extent a "hotel." The [federal granting] agency becomes the new alma mater. The research entrepreneur becomes a euphoric schizophrenic. . . . There are . . . especially acute problems when the agency insists on the tie-in sale (if we do this for you, then you must do this for us) or when it requires frequent and detailed progress reports. Then the university really is less than a free agent. It all becomes a kind of "putting-out" system with the agency taking the place of the merchant-capitalist of old. Sweat shops have developed out of such a system in earlier times and in other industries.[6]

Kerr clearly feels that the loss of university self-management is very far along.

The second stage of the research university's modern history, then, curtails the university's self-governance through financial control. In a third stage, the federal role remains in place while commercial influence comes to the fore. One example of this development is the increase in UC partnerships with the private sector, which include not only patent arrangements but also large-scale mergers, like that between the teaching hospitals of UC San Francisco and Stanford University. These partnerships will undoubtedly multiply. *California State Budget Highlights, 1996–97*, prepared by the state's Department of Finance, underscores "an increase of $5 million . . . for UC to work collaboratively with business and industry to transfer academic research findings to the marketplace." Public funds are to subsidize transfers of commercially valuable research to the private sphere; returns to the university are somewhat less clear.

Kerr's analysis suggests a more important form of business influence. For Kerr, the problem with federal grants was not their influence on research content but their influence on internal university governance. The federal agency was able to shape hiring and firing decisions, the structure, size, and budget of various departments, the allocation of physical space, the construction of new buildings, the creation of "new classes of administrators," and the expanding relative size of administration overall.[7] Similarly, commercial influence doesn't stop with the university serving as "'bait' to be dangled in front of industry."[8] More fundamentally, it internalizes the standard of finance as the final judge of university affairs.

Today's sounds of scientific finance are not hard to hear. UC Senior Vice President for Business and Finance V. Wayne Kennedy grounds the success of the university's public mission in strict financial management:

> Recognizing that faithful stewardship of the public's investment in the University of California is a top priority for our administration, the university is strengthening its business focus and is now in the second year of an ambitious program to overhaul and update its business practices with the expressed goal of enhancing institutional accountability. We are strengthening our system of controls as we continue to evaluate and redesign the university's fundamental business processes. We are replacing outdated business systems and practices with methods comparable to those utilized by the nation's leading corporations.[9]

Using a language that pervades Governor Pete Wilson's administration and its legislative allies, Kennedy redefines the university's constitutional status of "public trust" as a "public investment." The production of value depends on a "business focus." Business focus boils down to more economical forms of financial supervision. Although the "business" of the university is knowledge, the university's financial systems compete with research knowledge as the standard of reason.[10]

In the third stage, a private-sector model of financial control becomes the single most important form of "distance" governance through which complex institutions can be run from the top. It becomes the authorized language in which the university expresses its purpose to the major players of the outside world. Retaining scientific management's emphasis on external supervision, finance resists being contextualized as just one of a number of considerations in an intricate corporate culture. Finance must of course pay homage to "faculty consultation" and other complications, but it generally dominates the organization's "cultural" issues.

As such, financial accounting's tendencies are stark. It sees costs as negative, labeling them as investments only if they can be linked to a quantifiable expected return. If costs yield only *non*quantifiable goods of the kind common in research and education—"critical thinking," writing skills, maps of housing segregation, a new scheme for proportional representation, a better understanding of the Boer War—it will be hard for finance to certify them as valuable investments. UC administrators show every sign of holding education and the liberal arts in high philosophical esteem. But it's hard for anyone to fight numbers with philosophy, especially under the usual kinds of political pressure. Nonquantifiable benefits almost always have less clout than quantifiable ones. Resources flow toward large revenue centers and away from nonfinancial activities; departments that attract outside funds—materials science, for example—have far greater influence than those defined by providing services and self-sponsored research (like literature). Financial control tends to view labor as a cost, as a site of potential savings. From this perspective, better means cheaper, growth means restriction, productivity means discipline, knowledge means regulation.

It would be wrong to see the rule of financial control as the result of short-term crisis. Since the California "budget crisis" of 1991–1994, the budget has reinstalled itself as a semipermanent straightjacket. The state's general fund contribution to the UC system was a little over $2 billion in 1996–97, about where it was in 1990–91 and still less than the 1991–92 figure. The budget crisis has changed UC's institutional culture. It has become increasingly difficult to believe that the system can continue to provide universal higher education, even in the three-tiered form that was established by the Master Plan for Higher Education in 1960. UC has shelved plans for at least two of the three campuses that were to have been added to its nine-campus system, which has not received augmentation in the same thirty-year period that saw the state's population double.

There's the additional problem of the governor's use of the budget for public discipline. UC's budget has always been a political football,[11] but this recent crisis was part of a continuing attack on UC administration (as overpaid) and faculty (as underworked) that symbolized the taming of the state's most independent knowledge workers. The university has emerged humbled and more dependent than ever on Wilson's good opinion, business's approval, and private fundraising. Not so much business as "business focus" rules the knowledge roost, where medical and technological employees, properly disciplined, appeal to power brokers as eternal fountains of youth for a dubious economy.

There's been a subtle toll on the university community's expectations, one that has to be told in stories rather than numbers. From my vantage point, the most immediate casualties are dreams of the new—new programs, new disciplines, new combinations, new ideas given adequate institutional support. A few major initiatives struggle along on my campus, but without much hope of raising the kind of capital required for a near-term breakthrough. Such conditions favor the administrative rise to power of the relatively unambitious. They favor those who will not chafe against preestablished limits. Even the restive remainder rarely schemes against the administration's human bottlenecks, who not long ago would have seemed an affront to campus destiny. Few appeal the administrative refrain: "That's a good idea, but sorry, there's no money." Since serious new ventures will likely require outside investors, the university's control of its own research will continue to weaken.

In the 1990s, UC has become a showcase of a management technique that was developed during an early phase of the industrial corporation. Direct managerial supervision was replaced in a second stage with the financial incentives of federal grants, and these are in turn giving way to a more pervasive budget power modeled on—and linked to—the private sector. The boardroom wins and the cubicle loses—that's of course part of this story. But the other part is that budgeting becomes *the* fundamental governing principle of the university as a whole. It sits at the head of the table. Others may sit there too—faculty interests, student interests, staff interests. But finance controls the discussion, decides who is asking for too much, who is unreasonable, and when the discussion is over. Standard financial accounting manages university faculty and staff in the same way that it manages any other kind of workforce. Budget crisis becomes budget governance.

This version of the business model is both one-sided and ineffective, even on its own terms. The most direct way to confront it is through business's better half—"human relations" management theory and its substantial history of rejecting financial governance on both ethical and financial grounds.

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The corporate world has seen a number of attempts to manage the financial managers. Some of the most interesting of these could be classed as part of an ongoing revival of the "humanistic" management that has tried to swamp scientific management more or less since its inception. This tradition sees organizations as a culture, a matrix of personal relations, a way of life. It traces productivity to relationships, collaboration, and creativity rather than to sheer efficiency and economy. As for the reverence for fiscal discipline that is on the rise in many universities, "human relations" theory considers it obsolete.

The current opportunity for human relations ideas is provided by the surprise identity crisis of capitalism itself. The year 1990 wasn't that long ago, but mainstream doubts about U.S.-style capitalism have mushroomed since then, and these are doubts coming from capitalism's friends. Who would have thought, at the beginning of this strange decade, that the *sans*-Soviet "triumph of capitalism" would lead to such widespread calls for capitalism's transformation *from within*? Even as free-market troubleshooters from major U.S. business schools parachuted into Warsaw and Prague, ardently pro-business economists and management thinkers behind the lines began to publish books called *Post-Capitalist Society* (1993), *Capitalism vs. Capitalism* (1993), and *The Seven Cultures of Capitalism* (1994).[12] These books all described capitalism as partially defunct, malignant, self-divided, and in need of drastic reforms. In the same vein, Robert Reich's *Work of Nations* (1991) worried that American economic *success* would divide the national workforce into antagonistic cultures based on different levels of education, skill, and income. Many saw signs that, though we are not on the verge of being postcapitalist, we are becoming increasingly *multi*capitalist and perhaps post*corporate*. And the strongest of these signs began to emerge not from Congress or from corporate boardrooms or, until very recently, from organized labor, but from corporate cubicles—from the middle levels of the corporation or, more frequently, from the consultants who speak in their name.

The dean of management writers, Peter F. Drucker, recently summed up the situation like this:

> Communism collapsed, but that does not mean that capitalism and democracy triumphed. . . . [N]ow that there is nothing to compare the democracies with, they have to prove themselves on their *own merits*—and they are at best getting a B-minus on that test. Above all, we are learning very fast that the belief that a free market is all it takes to have a functioning society—or even a functioning economy—is pure delusion. . . . For any [time period longer than] five years, a functioning civil society . . . is needed for the market to function in its economic role.[13]

Even for free market advocates like Drucker, the future of capitalism depends on the strength of civil society, on *cultural* forces that workforces and populations can shape. In the management of economies, *culture* has to share power with numbers, for numbers alone would make a mess of things.

Most progressives and radicals saw global capitalism as the end of revolution, but many business writers saw it as a revolution just begun. "We are at that very point in time," one observer said, "when a 400-year-old age is dying and another is struggling to be born. . . . Ahead, the possibility of the regeneration of individuality, liberty, community, and ethics such as the world has never known, and a harmony with nature, with one another, and with the divine intelligence such as the world has never dreamed." The speaker is not a grassroots idealist but the major architect and former CEO of Visa International, Dee Hock. His new age follows from his experience with new wave corporate forms. He describes Visa International, for example, as a synthesis of "Jeffersonian democracy . . . the free market . . . [and] government franchising," which adds up to a "self-organizing" system in which "authority, initiative, decision making, wealth—everything possible is pushed out to the periphery of the organization, to its members."[14] The new corporation, for these writers, doesn't extend the authoritarian order of industrial capitalism into the high-tech, service-based future but shatters that order in a fusion of anarchy, creative chaos, and flexible organization.

This sounds wrong enough about corporate reality to be read as another managerial smokescreen, one meant to conceal the logic of capitalism as applied to a workforce whose expectant middle and upper reaches are more overworked and insecure than ever. But capitalism's friends and enemies have generally agreed that it is revolutionary, whether this feature is expressed as Shumpeter's praise of "creative destruction" or Marx's comment that "all that is solid melts into air." And these days, many capitalists sound oddly serious about a version of workplace democracy.

Since the 1920s, human relations management writing has contrasted itself with scientific management by teaching the dependence of real business success on respected and fulfilled (rather than strictly regulated) employees. As I mentioned at the start, the most recent incarnation of this consultant wisdom centers on employee empowerment. Empowerment has more species than the toad, but a few common features remain steady across the broad and complex human relations management literature.

The first is a boosted kind of *individualism*. The new wave employee should be a rugged corporate individualist, continuously innovative and actively creative. Every idea is valued, and every real idea yields a company payoff. This payoff cannot be separated from the individual employee's personal growth. "Traditionally," Peter Senge writes, "organizations have supported people's development instrumentally—if people grew and developed, then the organization would be more effective. [Hanover Insurance CEO William] O'Brien goes one step further: 'In the type of organization we seek to build, the fullest development of people is on an equal plane with financial success.'"[15]

The second feature of empowerment is the necessity of *horizontal* structure. Human development depends on opposing management tyrants who kill creativity and change. Tyrants may live in the boardroom or two desks over, but real development requires flattened layers. *Equality* gets rediscovered in less political terminology; hierarchy gets reduced enough to allow the turbo-individualist to raise hell and push the outside of the envelope. The employee is responsible for his or her own performance, but the flip side is that the new age manager gets the bureaucracy off the employee's back.

A number of management writers are incensed by the idea that the most draconian downsizers have become venerated individualists of contemporary business. Drucker says, "What is new and by no means desirable is the way in which [downsizing is] being carried out. This is what bothers me. A lot of top managers enjoy cruelty. There's no doubt that we are in a period in which you are a hero if you are cruel. In addition, what's absolutely unforgivable is the financial benefit top management people get for laying off people. There's no excuse for it. No justification. No explanation. This is morally and socially unforgivable, and we'll pay a very nasty price."[16] Much downsizing expresses a simple kind of exploitation that makes real individualism impossible.

Third, the employee needs a *supportive and anticonformist group life.* A few years ago, McKinsey and Company's organization-performance group issued a "ten-point blueprint for a horizontal company," and most of these points center on the elimination of the kind of competition and inhibition that can ruin groups even in the absence of an oppressive manager. The demand to perform must be accompanied by systems of support—continuous education, a culture that reveres (rather than contains) innovation, team-based pooling of expertise, and lots of resources for processing tension and conflict. The concept of the "team" figures prominently, conjuring images of following orders and marching in step, but this is exactly what the successful group avoids.

In its best moments, new human relations is trying to figure out how to enable people to bring their eccentric individuality to the group without fearing discipline. The individual who doesn't fear punishment for nonconformity will be less defensive and more cooperative. The result is supposed to be, in Reich's phrase, a "web of enterprise," a new stage of "alliance capitalism," or a "virtual corporation" in which relationships are so egalitarian, fluid, supportive, and intimate that maximum freedom and group welfare can go hand in hand.

Although it contradicts most known experience of the capitalist corporation, such a specter of employee power shouldn't be rejected out of hand. What if something happened *inside* that we couldn't predict? What if the *culture* of corporations weren't fully determined by their financial structure? What if the kind of egalitarian group relations we associate with worker cooperatives began to take over the cells of the top-down corporation? What if personal ties and information were failing to follow the regular channels of the hierarchical maze with no immediate surface change?

Human relations writers do not picture looming revolution. Some of the most thoughtful corporate trainers I've talked to measure change in units of twenty to fifty years. But they are working with what they see as a contradiction between the old partners of profit and top-down control. Their substitute is a delicate and perhaps equally contradictory pairing of profit and empowerment. New wave capitalism depends on new forms of autonomous, cooperative, and otherwise empowered labor. But how much empowerment can capitalism take before it changes into something else?

The research university offers a particularly good test case of how various empowerment concepts might successfully resist the downsizing that is supported by some of the most powerful actors in U.S. society.

The Insufficient Senate

Well, empowerment is a nice idea all right, but what influence can it have on the executive suite? It's true that Bill Clinton and Princess Di have both sought private audiences with self-esteem guru Tony Robbins, but that's not exactly progress.[17] It actually implies regression—an indifference to the *structural* sources of concentrated wealth and economic power that have successfully presented themselves as unopposable forces of nature.

The future of employee control ultimately lies in the sum of the attempts of millions of employees to put their ideas into practice. But the research university offers a particularly good test case of how various empowerment concepts might successfully resist the downsizing that is supported by some of the most powerful actors in U.S. society.

The university has a long tradition of nurturing an empowered workforce, known as the tenured faculty, which has generally had near-absolute immunity from the threat of job loss and much customary input into governance. The university has also been a prototype of the "high-tech" workplace, where knowledge workers successfully demand good care and feeding and where traditional management pressures routinely backfire against productivity—where an overmanaged knowledge worker can go on a silent creativity strike, and only love and money can restore her special magic to the organization's brainware. At least that's the theory. The university has also pioneered the containment of knowledge workers, and its workers have lots of experience trying to deal with this.

But one of the interesting things about UC's recent history is that what looks like a strongly "human relations" workplace has not produced any strong human relations objections to the university's retro version of "business focus." There has, of course, been a persistent, low-voltage attempt to remind business-minded administrators of the educational mission, but for reasons I'll mention shortly, these have not been effective. The more important omission has been any serious contestation of the meaning of business itself. Rejection of UC's rhetoric of scientific management has fallen largely on the shoulders of (usually pro-union) staff: Cody-Valdez, for example, wrote a critical review of the Human Resources Management Initiative for a UCSB staff and faculty newspaper. Faculty have been mostly silent.[18] Virtually no one has pointed out that, on the capitalist terrain of UC as a multidivisional corporation, recapturing the university begins with redefining university business.

An obvious first step for faculty who want to take a stronger role is thus to oppose systematically the application of rearguard management theories to *any* university workers. Evidence suggests that a business focus that boils down to labor discipline weakens an organization in the long run; reengineering that emphasizes squeezing labor costs hurts rather than helps innovation;[19] destabilizing long-term employees has only a short-term payoff; tightening supervision neither saves much money nor improves operations; and keeping a lock on everyone's budget discourages creativity while neither increasing revenues nor improving services.

UC employees have plenty of their own evidence to support these findings. As the language of financial control has waxed, actual finances have waned. Non-grant revenues, research support, salaries, and enrollments have been flat or falling, and services to students have fallen. The only things going up are student fees, which have more than doubled since 1990, and administrative expenses, which by one count increased 16.3 percent in 1995–96.[20] Some of this is obviously outside their control, but were the administrators who apply "private sector" methods actually judged by them, we would have had some administrative shrinkage after all.

One of the major obstacles to recapturing academic business is what we might call the "graven image." Human relations approaches get derailed more often by paltry imitations of their methods than by outright opposition. Every manager in America has learned to speak the language of empowerment, delayering, and team-based process redesign, while playing politics as usual with money and promotions. Most companies have established procedures that *appear* to honor employee participation and limited self-rule.

At UC, administrators perform mandatory bows to the value of "faculty consultation" and to "shared governance." As far as I can tell, this homage is usually sincere. Shared governance refers to the partnership between UC administration and the academic senate, whose membership is generally limited to "ladder-rank" (tenured and tenurable) faculty, and which has a separate division on each of the system's nine campuses. Tenured faculty are not only the university's most powerful and protected group but are widely regarded as having significant control in all relevant areas of UC policy. But does the senate model of participation really bring employees on line? Or does the success of its imitation of participation block the real thing?

UC's academic senate was always structured for *selective* participation. According to historian John A. Douglass, the senate's modern functions were gradually established by President Benjamin Ide Wheeler, who after his appointment in 1899 tried to "bring faculty into the management of university affairs." Wheeler was a kind of anti-Taylor. He "convinced the Regents that faculty were not simply employees of the state, but members of an academic community engaged in a free-market of teaching and research." As a professional community, faculty should have some powers of self-management. First in 1885 and again in 1920, the regents agreed that the faculty senate "was to determine the conditions for admissions, certificates, and degrees," subject to their approval. The senate was routinely "to advise the president on all 'appointments, promotions, demotions, and dismissals' of professors; advise the president regarding 'changes in the educational policy of the university'; and advise the President regarding budget issues." The senate could organize itself as it pleased.[21] "Though this structure had antecedents in British universities," Douglass concludes, "California was the first to formalize it in the United States and took it to its greatest point of development." At least in theory, "shared-governance" means some self-governance.

How much is some? The senate's powers were limited by the language of their establishment. Strictly speaking, the faculty's role is advisory. This means that in routine cases, it tends to be reactive rather than proactive. As Kerr put it, the faculty "is more likely to accept or reject or comment, than to devise and propose."[22] It means that in crisis situations, administrators and regents can ignore faculty with relative impunity.

The most famous recent case involved Regent Ward Connerly's successful attempt in July 1995 to eliminate the use of race, ethnicity, and gender as factors in admissions, hiring, and contracting at UC. The academic senate asked that Connerly delay his proposals so that faculty could either participate in their development or at least be formally consulted. Backed by Governor Wilson, Connerly refused, correctly observing that final authority over all UC policy belongs to the regents. When President Richard Atkinson later attempted to delay implementation of the regents' actions in admissions, he was forced to recant publicly and to acknowledge the regents as a higher power.[23] When the American Association of University Professors found that the manner in which the regents proceeded in eliminating race and gender criteria did indeed violate norms of shared governance, the regents either denounced or ignored the report. When the senate argued that the regents' Standing Orders of 1920 delegated authority to the senate to "determine the conditions for admission," the president, backed by university lawyers, argued that this did *not* mean that the senate had the authority to challenge Connerly's unilateral proposals about admissions criteria beyond minimum "conditions." The Standing Orders meant that faculty set "minimum academic qualifications" for admission—grade-point averages, standardized test requirements, and high school course distributions. But the phrase *conditions for admission* did not refer to "other admissions criteria," the president wrote. These, "and the selection from among the students who meet those criteria, are the responsibility of the regents and the administration."[24] This distinction between setting basic standards (faculty) and the actual power of selection (administration) rests on the refusal to grant *executive* authority to faculty, whose role is that of technical consultant. Faculty have advisory input but no policy-making agency.

Conflicts like that around admissions also show that there are limits to the domain in which the senate can effectively operate. The senate's base has always been educational policy—the hiring, firing, and evaluation of academic personnel, admissions, curricular revisions, degree requirements, and so on. The most effective faculty protest I've witnessed at UCSB was based on the faculty right to review educational policy. In 1990–91, President David Gardner announced, after consulting the chancellor of the Santa Barbara campus, that some officials in the Education Abroad Program (EAP) had persuaded him to move the UC headquarters of the EAP to Oakland. The EAP had been offered to the new Santa Barbara campus thirty years before, and had been developed by Santa Barbara personnel into one of the best education abroad programs in the country. The office of the president's explanation for the move was almost exclusively budgetary—it offered administrative savings in the long run.[25]

UCSB's academic senate strongly objected on the principal grounds that EAP was an academic program long nurtured by Santa Barbara faculty, and that its departure would have an educational impact about which both the president and the UCSB administration had failed to consult the appropriate senate bodies. The senate raised the political costs of Gardner's decision with a well-planned emergency resolution that denounced this decision as an abrogation of the senate's rights of consultation. There were suggestions of a no-confidence vote in Santa Barbara's chancellor, who had known about the plan for months but had failed to notify the senate. These moves raised the costs high enough that Gardner tabled the idea. I watched in surprise as a series of faculty—especially faculty near retirement age—stood up in that meeting and declared, "My rights as a citizen of this university have been violated." I half-expected someone to pull out a flag reading "don't tread on me."

Another fact about this event was also important. The office of the president did not formally concede to the senate any right to share in the decision about the move. Gardner passed the issue on to his successor, Jack Peltason, who, under continuing pressure from Santa Barbara, rejected the idea. Their silent dictum: we admit nothing. They especially didn't admit any formal senate authority over the budgeting process. Most budgetary issues large and small have academic implications—a million bucks for a new radio system for facilities management could be seen as affecting the funds available for new faculty hires, biology tutors, and so on, and discussions of radios could lead to phone calls to the budget office.

This is precisely where the plug gets pulled. Money matters evoke a sharp bifurcation between administration and senate. The baseline assumption is that the administration controls the budget process and budget information. The information is officially public and faculty are an official part of the process, but reality is differently dictated by a general practice of divided sovereignty. Faculty can seek budget information, as they did during the financially scariest months of early 1993, and their direct questions will receive narrow answers. But they will exhaust themselves in unsuccessful efforts to get the big picture. Just as important, they will have little voice in policy solutions.

At one meeting in 1993, I watched a distressing sequence. A staff member stood to ask the budgeteers on stage why "contract and grant" money couldn't be used to make up some of the shortfall in the instructional budget, which depended heavily on the state's general fund. An administrator said it's illegal to shift funds like that. Someone else in the audience rose to give an example of how such shifts are made routinely in his department. An administrator said well, yes, it is done sometimes. A third person raised her hand and asked why we wouldn't therefore make some transfers from C&G in this emergency case? An administrator said it's really not that easy to do. A fourth rose to give another example of its ease. An administrator said yes, it is sometimes possible. A fifth asked, so why don't we? An administrator said the money is restricted. And so it went. Faculty and staff had "input," but the budget process was not visibly affected. Long-time senate participant-observer Dick Flacks put it to me this way: "The senate long ago got a strong voice in hiring and other educational issues. Budget policy remains an area of struggle." Or as Avery Gordon said, "We don't need more input without impact."

The psychological effects of this system on faculty is a sadly neglected area of real importance, and I'll just make one general comment here. The advisory role—which gets smaller as the issue gets bigger—means that faculty become accustomed to lots of work with little power. A large percentage of faculty administration goes into labor-intensive forms of self-policing where the final decision still belongs to someone else. This comes to seem normal, even convenient. We become fond of our permanent training wheels.

For example, the "step system" of faculty advancement and promotion means that each fall quarter about a third of a department's faculty must have the research and teaching of several years reviewed by the other two-thirds of their department. Most step increases amount to about 3 percent of base salary, averaged over a time-in-step of anywhere from two to five years. This means that, in my department of thirty-five faculty, careful reviews require fifteen to thirty faculty to spend about five hours apiece (counting file reading) deciding whether the candidate should receive a 1 percent annualized raise; furthermore, they would still only be *advising* a whole train of faculty and administrative bodies, at the front of which is an engineer—always an administrator—who makes the official decision. And this is the area of academic personnel, UC faculty's zone of power.

Most departments devise shortcuts, such as delegating the most routine cases to a small personnel committee. But the point remains the same: the more fully democratic the participation, the more trivial it seems; oligarchy then feels like a godsend of liberated time. Under the circumstances, it's hard to imagine *more* empowerment on personnel, which would mean more personnel work in departments in exchange for more final authority. This is indeed the classic position of labor in our economic system. It is labor in exchange for a wage, influence over workmates, and no steady, systematic comanagement.

The outcome has been well summarized in a recent piece by Linda Ray Pratt, the chair of the English Department at the University of Nebraska at Lincoln:

> The clear trend in administration is to encourage more participation at lower levels, such as the college, but to invest greater authority for final decisions at the higher levels of provosts and presidents. At the upper levels of administration, decisions about budget priorities are often openly political and designed to appease or inspire state, federal, and business interests. Whether the faculty and the administration can forge effective alliances at the college level to promote the academic agenda at the upper levels of administration is not yet clear.[26]

Current difficulties, however, are crystal clear. And so is a partial cause. Academic senates on the UC model are more an expression of than an obstacle to the two-tiered system Pratt laments. They are advisory rather than legislative; they assume bifurcation between educational and financial issues; and they accept separations, much like those of the traditional corporate pyramid, between frontliners and boardroom. Shared governance is split governance. More accurately, it is split management. Such a system, without modification, cannot usher in the ideals of a more open collaboration envisioned by human relations theory. But this system can divert us.

Senate and Union

As a way of creating a dynamic UC culture, the split governance of senate and administration is very unevolved. It also forgoes the benefits of collaboration. Of course, there's some negative incentive to improve staff and faculty collaboration (students, a third major partner, are beyond my present scope). Business people have rarely paused to parse the differences between "staff" and "faculty"—they're just variations on "employee." This was true of Cooke's plan for faculty supervision. It was true during UC's loyalty oath controversy in 1950, when the university held that academic freedom did not pose an exception to regental authority, and thirty-two faculty were fired for refusing to sign. It was true of Ward Connerly's plan for eliminating race and gender factors in UC admissions and hiring, when, hearing that some faculty thought he'd violated their consultational rights, he invited them to "go back to the classroom."[27] The era of top-down management is not over, and senates do not offer faculty special immunity.

Academic senates will have a better chance of making universities into exemplary creative cultures by synthesizing their perspectives with those of academic unions.

Under these circumstances, academic senates will have a better chance of making universities into exemplary creative cultures by synthesizing their perspectives with those of academic unions. I offer three examples of these combinations, which both follow and extend the three features of human relations thinking that I described above. I apologize in advance for the stereotyping to come.

1. Senate members are especially good at seeking *autonomy without management*. Unions are better at knowing that *autonomy requires defense against management.*

Most faculty I know view meetings and memos as a distraction from their real work of research and teaching. They understand the tremendous inspiration, pleasure, and productivity that arise from the nearly entirely self-managed task. Many of us have great freedom in designing and teaching our courses. Many have the same or greater freedom in designing our own research. Collaboration is almost entirely voluntary and self-directed. Complicated institutions like UC of course develop complicated bureaucracies as their basic metabolism. But within these places, senates can defend the kind of direct and unmediated self-management that most faculty experience at least some of the time. Senate members have continuous experience with the value of hands-on, autonomous work, and they should celebrate it every chance they get as a pillar of creativity.

Senates, however, are not as good about seeing the limits of accommodation and consensus. They tend to be deference cultures. Their membership often shows an aversion to the conflict on which self-management depends. Faculty who don't show this aversion tend to be marginal in senates. Union members, on the other hand, have a more acute sense that they must *oppose* administrators when they horde power, withhold information, fake consultation, waste money, defer to the strong, squeeze the weak, and favor the mediocre.

Here's a longish example of a kind of thinking that in my experience appears in unions far more regularly than in senates. Jay Stemmle, one of the leaders of the graduate student union movement at UCSB, was telling me about administrative opposition to a graduate union. "There's this idea of university exceptionalism. This is not a workplace at all, it says. It's a culture, a community. There's a cultural argument, a community argument against labor organizing on this campus."

"Why," I asked, "don't they see 'union' as compatible with 'community'"?

"We had a meeting with the American Federation of State, County, and Municipal Employees, which represents various types of maintenance and clerical workers. And some of the AFSCME people think the administration consists largely of control freaks who assume a system like this is much better run in a top-down fashion, that this is efficient and they're disturbed by any kind of democratizing impulse. With the grad students, the administrators say they're afraid of disruptions in mentorship. They're afraid of a fair grievance procedure because they feel that student employees should not be filing grievances at all. It's about giving up authority. They have a desire to see themselves as benign despots. It's important. They know they have more power but they're also invested in feeling that they know what's right. That they have the big picture. That they dispense justice.

"I'll give you an example," Stemmle continued. "At the very beginning of the legal case involving UC San Diego, the United Auto Workers' students were trying to argue that readers, tutors, and teaching associates should have collective-bargaining rights under the Higher Education Employer-Employee Relations Act. The act was a liberal compromise between labor and management, and it says that the three systems of California higher education [UC, California State University, and the community college system] have to negotiate with unions, but that once negotiations have begun the unions can't strike. UC's latest court initiative is to say that the act doesn't apply to them at all. The law only applies to these three educational systems and one of them is trying to say that it doesn't apply to them at all.

"Well, the argument UC made in this case was that we should think about the television show "Star Trek." The Public Employment Relations Board—which is the governing body for labor in public education in California—should be like the Starship Enterprise. It should follow the prime directive, which is not to interfere with what is going on on Planet UC. We're paying these people a lot of money to make these kinds of arguments."

The union leaders with whom I spoke were all quite aware that the wish for unilateral control is common in management. They were equally aware that the preconditions of workplace autonomy—grievance procedures, for example—required a systematic confrontation with management. In the wake of the academic senate's relative weakness on the budget process, admissions, and suspended wages, the senate should consider the need for confrontation with the administration in specific areas where genuinely shared governance is not yet in sight.

2. Senates are good at *handling hierarchy with "guild" conservatism.* Unions are better at *handling hierarchy by seeking financial control.*

As the Education Abroad uprising suggested, UC's academic senates excel at raising the cost of change. They drag their feet, assert reviewing privileges, force the convening of new committees, and make life tiresome for administrators who, often being faculty, are disrupted by opposition. Kerr again puts the point nicely:

> There is a kind of "guild mentality" in the academic profession. . . . The guild was isolationist toward society, devoted to producer against consumer sovereignty, and committed more to guild rules than to quick adaptation to popular demand. . . . The guild view stands for self-determination, and for resistance against the administration and the trustees. . . . The guild view is elitist toward the external environment, conservative toward internal change, conformist in relation to the opinion of colleagues.[28]

This is the best kind of conservatism—it puts tradition before authority. It is not an unthinking rejection of the new but a simple refusal to favor the ways of others over one's own simply because the others' ways have clout. This is the way faculty most easily stand their ground.

Faculty have been less good at getting control over the numbers. Given the financial nature of contemporary corporate power, it's hard to have any real footing without it. Human relations theorists have been trying out the idea of democratizing finance, though they would never call it that. They call it *open-book management.* Management writer Jim Kouzes told me a story about one famous case.

"Take the Springfield Remanufacturing Corporation, in Springfield, Missouri, run by a right-wing Republican by the name of Jack Stack. And Jack is a free enterprise capitalist—he's as Adam Smith as you can get. But he faced a crisis in 1983 when he managed the plant. He was ordered by International Harvester to sell the factory or shut it down. So he got a group of people of average education or below to get together with him and buy the company and turn it around.

"The problem was that Stack had the highest leveraged buyout in corporate history. He raised $100,000 from employees and borrowed $8.9 million. He had eighty-nine parts debt to one part equity. As it turned out, it's a tremendous success story. They went from a loss to making a profit within four years of the buyout. They've had an increase of 23,000 percent in corporate stock values. They went from about 190 to 800 employees. They've had sales growth exceeding 30 percent a year.

"Stack started by saying to himself, 'The only way I'm going to make this happen is if I give these employees the skills, tools, and capability to do this. We need to give everybody in the company a voice in running the company and a stake in the financial outcome.' He taught everyone, including people who sweep the floor, how to read a balance sheet, how to read an income statement, how to read a financial statement. Weekly he gives them a report on how well they are doing in their area. It's called *open-book management*. It's been one of the revolutions in business. The whole assumption that underlies open-book management is that the skills of finance, which we think only somebody with an MBA can manage to comprehend, are skills that everyone can learn."

Stack wrote a book—*The Great Game of Business* (1992)—in which he stresses the simultaneous financial and personal benefits of opening the books. "The more people know about a company, the better that company will perform. This is an iron-clad rule. You will *always* be more successful in business by sharing information with the people you work with than by keeping them in the dark." He adds a bit later, "numbers can give meaning to your job, show you exactly where you fit in, why you're important."[29]

I don't need to belabor the radical change this practice would mean for universities. Think of the secrecy around budgeting; of the discretionary funds and the side deals and private arrangements; of the numbered photocopies of partial budgets that are passed out at administrator's meetings with senate representatives and collected at the end; of the public university library where the most recent budget available is 1986–87. Think of the absence of general justification and debate about the priorities behind the resource allocation that shapes the university for decades to come. Think of the sheer financial inefficiency of such restricted financial inputs—of so many wasted ideas, missing feedback, and neglected enthusiasms.

Open-book management is not only a management idea; it traces its lineage to the union movement and to workplace democracy initiatives after World War II. It also plays a role in increasingly popular employee stock ownership plans, and in the growing influence in the boardroom of union pension funds. For example, UPTE is affiliated with the Communication Workers of America, which is trying to unionize the higher education workforce as "the higher education union for the information age." The first issue of its paper, the *Campus Voice*, carried an article by Mark Blum called "Preparing to Fight over Institutional Finances." The article tries to demystify budgeting so that employees can try to influence the process. "The budget is only a plan," Blum writes. "It is a statement of the priorities of the people who made it up."[30] The union recommends developing the kinds of continuing discussions about financial management that senates should do much more to support.

3. Senate members cherish job security, that is, their *tenure*, and would be good at explaining *why tenure is so great*. Unions are good at linking job security to all kinds of labor, and showing why *general tenure is a general benefit*.

The senate's conservatism overlaps with human relations radicalism on the benefits of stable employment. Rather than defending tenure as the right of their members' unique achievements, senates could defend it as a major pillar of everyone's creativity. In what I promise is my final quotation from Clark Kerr, he argues that the basis of faculty "inventiveness" is "the protection and solidity of the surrounding institutional structure":

> The university . . . needs to create an environment that gives to its faculty members:
>
> a sense of stability—they should not fear constant change that distracts them from their work;
>
> a sense of security—they should not need to worry about the attacks against them from outside the gate;
>
> a sense of continuity—they should not be concerned that their work and the structure of their lives will be greatly disrupted;
>
> a sense of equity—they should not be suspicious that others are being treated better than they are.[31]

This vision could lose its paternalism while retaining its conviction that brilliance does not flow primarily from the fear and competition of the marketplace. Senate conservatism is sometimes senate anticapitalism. It reflects local knowledge that empowerment rather than profit or downsizing is the basis of great research and teaching.

It's union thinking, however, that argues that some version of tenure would enhance every kind of labor. Faculty tend to think of tenure as the earned privilege of their exceptional talent, merit, and past achievement.

We've tried hoarding tenure as a special grace distinguishing the best. Not many are impressed. Why not try spreading tenure around? Show that it's something that all kinds of laborers earn.

Unions see it as the privilege of productive work. Stemmle had a good way of saying it:

> The university is sounding more and more like Border's Books. They're now using exactly the same arguments. "It's not that we're anti-union. It's that unions are inimicable to Borders' culture." The university pushes the same idea really hard. "We're special." They don't use a language of the family. It's that there's something so delicate about academic work. Something so delicate about producing new knowledge. New knowledge, the university says, is produced with genius or native intelligence, instead of with work that's done by all kinds of different people in all kinds of different roles.

We've tried hoarding tenure as a special grace distinguishing the best. Not many are impressed. Why not try spreading tenure around? Show that it's something that all kinds of laborers earn. Show that academic work requires all kinds of people—it's a public and a social activity as well as a hermetic and spooky one. Show that the world of work actually *is* inside, and not just outside, the university, that all sorts of people are partners together. Ask managers to be smart enough actually to orchestrate the efforts of their employees instead of simply controlling or terminating them. We'd have better work, better political alliances, and more energy and pleasure running through the institution were faculty and unions together working toward tenure for all.

Faculty and staff have the resources to use human relations approaches to fight off scientific management. They can improve human relations approaches in the process. The composite portraits I just offered are sketchy, and I've only hinted at the momentum behind employee empowerment in some major sectors of the corporate world. I'm convinced that university culture will stay stuck in a downsizing managerial past unless faculty and staff can pool their strengths as complementary varieties of academic labor. And the potential benefits are enormous: Establishing the knowledge worker democracy in governance that's already crucial to knowledge work itself; employing it as genuine shared governance in budgeting, the firm's basic operating code; building a secure framework for the kinds of transforming collaborations that, in our ongoing Taylorist twilight, we are only beginning to imagine.

Notes

I want to thank Randy Martin, Monica Marciczkiewicz, and Bruce Robbins for their patience and editorial suggestions. I'm especially grateful to Avery Gordon for her typically tireless and invaluable conversation.

1. Clyde W. Barrow, *Universities and the Capitalist State: Corporate Liberalism and the Reconstruction of American Higher Education, 1894–1928* (Madison: University of Wisconsin Press, 1990), 61–71.

2. Neil Fligstein, *The Transformation of Corporate Control* (Cambridge, Mass.: Harvard University Press, 1990), 15.

3. Clark Kerr, *The Uses of the University* (Cambridge, Mass.: Harvard University Press, 1964), v–vi.

4. Ibid., 48.

5. Ibid., 58.

6. Ibid., 59–60.

7. Ibid., 67.

8. Ibid., 89.

9. V. Wayne Kennedy, "Message from the Senior Vice President—Business and Finance," "Annual Financial Report, 1995–1996," http://www.ucop.edu/.ucophome/eao/reports/mesbf.html.

10. Financial authority was of course abetted by "big-machine" scientific research during and after World War II, when research and accounting became increasingly interdependent. For parts of the story see Richard Rhodes, *The Making of the Atomic Bomb* (New York: Simon and Schuster, 1986), and Stanley Aronowitz and William DiFazio, *The Jobless Future: Sci-Tech and the Dogma of Work* (Minneapolis: University of Minnesota Press, 1994).

11. Kerr notes that federal programs have generally "operated fully within academic traditions." "By way of contrast, state control of state universities has been a real problem" (*University*, 57).

12. Peter F. Drucker, *Post-Capitalist Society* (New York: HarperCollins, 1993); Michel Albert, *Capitalism vs. Capitalism*, trans. Paul Haviland, intro. Felix G. Rohatyn (New York: Four Walls Eight Windows, 1993); Charles Hampden-Turner and Alfons Trompenaars, *The Seven Cultures of Capitalism* (New York: Currency-Doubleday, 1993).

13. Peter Drucker, "The Relentless Contrarian," interview by Peter Schwartz and Kevin Kelly, *Wired*, August 1996, 184.

14. M. Mitchell Waldrop, "The Trillion-Dollar Vision of Dee Hock," *Fast Company*, October/November 1996, 75, 77.

15. Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (New York: Currency-Doubleday, 1990), 143.

16. Drucker, "Relentless Contrarian," 119–20.

17. John Micklethwait and Adrian Wooldridge, *The Witch Doctors: Making Sense of the Management Gurus* (New York: Times-Random House, 1996), 9.

18. Cody-Valdez mentions one example of faculty involvement. "A Berkeley Academic Senate report on HMRI pointed out that while the theory that incentive pay works 'may be popular in management literature . . . it is not clear there is empirical evidence that this works better than a merit system that keeps salaries even with inflation and builds a retirement base'" ("HRMI Negatives Outweigh Positives," *93106*, 8 January 1996, 2).

19. D. Dougherty and E. H. Bowman, "The Effects of Organizational Downsizing on Product Development," *California Management Review* 37, no. 4 (1995): 28–44.

20. Charles Schwartz, "Looking into the UC Budget—Report #19" (unpublished manuscript).

21. John A. Douglass, "Shared Governance: Shaped by Conflict and by Agreement," *Notice* 20 (November 1995): 4–5.

22. Kerr, *University*, 100.

23. The regents were divided about Connerly's proposals (the votes on two related resolutions were 14-10 and 15-10 in favor of banning race, gender, and ethnicity as selection factors). The regents were more unanimous about the question of their own sovereignty.

24. Anonymous, "What Admissions Authority Does the UC Faculty Have?" *Notice* 20 (June 1996): 4–5. "According to one UC Deputy General Counsel Gary Morrison, a condition is 'a characteristic that is required, not that is desirable.' 'It is something that must be met to get over the bar.' It follows from this, he says, that the regents have charged the senate only with determining minimal standards for admission. Meanwhile, he says, the administration's authority over admissions derives from the broad authority the regents have granted to the president and chancellors. As Standing Order 100.6 notes, campus chancellors are to be 'the executive head of all activities on that campus, except as herein otherwise provided . . .' Thus, in the General Counsel's view, what has not been delegated to the faculty has been delegated to the administration and what *has* been delegated to the faculty concerns only basic entrance requirements."

25. According to one knowledgeable faculty observer, one of Gardner's financial vice presidents offered a savings figure of $175,000, which critics pointed out would be negated in the long run by higher Oakland salaries, moving costs, and so on.

26. Linda Ray Pratt, "Negotiating Agendas? Academic Management for Quality and Control," *Profession 1996*: 42.

27. *Sacramento Bee*, 17 August 1995, A1.

28. Kerr, *University*, 99.

29. Jack Stack, *The Great Game of Business*, with Bo Burlingham (New York: Currency-Doubleday, 1992), 71, 74.

30. Mark Blum, "Preparing to Fight over Institutional Finances," *CWA Campus Voice* (summer 1996): 3.

31. Kerr, *University*, 95.