IWS briefing, Summer 2006 Volume 6 Issue 2

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Institute for Workplace Studies
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Abstract
[Excerpt] A newsletter on workplace issues and research from the School of Industrial and Labor Relations at Cornell University.

Keywords
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Comments
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The Future of Higher Education Looks Cloudy

American higher education may be at a tipping point. Declining government support, rising tuition, dwindling need-based financial aid, and a thinning pipeline of Ph.D. students all threaten to undermine the quality and accessibility of a college education. ILR’s Ronald Ehrenberg, the Irving M. Ives Professor of Industrial and Labor Relations and Economics, the Stephen H. Weiss Presidential Fellow, director of the Cornell Higher Education Research Institute (CHERI), and newly elected faculty trustee on Cornell’s Board of Trustees, has long been concerned about this possibility and its negative consequences for American society.

Prof. Ehrenberg holds fast to the notion that education is a social good that yields returns through higher incomes and tax revenues, increased economic growth, and greater intergenerational mobility. He is particularly outspoken about the importance of public colleges and universities in furthering these outcomes. As the son of two New York City public school teachers, the husband of a public school superintendent, and a graduate of Harpur College at the State University of New York—Binghamton, Prof. Ehrenberg comes by this belief almost as a matter of course.

“Those of us—faculty and students—at Cornell-type institutions are privileged to be here,” he says. “But 80% of American students are enrolled at public institutions, and what goes on in public higher education nationwide is more important for our nation’s future than what goes on at Cornell or any other selective private college or university.”

Part of the “what” Prof. Ehrenberg has in mind is the so-called privatization of public colleges and universities. This development has its roots in state budget problems during the 1990s and a deepening conviction among policymakers that students should shoulder a greater share of the cost of their own schooling. It also coincides with policymakers’ evolving view that efficiencies would be enhanced if the “publics” competed for scarce resources, and with a parallel shift in the publics’ own preferences to be freed of at least some government constraints. Indeed, the best of the public colleges and universities have begun competing with, and behaving more like, their private counterparts.

This is not necessarily good news. The resulting hikes in tuition that only partially offset reduced government contributions, combined with changing financial aid practices that increasingly favor merit over need, are closing the doors to public higher education for less affluent students. Meanwhile, the publics are struggling financially. They lack the endowments (and thus
the investment income) that buoy the operating budgets of private colleges and universities and lag far behind in their ability to generate ongoing donations and bequests. They pay lower faculty salaries and hire more non-tenure track lecturers to teach undergraduates, a trend that research shows has a negative impact on graduation rates. “When you cut funding, you cut quality,” Prof. Ehrenberg says.

The privatization issue was given a full airing in a volume edited by Prof. Ehrenberg titled What’s Happening to Public Higher Education? that was published this spring in the ACE/Praeger Series on Higher Education. (ACE is the American Council on Education.) The papers in the book were first presented in May, 2005 at a conference designed to assess the situation of public higher education and to generate buzz about a trend Prof. Ehrenberg, and others, find worrisome. Sponsored by CHERI, the conference attracted researchers, university administrators, and policymakers.

CHERI has been addressing a variety of related topics since it was founded by Prof. Ehrenberg in 1998. With support from several foundations, including the Andrew W. Mellon Foundation and the Atlantic Philanthropies (USA) Inc., CHERI funds research, organizes conferences on the challenges facing higher education, and brings together faculty from Cornell and other academic institutions around the world. CHERI’s current research interests range from governance in academia to the role of religion in the workplace and within the university, the training of Ph.D. students, and reducing inequality of access to higher education.

A conference planned for October, in fact, will focus on doctoral education and the faculty of the future; Cornell University Press has already agreed to publish the conference papers in an edited volume. “The Mellon Foundation has spent $80 million over 10 years on its Graduate Education Initiative,” Prof. Ehrenberg explains. “There is a huge amount of data and a number of working papers with detailed results.” For example, researchers have found that even generous financial aid packages are associated with high drop-out rates among graduate students. The key variable seems to be academic departments’ expectations for students’ dissertations. “If it’s supposed to be a student’s life’s work and therefore takes longer, the probability of dropping out increases,” Prof. Ehrenberg notes. “If the goal is to get out quickly, the student is more likely to finish.”

Tackling these vexing issues is only part of CHERI’s agenda — involving undergraduates in research projects also falls within its purview. Prof. Ehrenberg sees this objective as an antidote to the falloff in the number of American students entering Ph.D. programs. “Who will be the next generation of college professors?” he asks. Part of the problem may be the lure of high salaries and high glamour associated with other professions, such as finance and technology. But Prof. Ehrenberg also observes that many students are put off by the lack of relevance in their studies and by an academic work environment that often makes it difficult, especially for women in the sciences, to combine family and career. In an effort to enlarge the pool of American Ph.D. students, Prof. Ehrenberg recruits ILR undergraduates to join CHERI research projects and write or co-author a working paper. To date, three CHERI undergraduate research associates have been accepted in Ph.D. programs.

As Prof. Ehrenberg winds down his work on privatization and on doctoral education, he will begin exploring new topics. Among the questions on his list: Why are there so few low-income students at selective private universities? When does a college or university decide to adopt the “common application” and what are the effects?

Clearly, Prof. Ehrenberg is developing a corpus of significance to American higher education. ■
In the early years of the study period, the early years of

estranged earnings at 1,600 companies listed in
three Standard & Poor indices and then
combined this data with other relevant
variables. His analysis revealed that
women earn 45% less than their male
counterparts but that this gap almost
disappears after firm size, occupation,
age, and seniority are accounted for.
“This is not necessarily evidence of no
discrimination,” Prof. Hallock says. “It
could be that firms that pay well don’t
recruit women. Also, men tend to work
in much bigger firms in terms of market
value, sales, and assets.”

Another myth-busting project involved
investigating the relationship between
layoffs and compensation paid to chief
executives. According to Prof. Hallock,
the common perception is that CEOs
who trim the workforce are paid more,
or given bigger raises, the following
year than those who did not order
layoffs. Data from 1,200 companies
suggested that CEOs do benefit person-
ally after implementing layoffs. Then
again, factors such as company size
and other “unobserved” characteristics
also affect layoff decisions and execu-
tive pay. “If you control for these fac-
tors,” Prof. Hallock says, “the pay gap
disappears;” ergo, there is no relation-

ship between layoffs and CEO pay.

Prof. Hallock’s intellectual inclinations
were set while an undergraduate at the
University of Massachusetts. He wrote
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Seeking a Few Good Sponsors

ATTENTION ILR ALUMNI! ILR undergraduates seeking one-semester internships with NYC employers. Students interested in workplace issues; motivated, energetic, hard workers. Desire opportunity to apply classroom learning in real-world context and bring lessons learned back to school.

International exposure a plus. Don’t delay. Call now to become an employer sponsor…

All kidding aside, ILR is keen to sign up more employers in New York City as sponsors for its highly-regarded internship program. Participating students earn a full semester of credit by working 30 hours a week, writing a paper supervised by a faculty member, and enrolling in a course taught in the city by organizational behavior professor Samuel Bacharach, who also directs the Institute for Workplace Studies. The students’ on-the-job responsibilities are related to the disciplines studied at ILR and are consistent with work performed by professionals.

Prof. Bacharach’s class focuses on leadership, change, and organizational politics. The wonders of distance-learning technology enable Ithaca-based students to simultaneously take this course, making for productive interaction between the two locales. “The link enables the interns in New York to feel they are part of campus life,” Prof. Bacharach says. “In return, the interns provide pragmatic input.” Prof. Bacharach also benefits from the interns’ experience and freely acknowledges that their comments and observations helped shape the manuscript for his forthcoming book, Keep Them on Your Side (2006. Platinum Press.).

To learn more, contact Prof. Bacharach at sb22@cornell.edu, Prof. Cletus Daniel (program director) at ced6@cornell.edu, or Brigid Beachler (program coordinator) at bk30@cornell.edu.