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# Catholic Business Schools and the Crisis of Academic Industry

Carlos Hoevel

## Introduction

During the last months, a singular debate has taken place in the United States on the views of the entrepreneur Peter Thiel, co-founder of PayPal and investor in innovative industries of Silicon Valley, who supports the thesis that, after dot-com., housing and financial bubbles, the next bubble to burst will be the one of higher education and especially of business higher education. <sup>1</sup>According to Thiel, the reason for talking about a bubble are the gaps, on the one hand, between the high cost of business education and the low employment and salaries levels of graduates and, on the other hand, the gap between the huge investment in research and the poor concrete results in innovations and discoveries useful to the economy.<sup>2</sup> In his opinion, these two gaps would eventually lead students' families, businesses and governments to withdraw much of their financial support from the American university system, which could cause a contagion effect throughout the world. In fact, to support with a leading case his controversial thesis, Thiel himself offered in May 2011 twenty scholarships of \$ 100,000 for twenty students under twenty who were willing to leave business higher education in order to focus directly on starting new enterprises oriented to productive innovation.

Although Thiel's crudely economic proposal of just skipping college and business education has received strong and justified criticism, most of the analysts of the university would agree with him on the fact that we are living a crisis in higher education and particularly in business education. Indeed, given the clear decline of enrollment in business schools and MBA's (not only in the USA but also in Europe and Latin America) there is a

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<sup>1</sup> Schumpeter, "Higher education: The latest bubble,?" *The Economist*, Apr 13th (2011), [http://www.economist.com/blogs/schumpeter/2011/04/higher\\_education](http://www.economist.com/blogs/schumpeter/2011/04/higher_education); Robert B. Smith, LeClairRyan, "The Rising Price of Higher Education: The Next Bubble to Pop? A Collapse in Tuition Revenues Could Have Cascading Effects on Risk Management," *URMIA Journal* (2011): 85-89.

<sup>2</sup> Cfr.: Michael Sampson-Akpuru, "Does an Ivy League Education Amount to Higher CEO Pay?," *Lethbridge Undergraduate Research Journal*. Volume 3 Number 1 (2008).

wide range of crisis diagnoses. These include the idea of an epistemic crisis of a too abstract and remote from reality management science, the lack of professionalism in business education by an excessive market-orientation, a type of teaching and research not related to the processes that lead to innovation and a weak engagement with globalization.<sup>3</sup> Similar analyses appear in the field of Catholic business education, to which are added considerations from the reflection on the specific identity of its institutions, which include a lack of training in ethics, the humanities, corporate social responsibility and Christian social thought.

The view that I hold in this article is that the crisis of business education can only be fully understood in the broader context of the crisis of the university in general. Furthermore, I understand that this crisis does not come from the university as such, but from the particular form it has taken in recent decades that I describe as an “academic industry.” Inspired by the concept of “culture industry,” elaborated by some representatives of the Frankfurt School,<sup>4</sup> I understand by academic industry the result of applying the criteria of industry and business in defining the objectives, organization and evaluation of education and research at the university. Indeed, just as happened with the so-called “cultural industries” formed by the world of publishers, museums and other cultural activities which gradually took the form of industry and business, the university is also becoming a business like any other in the world of transnational capitalism. With many antecedents along the twentieth century, it has been especially after the market opened to strong competition in the 80’s and 90’s, that the university was pushed to adapt to the former through the replacement of academic government by management, increasing commoditization and standardization of teaching and research and subordination to political or business agendas in order to ensure results presumably more accountable and effective.

I will argue here that this tendency towards industrialization did not translate in better results to the university, neither in academic nor in economic terms but that, on the contrary, it has been the main cause of its present crisis. Moreover, I think this is the case not only in the humanities, the social sciences or the natural sciences but also in business education and research. In my opinion, the assumption that the latter, being a subject so close to the economy and business, would improve in a university that is governed like a business is proving to be false. In fact, there are clear symptoms in contemporary university that both teaching and research have been damaged by the current orientation and that they will only advance if they go in the opposite direction to academic industry.

### **The long way to academic industry**

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3 Cfr. Thomas A. Grossman Jr. , “Causes of the Decline of the Business School Management Science Course”, *Transactions on Education*, Volume 1, Number 2, January 2001; Rakesh Khurana, *From Higher Aims to Hired Arms. The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession* (Princeton: Princeton University Press, 2007); Srikant M. Datar, David A. Garvin & Patrick Gerard Cullen, *Rethinking the MBA: Business Education at a Crossroads* (Cambridge: Harvard Business Press, 2010); Ray Williams, “Why the Value of the MBA Has Declined,” *Psychology Today*, Jan 4, 2012, <http://www.psychologytoday.com>.

<sup>4</sup> Theodor Adorno, *The Culture Industry: Selected Essays on Mass Culture*, (London: Routledge, 1991).

The hypothesis that the problem of the university is its inability to adapt to the economy and the proposal for its transformation into an academic industry are certainly not new. Academic industry started its way throughout the twentieth century, when teaching, once considered “liberal,” was pushed to adapt to the requirements of the professions and research was subjected to the pressures of governments and companies who proportioned funding. First in Germany, then in the United States and afterwards in the postwar Japan, Europe and the countries under Soviet control, the university was put under political and economic pressure in order to obtain rapid teaching and research results. However, the market was at that time so heavily regulated that the demands of the economy to society in general and to the university in particular were still somewhat limited in scope and strength.

It was only when the market opened to strong competition in the 80’s and 90’s when it became apparent the degree of participation that the university had had already with the economy and the dominant feeling that what was not supported by the market would not be able to survive. Moreover, being the new economy a “knowledge economy,” the University was deemed no longer a key part of the cultural system, but mainly of the industrial system. Expressed in terms of the economic theories in vogue, education and research started to be seen primarily as human capital or intellectual capital capable of economic maximization, and the university as any other business of transnational capitalism.<sup>5</sup>

In terms of policies, the new direction towards industrialization and the use of market and management instruments to govern the university began in their most radical way in the UK more than in the United States. As it was put at the time by Roger Groves of the University of Wales, “we are living a period of significant change in higher education. Due to government pressures and market many changes are taking place. . . Thus, the timing could not be more auspicious for the university to incorporate the thinking, techniques and management systems.”<sup>6</sup> In fact, despite an extended opposition, since Margaret Thatcher’s government, many British universities introduced forms of “academic incentives” based primarily on the principle of competition between faculty, departments and institutes that included the creation of “profit centers”, “resource allocation results,” and the so-called “overhead recovery models,” which awarded funds for the most “efficient” and punished losers with financial starvation. The new management demanded for accountability understood as measurement based on cost-benefit calculation. This new approach comprised not only traditional measurable factors but the entire academic structure, including many intellectual and human components of teaching and research activities that so far were considered immeasurable. “It will require -argued Stuart Jones – to detect costs of different activities. . . Know the detail in research and teaching. . . Identify factors that increase costs.”<sup>7</sup> Thus, in the new industrialized university, managers started to settle the controversy among intellectuals providing an objective criterion for academic

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<sup>5</sup> Robert Cowen, Andreas M. Kazamias, Elaine Unterhalter, *International Handbook of Comparative Education*, Volumen 2, (London: Springer, 2009)

<sup>6</sup> Roger Groves, “Management Accounting Information in Universities: A Cardiff Experiential Perspective,” in *Management Accounting in Universities*, (London: The Chartered Institute of Management Accountants, 1994): 69.

<sup>7</sup> Stuart Jones, “Modeling and Muddling: Resource Allocation in British Universities”, in *Management Accounting in Universities*: 51.

organizations: the criterion of money. As it was clearly expressed right after the British reforms by R.H. Berry of the University of East Anglia, “the various definitions and descriptions of the Universities emphasize that they are communities dedicated to knowledge more than organizations seeking just a profit ... But perhaps a university that continues to operate on these principles is not longer sustainable.”<sup>8</sup>

Although this massive introduction of management strategies, started first in the UK and afterwards spread all over the world, was presented as neutral in terms of academic content, it affected the university more than any ideological bias. This was actually the argument presented by the Canadian Professor Bill Readings in a very famous 1995 book. In fact, Readings called the industrialized university, “the university of excellence,” based on the argument that the seemingly banal use of the concept of “excellence” in every academic document and brochures hid the replacement of the cultural and educational ideal of the university by a performative principle that tended to transform the higher education institutions in business units efficiently inserted in industry. According to Readings excellence is an “empty word,” “lacking any referent” and is generally used “because nobody has to ask what it means”<sup>9</sup> and “nobody knows what it is.”<sup>10</sup> “To put it another way –he added- the call to excellence does not show anything other than the fact that there is no longer any idea of the university, or rather, that that idea has lost its contents.”<sup>11</sup> In this way, he concluded, the university becomes extremely “responsive to the needs of technological capitalism production” and tends to “increased integration of all its activities in a broad market,” opening the way to “the maximum of a continuous internal administration”<sup>12</sup>; in which “teaching and research are subsumed.”<sup>13</sup>

Today, after many years of enforcement of this new orientation and when the university's financial crisis becomes more apparent, there are mainly two interpretations accompanied by two proposals for action. According to the first one, the current crisis of the university in general and of business education in particular, is mainly the result of a long pre-existent situation in the university characterized by the “feudal shackles” that are impeding it to adapt and be more flexible in relation to the changes of the economy. As a consequence, the supporters of this interpretation argue that the direction to follow should be the deepening of the reforms until now partly undertaken in many countries. As it was recently put by Therry Threadgold, Pro-vice chancellor of Cardiff University, “universities have to become much slicker, leaner machines if they are to survive. What remains of our traditional and historically derived economic and management models are unsustainable in this new context.”<sup>14</sup> On the contrary, a second interpretation -supported by many critics of the contemporary situation of higher education- considers that it is precisely the process of industrialization of both teaching and research that has led the university to the current

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<sup>8</sup> R.H. Berry, “Introduction”, in *Management Accounting in Universities*: 3.

<sup>9</sup> Bill Readings, *The University in Ruins*, (Cambridge: Harvard University Press, 1996):160.

<sup>10</sup> Bill Readings, *The University*:33.

<sup>11</sup> Bill Readings, *The University*: 39.

<sup>12</sup> Bill Readings, *The University* : 32.

<sup>13</sup> Bill Readings, *The University* : 125.

<sup>14</sup> Therry Threadgold , “The global impact of UK university funding cuts,” *The Conversation*, May 17, 2011, <http://theconversation.edu.au/the-global-impact-of-uk-university-funding-cuts-864>.

crisis. This is not only a financial or managerial crisis but mainly a cultural crisis that requires a series of deep reforms in the direction of a recovery of the university's primarily educational and scientific purposes.

### **The commoditization of teaching**

Let us consider, in the first place, the situation of teaching. The educational role of the university seems now reduced to “flows management,” “response to social demands for professional qualifications” and “supply adaptation.” Almost completely subjected to economic pressures, many professors have come to consider, implicitly or explicitly, that their job is to give “customers” eager for a quick training, professional qualifications under the “profile” required by a market increasingly internationalized so that the diploma becomes a seal of approval placed on the “certified product.” As a consequence, the manager rather than the teacher is now the central figure in the university educational process. “In relation to education,” writes Ruth Barcan at the University of Western Sydney, “academic courses are now routinely evaluated according to 'quality control' of the business logic,” that is, “as an impersonal process.”<sup>15</sup> In order to allow standardization and integration under a common measure of value, universities introduce standardized questionnaires that will calculate a customer satisfaction ratio, preferably made on the model of the consumer survey. Afterwards, accounting methods, in the form of numerical scoring teaching evaluations, ratings of bureaucratic efficiency and other statistics are applied in order to establish the achievement of objectives and tabulated efficiency.<sup>16</sup> Besides, the teacher is also evaluated as a “knowledge producer” taking into account achievements by almost only quantitative criteria: number of publications, number of conferences and so on.

In my opinion, this tendency to industrialization and commoditization has clearly deteriorated teaching. This can be verified in many very concrete teaching situations. For example, according to the specialist in German literature and writer Claudio Magris, the replacement of chairs and courses by the so-called “modules” has weakened professor-students relations: “The authentic and real course - holds Magris- suitable to further an argument throughout the year, to provide an institutional training and establish a concrete relationship between teachers and students, is replaced or increasingly confused with ‘modules,’ wandering core of ten, twenty or thirty lessons, in which the extrinsic contact between the teacher and the students dissolves quickly.”<sup>17</sup> “Another grim and comic distortion,” according to Magris, has been the introduction of credits at the European University due to Bologna agreements. Indeed - argues Magris - “credits have imposed a stingy mentality, according to which any activity of the student -from reading a book to a rural tour- should imply a formal and immediate utility. A few months ago, a student told me that he would have attended an interdisciplinary seminar on literature and science that

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<sup>15</sup> Ruth Barcan , “The Body of the (Humanities) Academic, or, ‘What is an Academic’”, *Australian Humanities Review*, [www.lamp.ac.uk/ahr/archive/issue-sept-1996/barcan.html](http://www.lamp.ac.uk/ahr/archive/issue-sept-1996/barcan.html).

<sup>16</sup> Bill Readings, *The University* :131.

<sup>17</sup> Claudio Magris, “Tra quote, crediti e inutili riunioni l’università muore di aziendalismo”, *Corriere della Sera*, Martedì 16 marzo 2004, 22.

was held at the School of Advanced Studies in Trieste if it had provided him some credits. Surprised that he had had not the idea to attend only because the subject could interest him, I asked him if he had ever kissed a girl for free. Every investment is at first a risk; things that are done out of love -also reading a book- are often those that afterwards give us more fruit, but indirectly, and it is ridiculous to pretend to get points because one has read Leopardi, supposedly with passion”.<sup>18</sup>

According to Robert Cowen, a well known specialist in comparative education at London University, another example can be found in the area of thesis’ direction, which was before the maximum opportunity to achieve a profound encounter between teacher and graduate students. Cowen recalls that on one occasion he asked a doctoral student about how he had been treated by the professors responsible for directing his thesis. The first time the student answered “very well.” As Cowen noted that the response was purely formal, he repeated the question several times with negative results, until he decided to invite the student to have a cup with him at a pub close to campus. Only there the student revealed what had really happened: his tutors were friendly and extremely efficient in their task of directing, but the impression he could not avoid was that while they were physically present during all the interviews “their soul was not there.” According to Cowen, the explanation of the story is simple: today there are so many evaluative controls to which theses’ tutors are subject, that the latter are no longer the “fathers of the thesis” -as states the old German expression- but have become bureaucrats more worried of completing worksheets, planning interviews and writing reports to the authorities, than to really guide and transmit their knowledge and experience to the student.

According to Mark Taylor, chairman of the religion department at Columbia, “this mass-production university model has led to separation where there ought to be collaboration and to ever-increasing specialization. In my own religion department, for example, we have 10 faculty members, working in eight subfields, with little overlap. And as departments fragment, each academic becomes the trustee not of a branch of the sciences, but of limited knowledge that all too often is irrelevant for genuinely important problems. A colleague recently boasted to me that his best student was doing his dissertation on how the medieval theologian Duns Scotus used citations.”<sup>19</sup> In the same way, the professions -business and management included- are no longer considered as “arts” with meaning and ethical rules of their own: they are generally taught today in the form of standardized products with the appearance of salable merchandise. This standardization and commoditization has generated the loss of the humanistic core and the experiential dimension in the teaching of the professions which is developed increasingly in a purely technical or bureaucratic way.<sup>20</sup>

Due to a management obsessed with budget requirements, the very role of the professor is almost becoming obsolete. “Anyone who is retiring –exemplifies Magris- no longer leaves a vacant chair to another professor, but it relieves some shares, fractions or parts of the budget [. . .]. One part of the quota may be caught in the manner of a tax by the central administration, other parts will be divided or summed to hire one more associate professor

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<sup>18</sup> Claudio Magris, “Tra quote.”

<sup>19</sup> Mark Taylor, “End the University as We Know It,” *The New York Times*, April 27, 2009.

<sup>20</sup> Rakesh Khurana, *From Higher Aims to Hired Arms*: see especially chapter 8.

and half a researcher, or a researcher and a half and maybe a heater, or to contribute to the preparation of a stand. . . In the last years, there is no other talk at the university but about shares; everyone adds, subtracts, divides, occupying almost all the time that should be devoted to research, teach, read, and discuss scientific problems with students and colleagues.”<sup>21</sup>

### **The consequences on students**

Don M. Randel, a former president of the University of Chicago, shortly before leaving his office six years ago, launched a dramatic appeal to the graduates of this institution pointing the risks to the true assessment of student achievement of a conception of accountability of university teaching understood as quantitative measurement. “The magic word –he said- is ‘accountability.’ The commission’s chair (created by the US secretary of education) advocates standardized examinations for college freshmen and seniors to demonstrate the ‘outcomes’ of their college education. [. . .] Alumni of Chicago ought to be shocked at the idea that any standardized examination could capture much about the most important aspects of their education or that a national strategic plan would be likely to lead to improvements. Of course, even the University of Chicago must strive to be better, and the nation’s vast higher-education landscape is surely uneven. But I fear that we see the signs of an assault on higher education by people who distrust the life of the mind and who will gladly exploit the national suspicion of precisely the best in higher education. This prospect is tragic in intellectual terms. But in practical and economic terms, it is simply dangerous.”<sup>22</sup>

In addition, many research studies are showing that the obsession with efficiency-oriented teaching does not necessary solve the real problems that are facing the students. In fact, despite the spectacular spread of teaching “evaluation,” according to Richard Arum of New York University and Josipa Roksa of the University of Virginia, co-authors of the recent research book *Academically Adrift: Limited Learning on College Campuses*, there has been a dramatic decrease in the basic intellectual skills of undergraduate students.<sup>23</sup> Besides, it seems that emotional and human problems, due to the deteriorated professor-student relation, are at the root of this intellectual decay. In fact, according to Arndt Ahlers-Niemann of the Department of Economics and Management at the Bergische Universität Wuppertal of Germany, the application with students of socio-analytic methods of consulting, such as the organizational role analysis, the social photo-matrix and the group-relation conferences that deal with the understanding of unconscious feelings, dynamics and processes in organizations, has shown that “contemporary universities lack opportunities for relating and identification both on a horizontal level (amongst students) and a vertical one (between students and academic staff). This leads to a high degree of

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<sup>21</sup> Claudio Magris, “Tra quote.”

<sup>22</sup> Don M. Randel, “Attack by ‘accountability’”, *University of Chicago Magazine*, February 2006, 12.

<sup>23</sup> Richard Arum & Josipa Roksa, *Academically Adrift: Limited Learning on College Campuses*, (Chicago: University of Chicago Press, 2010).

fragmentation, splitting and disorganisation in the experience of the role of student and of studying.”<sup>24</sup>

This is also the opinion of Tino Bargel, director of the Student Survey of the University of Constance in Germany, for whom the industrialized model of teaching leads to students who are “more efficiency-driven,” and “exposed to remarkable pressure.” “Indeed –he adds- students are strongly committed to achieve and fulfill the much longed ‘employability’ standards obtained by presenting certificates, high scores, and awards. Traditional ‘general education’ has now become the acquisition of ‘key employment-skills’. However, this practical aspect, which under the professional angle benefits from academic achievements, triggers further ‘insecurity’ as it accepts that educational goals and recruiting conditions be established by external realities (notably the economy and professional associations). This entails the ongoing strive to meet swinging professional requirements, to the detriment of reflection and ponderation, of creativity and autonomy, of originality and innovation.” Therefore, “indecision is frequent. As relates to the completion of one’s educational program, to social prospects and future developments, for the first time, despite an optimistic understanding of individual professional opportunities, the fear of failure is greater than the hope of succeeding. Owing to a confused selection method, encountered when applying for a master program or a job, a large number of students are under the impression that relying on their own skills and decisions is not enough to plan or control their own future. This has further intensified a self-perceived ‘solitude’ which is expressed in disorientation, fear of failure, isolation and anomalous behavior.”<sup>25</sup>

A problem related with this is the rise of student cheating. In fact, according to a 2006 study of the Center for Academic Integrity at Duke University, students pursuing an MBA cheat more than other U.S. graduate students. The survey, conducted from 2002 to 2004, asked 5,300 students at 54 institutions, including 623 students at 32 graduate business schools, if they ever cheated. The study found 56 percent of MBA students acknowledged cheating, compared with 54 percent in engineering, 48 percent in education and 45 percent in law school. The study also offered two main explanations for the cheating. The first one was the distortion of standards of many business students due to corporate scandals. The second one, more related to academic industry, was the pressure-cooker atmosphere of business school that leaves many students willing to compete by any means available.<sup>26</sup>

## **Problems with standardized evaluation of research**

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<sup>24</sup> Arndt Ahlers-Niemann, “University Culture and its Discontents: Some socio-analytic reflections on a university as a non-potential space”, Bergische Universität Wuppertal, Germany, <http://www.ispso.org/Symposia/Stockholm/A-Niemann%20University%2062007.htm>.

<sup>25</sup> Tino Bargel, “Solitude and commitment – life and values of contemporary students”, (Paper presented at the European Congress of University Pastoral Care, Munich, 27-30 January 2011): 1-2. See also: Tino Bargel (ed.), *Student Experiences and Evaluation of Bologna-Process and Bachelor: Empirical Results of the German Student Survey*, Volumen 61 de Hefte zur Bildungs- und Hochschulforschung, Editor Arbeitsgruppe Hochschulforschung, Univ., 2011.

<sup>26</sup> Donald I. McCabe, Kenneth D. Butterfield & Linda Klebe Treviño, “Academic Dishonesty in Graduate Business Programs: Prevalence, Causes, and Proposed Action,” *Academy of Management Learning & Education*, Vol. 5, No. 3 (2006): 294–305.

Regarding research, the basic assumption today is that its main function is to provide usable inputs to the so-called knowledge economy. For this reason, it is considered to be subject to the same criteria of division of labor, productivity, applicability and evaluation of results that apply in the economy. This is achieved by the increasing articulation between university research and bureaucratic or quasi-market modes of state governance ruled by a general ranking system normally based only on the quantity of scientific output, irrespective of quality.<sup>27</sup> If quality is considered, this is done by counting the number of citations. In most cases the decision makers involved do not take the trouble to read the respective works or to consider how much they contribute to knowledge. Professors are appointed, grants are received, and departments and whole universities are evaluated on the basis of these publication rankings.<sup>28</sup> Besides, according to the outcomes of this ranking system, many research programs, even with long tradition and prestige, are considered “inefficient” or “uncompetitive” and therefore replaced by new programs designed by the planners of national or international organizations following the criteria and objectives of the R + D’s “global agenda.”

This increased pressure on academia over the past decades has certainly produced a strong rise in scholarly outputs in terms of quantity of publications. However, it is not clear whether the quality has also risen or if it possibly has decreased. The incentives to publish are not necessarily the ideal ones to gain valuable new knowledge. Dependence on rankings has substituted consideration of content.<sup>29</sup> In fact, during the last years many editorials and prestigious journals in different parts of the world have openly denounced the lowering of quality provoked by the increasing quantitative methodologies in research and journal evaluation. According to Kai Simons, president of the European Life Scientist Organization and researcher at the Max Planck Institute of Molecular Cell Biology and Genetics in Dresden, Germany, “the impact factor is not a simple measure of quality, and a major criticism is that the calculation can be manipulated by journals. For example, review articles are more frequently cited than primary research papers, so reviews increase a journal’s impact factor. In many journals, the number of reviews has therefore increased dramatically, and in new trendy areas, the number of reviews sometimes approaches that of primary research papers in the field. Many journals now publish commentary type articles, which are also counted in the numerator. Amazingly, the calculation also includes citations to retracted papers, not to mention articles containing falsified data (not yet retracted) that continue to be cited.”<sup>30</sup>

In addition, the tendency to conformism in order to meet the requirements of homogenized evaluation has displaced whole areas of valuable scientific traditions. According to Robert Gori, professor of Clinical Psychopathology at the Aix-Marseille University, “unless academic disciplines develop pragmatic and cynical strategies to ‘manage’ the mutual

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<sup>27</sup> Cfr. Rajani Naidoo, “Mis-Governing Education?: Universities, State Bureaucracy and the Quasi Market”, (Paper presented at the Higher Education Policy Network Seminar of the Society for Research in Higher Education, January 29, 2010).

<sup>28</sup> Cfr. Bruno S. Frey, “Withering Academia?”, Institute for Empirical Research in Economics, Zurich, Switzerland, Cesifo Working paper no. 3209, October 2010.

<sup>29</sup> Cfr. Bruno S. Frey, “Withering Academia?”

<sup>30</sup> Kai Simons, “The Misused Impact Factor,” *Science*, vol 322, 10 october (2008): 165.

citations, if such a ranking of journals by impact factor is adopted, ultimately not only psychoanalysis and clinical psychopathology would disappear, but probably most of the publications located in the humanities.”<sup>31</sup> At the same time, academic industry has increased the irrelevance of saturated high ranked and over-specialized mainstream research which has become an intellectual game played for its own sake and not for its practical consequences. This seems to be the opinion of many economists and management specialists who believe that due to academic industry their own fields have become abstract disciplines with practically no involvement with real life. According to Robert W. Clower, former editor of *The American Economic Review*, most of the scholarly papers that came in to him represented “absolute dullness, the lack of any kind of new idea. . .Most papers would have been better off if they had not been written.”<sup>32</sup> In fact, he added, ““(m)uch of economics is so far removed from anything that remotely resembles the real world that it is often difficult for economists to take their subject seriously.”<sup>33</sup>

Moreover, not only quantitative methods are bringing problems but also the spread of peer review. In an article with the polemical title “Publishing as Prostitution? Choosing Between One’s Own Ideas and Academic Failure,” Bruno Frey, a Swiss economist at the Institute for Empirical Research in Economics of the University of Zurich, argues that after a whole life publishing in the most prestigious refereed journals he can conclude that “the system of journal editing now existing in our field virtually forces academics to become prostitutes: they sell themselves for money (and a good living). Unlike prostitutes who sell their bodies for money, academics sell their soul to conform to the will of others, the referees and editors, in order to get one advantage, namely publication. Most persons refusing to prostitute themselves and to follow the demands of the system are not academics: they cannot enter, or have to leave academia because they fail to publish. Their integrity survives, but the persons disappear as academics.” In fact, according to Frey, “all authors would like to receive referee reports helping them to improve their paper. Alas, this is rarely the case. Normally, the referees want to see substantial changes basically altering the paper. Often, an almost completely new paper is demanded. At the very least, the author is asked to write things he or she would not otherwise have written.”<sup>34</sup> Of the same opinion is the British biomedical specialist B. G. Charlton for whom “within science, the major manifestation of bureaucracy is peer review, which - cancer-like - has expanded to obliterate individual authority and autonomy.”<sup>35</sup> This has been crudely illustrated by Frank J. Tipler, a Professor of Mathematical Physics at Tulane University, who gives an outstanding number of famous examples of the failures in the evaluative capacity of the peer review system. “If one reads memoirs or biographies of physicists who made their

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<sup>31</sup> Roland Gori & Marie-José Del Volgo, “La bibliométrie : une nouvelle addiction à l’esclavage ?”, [http://sauvons-la-clinique.org/spip.php?article20&var\\_mode=calcul](http://sauvons-la-clinique.org/spip.php?article20&var_mode=calcul): 9.

<sup>32</sup> James L. Morrison, “Academic research in the new economy.” *On the Horizon*, 1(3), (1993): 6-7.

<sup>33</sup> Bruno Frey, 2006, “How Influential is Economics?” *Notes and Communications, De Economist* 154, no. 2, p.3.

<sup>34</sup> Bruno Frey, “Publishing as Prostitution? Choosing Between One’s Own Ideas and Academic Failure,” *Public Choice*, Vol. 116 (2003): 205-223.

<sup>35</sup> B. G. Charlton, “The cancer of bureaucracy: how it will destroy science, medicine, education; and eventually everything else,” *Med Hypotheses*. 2010 Jun; 74(6):961-5.

great breakthroughs after, say, 1950, one is struck by how often one reads that the referees rejected for publication the paper that later won the Nobel Prize.”<sup>36</sup>

The pressure of academic industry on researchers has also led to a spectacular rise of fraud. According to Bruno Frey, “academic misconduct and fraud have increased over recent decades. The major reason is not that scholars are less moral than they used to be. Instead, the incentives to cheat have greatly increased due to higher stress in academia.” “Consider the situation –argues Frey- of assistant professors with four-year contracts. They are well aware that if they have not performed sufficiently well in terms of publications their academic careers are doomed. If they realize during their third year that they have not produced enough publications, they can choose between two courses of action. They may continue with their work, but there is a high probability of dismissal when their contracts expire. They then have to choose a career outside academia. If, in contrast, they decide to resort to fraudulent behavior, they have to consider the probability of being detected and also the size of the punishment. The expected punishment for fraudulent behavior tends to be negligible because it is not likely that a well-executed deception will be detected. . . The recent scandals by fake stem-cell lines . . . suggest that it is relatively easy to publish in the most prestigious journals such as *Nature* and *Science* using fabricated data.”<sup>37</sup> In fact, the problem of fraud has become so serious in the current research system that the government of the United States has set up an Office of Research Integrity, many academies of sciences have established codified rules against it and there are several “observatories” of academic fraud such as Boston College’s Higher Education Corruption Monitor, that inform on line about reported frauds all over the world.<sup>38</sup>

### **On the paradoxical relations between business academia and real business**

Academic industry has also established more direct links between research and industry following the assumption that universities should act according to business wants. This has led in recent decades to design programs, projects and to use laboratory facilities and personnel according to the needs of private profit. Another clear step on this direction in the US has taken place when the Bayh-Dole Act was passed in 1980 by the US Congress that gave the universities the right to patent federally funded research on a large scale. According to Jennifer Washburn, author of the report *University Inc.*, “boosters will tell you that whatever the downsides may be, the heightened commercialism on campus has generated phenomenal benefits for the economy. . . But such claims are vastly overblown. Indeed many economists and experts on innovation –and some prominent members of the business community- have argued just the opposite, warning that the commercialization of higher education may actually *impede* long-term growth by drawing universities away from their traditional roles.”<sup>39</sup>

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<sup>36</sup> Frank J. Tipler, “Refereed Journals: Do They Insure Quality or Enforce Orthodoxy?”, ISCID Archive, June 30, 2003, [http://www.iscid.org/papers/Tipler\\_PeerReview\\_070103.pdf](http://www.iscid.org/papers/Tipler_PeerReview_070103.pdf): 3.

<sup>37</sup> Bruno S. Frey, “Withering Academia?”: 4-5.

<sup>38</sup> <http://www.bc.edu/research/cihe/hecm.html>.

<sup>39</sup> Jennifer Washburn, *University, Inc.: The Corporate Corruption of Higher Education*, (New York: Basic Books, 2006): xii-xiii.

In fact, based on a historical and empirical research, Maryann P. Feldman and Pierre Desrochers, two Canadian researchers in innovation, reconstructed the history of the relations of research and industry of the John Hopkins University, considered one of the first research universities in the US. According to their discoveries, John Hopkins remained fruitful in scientific discoveries for many years due to the strict separation of its researchers from industrial applications and patents.<sup>40</sup> Thus, although increased patronage seems to be good business for the universities in the short run, it also increases the risk of contamination of the basic research of the university and the benefits for the economy of such research in terms of innovation seem to be, at least, problematic.

On the other hand, according to Craig Calhoun, the ambiguous nature of university patenting was clearly shown by the Novartis-Berkeley agreement by which the Department of Plant and Microbial Biology of Berkeley's College of Natural Resources sold the corporation first rights to future innovations. "It led to considerable controversy –argues Calhoun- both about what it would mean for the work and careers of students and faculty in the department and about the possibility that important contributions the College might have made to the public would now be privatized." Besides, adds Calhoun, "one of the most telling features of the Novartis story is that the firm made no money on the deal."<sup>41</sup>

According to Peter Koslowski, a well known Catholic philosopher and economist, "ever-greater dependency on external funding and external donors . . . steadily erodes the 'public' character of academic research and steadily shrinks the critical distance of disciplines from their object of study." In the case of business schools, "which are even more dependent on corporate patrons and tuition fees than the conventional universities," it is sometimes "difficult to discern the qualities of scientific independence and striving for scientific knowledge." In Koslowski's opinion, "they appear to be entirely at the service of corporations. Industry often supports the business schools precisely because it expects less criticism from them than from the universities." However, "this objective is short-sighted because industry needs academia as a critical corrective or sparring partner, and not just as a producer and supplier of instrumental management know-how. The role of the university as a place of independent, unencumbered scholarship -in the sense that it cannot be annexed by any institution, be it state, church or corporation- has been weakened in recent decades. The result . . . is a lack of distance from the object of study and from the actors in business, which manifests itself in a lack of capacity for criticism and early warning."<sup>42</sup>

## **Conclusion: Four Proposals for Renewed Catholic Universities and Business Schools**

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<sup>40</sup> Mary Ann P. Feldman and Pierre Desrochers, "Truth for its own sake: academic culture and technology transfer at Johns Hopkins University," *Minerva* 42: 105–126 (2004).

<sup>41</sup> Craig Calhoun, "Is the University in Crisis," *Society*, May-June (2006): 14.

<sup>42</sup> Peter Koslowski, *The Ethics of Banking: Conclusions from the Financial Crisis*, (Amsterdam: Springer, 2009) 176-177.

Although many people would agree on the nature of the problems described above and on the fact that the utter expansion of academic industry can mean the end of the university as we used to know it, they would however argue that it is also extremely problematic to see any alternative to it. In fact, many believe that rejecting academic industry would imply a return to an old-fashioned and romantic conception of the university as an ivory tower, closed to the demands of society. Besides, these same critics would argue that not going in the way of academic industry would also mean to give up transparency, assessment of results and a logical responsibility in the use of funds. Ultimately, it would also lead to adopting a hypocritical attitude from the moment the university, in one way or another, always depends on money.

I think that these arguments are false because, on the one hand, they mistakenly assume that academic industry implies evaluation of results, accountability to society and a greater contribution to innovation in the economy, which, as I have tried to show before, seems rather to be the opposite. Besides, they are also false because they suppress from the start and without any rational basis the possibility that there may be a university with autonomy and fidelity to its own identity and academic goals and, at the same time, able to assess properly the quality of its results, generate valuable knowledge and thus be more useful to society and the economy. Therefore, I will argue that there is an alternative to academic industry: a university that does not ignore economic reality but that sets limits to it based on different values, ways of organization and procedures.

But what are the characteristics of this other type of university that could overcome the current crisis of academic industry affecting all institutions and especially those with an identity and a special vocation, such as Catholic universities and Catholic business schools? I would say that the conditions for such a kind of university are basically four. First, it is necessary to replace the purely functionalist or market-oriented conception of the university by a strong intellectual ideal. This implies a radical change in the concept of accountability of the university. In fact, beyond all the other demands and requirements of society and economy, the intellectual search of truth that meets the intrinsic requirements of academic and scientific problems is the central responsibility of the university. Without intellectual ideal the university is left without a north and hence is also unable to fulfill its role of being a beacon of guidance for society. In fact, in every age there was a cultural and educational ideal at the center of the universities. Nowadays, however, despite formal statements and due to the influence of academic industry, few universities can say what particular intellectual ideal they point. Thus, the formulation and serious commitment with such an ideal is today perhaps the first and most important need for universities. Besides, this is specially the case of Catholic schools –and of Catholic business schools in particular– where the Gospel will not be able to incarnate itself if culture dies and professors and students lose their freedom of thought and of spirit under the yoke of bureaucratic and business pressures.

The second condition for an alternative university to academic industry would be to recover the centrality of the role of professors in education and to change university management functions. University professors should have significant autonomy in their work, exercising independent judgment over such matters as hour-by-hour time-allocation, teaching style and content, and the subject matter of personal research. Such autonomy has proved to be -

over many years and in many cultures - the only way to generate and maintain high academic standards. The irresponsible behavior of some academics does not justify subordinating everyone to bureaucratic management. However, this does not mean to think of the manager as the enemy of the university. His or her role should be understood in a totally different way. Instead of subjecting the professor to extrinsic requirements, managers should become leaders of a new type intended to act as discoverers, capable of favoring atypical teachers, reconcile external with internal demands and behave less like executives who sanction than as coaches who assist, support and encourage.<sup>43</sup>

The third condition would be a reform of the systems of evaluation of both teaching and research. Evaluation is not the same as quantitative measurement. What is specifically human is never entirely measurable. Statistical measurements are always approximate and are never definitive to assessing the quality of education or research. Academic evaluation can only be made by personal judgment, not by measurement. Only a human being can understand, judge or evaluate another human being. However, arguing about the limits of standardized evaluation does not mean to resist the need for evaluation but only to reject the belief that quality in education is likely to statistical calculation. In fact, assessment, judgment and self-inquiry should be an essential task of the university. However, true assessment cannot be based only on quantitative and impersonal measurement but on responsible value judgments within the context of a rational discourse. Therefore, on the one hand, teaching evaluation should not be solely in the hands of quantitative surveys to the student-consumer. It should include academic bodies of outstanding teachers, authorities and students who should spend more time making value judgments than playing games with excellence rates and filling objectives sheets.<sup>44</sup> With respect to research evaluation, numerical evaluations should be subordinated to evaluations of the contents and intellectual accuracy of papers. Journals' editors should recover the basic decision of whether to accept or reject a paper, based on how interesting they judge the content to be and only in a second phase should referees be invited to collaborate making only suggestions on how the paper can be improved.<sup>45</sup>

Finally, the fourth condition of an alternative university should be based on its correct articulation with the economy and business. To reject academic industry does not imply a romantic and false stance that denies its necessary economic dependence. However, it is necessary to frame legally, with specific policy principles, the limits and ways in which the universities may receive money, reach agreements or share programs with companies or the State in order to finance their activities without compromising their academic autonomy. This is a very difficult and delicate task whose basic condition is the clarity on the principles but also a slow process of dialogue between academics, managers and entrepreneurs in order to combine contracts according to the logic of research and not only based on demand.<sup>46</sup> Universities in general and Catholic universities and business schools in particular must convince businessmen and politicians that they should expect from them

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<sup>43</sup> Pierre Bourdieu, *Les usages sociaux de la science: Pour une sociologie clinique du champ scientifique*, (Paris : Editions Quae, 1997) : 57.

<sup>44</sup> Cfr. Bill Readings, *The University*: 133.

<sup>45</sup> Cfr. Bruno Frey, "Publishing as Prostitution?"

<sup>46</sup> Pierre Bourdieu, *Les usages sociaux de la science*:49-53.

not to produce what the market wants but to express their own original ideas and convictions. This principle that has been accorded to universities a long time ago should be also remembered today in order to bring about a new era of true innovation and creativity to the economy and to society.

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Definition of a School Crisis Impact Assessment of the Crisis Event Basic Principles of Crisis Intervention and Psychological Support. 4 4  
4 5. Chapter Two: The School Crisis Management Team. According to the "School Administration Guide", schools have to set up the School Crisis Management Team (SCMT). The SCMT is the most important unit for crisis intervention in the school. It comprises a group of school staff who know the school community, the students and each other well enough to make the necessary decisions when a crisis occurs. Its goals and objectives are Many academics in business schools feel that academic values have "gone out of the window" as they have been forced to pander to the demands of their customers (we do not seem to like the word students as much as we used to). crisis that has affected all our lives, but also with how badly it has dealt with the societal, human and organisational fall out of the crisis? No. I remember many years ago walking through the management section of the Catholic Business Schools and the Crisis of Academic Industry. Save to Library. Download. Substantively, what did the cohort talk about, and how might their conversations inform future conversations about the academic mission of Catholic colleges and universities? The essay has three parts. First, it provides an overview of the four volumes of the Roundtable journal *Integritas*, highlighting the ways that the interdisciplinary conversations raised exciting new questions for curricula, research, and service. Similarly with the events and circumstances set forth in *Crisis of Conscience*; they point to a defining moment in more recent times, one that for many may be as unfamiliar as the previous quotations from the *Watch Tower* magazine. The evidence presented in this fourth edition demonstrates the continuing impact of that period's developments through the succeeding years and into this 21st century. And the source of the greatest severity was the opposite of what one might expect. The first person described is Roman Catholic priest Hans König, professor at Tübingen University in West Germany.