DOCUMENT RESUME

ED 138 166 HE 008 829

AUTHOR Furniss, W. Todd
TITLE Academic Compensation: Professoren, Pooh-Bahs, Parents, and Proles.
PUB DATE Jan 77
NOTE 17p.; Paper presented at the Annual Academic Planning Conference (2nd, University of Southern California, Los Angeles, January 19-21, 1977)
AVAILABLE FROM Office of Institutional Studies, University of Southern California, University Park, Los Angeles, California 90007 ($2.00)

EDRS PRICE MF-$0.83 HC-$1.67 Plus Postage.
DESCRIPTORS *College Faculty; Educational Economics; *Fringe Benefits; Higher Education; *Personnel Policy; *Teacher Responsibility; *Teacher Role; *Teacher Salaries

ABSTRACT

In common industrial policy, the elements of a compensation plan are selected with two conflicting principles in mind: to be generous enough to attract and keep workers who will give good service making a product that will sell, and to do this economically enough so the price customers will pay includes a good profit for those who provide the capital. Complex as the industrial compensation patterns are, they are matched and may be surpassed in complexity by those of the comprehensive university. The difficulty in resolving compensation questions arises from a failure (of the "funding agencies" or the institution) to agree on the model of employment being used to govern the circumstances. (Author/MSE)

ACADEMIC COMPENSATION:

PROFESSOREN, POOH-BAHS, PARENTS, AND PROLES

by

W. Todd Furniss

Presented [illegible] Second Annual Academic Planning Conference
January 19, 20 [illegible] 1977, University of Southern California
Office of In[illegible]tional Studies, Los Angeles, California 90007

"[illegible] Issues - University Policies for
Consulting, [illegible] Instructional Activities and Intellectual Property"

...EMIC COMPENSATION: PROFESSOREN, POOH-BAHS, PARENTS, AND PRO...

W. Todd Furniss
American Council on Education

Prudence, fortitude, temperance, justice, faith, hope, and charity figure as large in considerations of academic compensation as do pride, envy, covetous-ne... ...nger, gluttony, lust, and sloth. So do questions of autonomy, the pursuit ...f happiness, equity, democracy, property, productivity, and centralization of con... . Examining the question of compensation, and especially of various over-...ad payments, takes us through protective minefields. It is the purpose of this ...aper to sketch the location of the mines around each emplacement and to suggest ...at any attempts to cope with compensation problems must begin with examining th... attitudes toward employment of those entrenched behind their mines.

What is there to cope with? When coping is needed, the chief trouble seems ...o be inequity, or the perception of inequity, in a society that increasingly ...romises fair treatment for "persons similarly situated." In addition, adminis-...trators fear being conned by hustlers whose machinations destroy accountability. ...me are afraid that the temptations of overload compensation will lead temptees ... neglect of duty or conflict of interest. And there is sometimes confusion whe... ...ccasionally happens -- work legitimately done on institutional time with inst...tutional facilities turns out to have such enormous value that the institution be...latedly thinks it should get a cut of the profits as a return on its investment.

Even though this list of matters to be coped with is probably incomplete, it suggests that some common agreement about what academic compensation is and how i... operates in overload and extra compensation situations is basic to coping.

What are we talking about?

According to standard definitions in use by the relatively new profession of salary administrator,[1/] compensation includes not only salary but "security benefits," such as medical, unemployment, and group life insurance; non-dollar benefits, such as use of the company car, a corner office, and a key to the washroom; and incentives, such as opportunities for additional earnings in the form of stock options, bonuses, or commissions, and awards and special recognition for superior performance.

Compensation is not necessarily the same as income. An individual's income may include the compensation for a job, but it may also include pay for moonlighting on a second job, income from a hobby or other self-employment, income from investments, lottery winnings, royalties, bribes, and so on. In American society, when we say that the office is open from nine to five or that the worker is putting in overtime, we are defining the job by time and implying that the worker is free to earn whatever he can "on his own time."

The underlying assumption about job and time has been recognized in the labor laws that divide the work force into two classes: exempt and non-exempt. What this refers to is exemption from the legal requirement for overtime pay, usually at a higher rate than pay for the standard work-day. Blue collar workers, most clerical, and many other white-collar workers are non-exempt. Executive and professional workers, and faculty members, are exempt. Though the distinctions appear to be clear, when we talk of extra compensation for faculty, there is sometimes a doubt about whether the compensation is like overtime pay for non-exempt workers, like incentives for exempt industrial workers, or the equivalent of self-employment income earned in the faculty member's own time.

Employer control of compensation

In common industrial policy, the elements of a compensation plan are selected with two conflicting principles in mind: to be "generous" enough to attract and keep workers who will give good service making a product that will sell, and to do this economically enough so the price customers will pay includes a good profit for those who put up the capital. To attract and keep workers, the policy gives special attention both to the external competition for the needed skills and to internal equity among workers whose jobs are not the same. Both comparability and equity present formidable technical problems which the compensation specialists will be fighting over for years. All solutions to date can be considered only partial and tentative.

Complex as the industrial compensation patterns are, they are matched and may be surpassed in complexity by those of the comprehensive university. Because it commonly includes a much wider range of compensation variants than four-year colleges or universities with limited roles, the comprehensive university will be the reference for this discussion. Among its characteristics, the comprehensive university has a number of different clients to be served, each requiring something different from the institution and its faculty.

The chief faculty service to students, of course, is direct instruction, although there are other services. When student demand exceeds the services that can be provided by faculty members under a standard teaching assignment, institutional response may be to employ additional faculty members, but it may also use an overload system in which a regular faculty member teaching an extra section is paid an additional sum of money.

Students are not the only clients, however. The public shows up in various roles. For example, institutions cite the public as beneficiaries of its programs for internally funded study and research, thus justifying the six- or nine-hour teaching load, the personal offices and laboratories, the library collections and equipment, and so on. The argument is, of course, that the public benefits from the book on the origins of the credit bureau movement in Missouri, the flute quintet prepared for the Bicentennial, the discovery of a new subparticle, the development of a new use for the intestinal anastomoses clamp in abdominal surgery, and so on.

An extension of this public service is one performed under contract for public agencies, whether in the hope of discoveries in engineering, the production of teaching aids for dyslectics, or the training of workers for the Peace Corps. The university is chosen because it already has, or can best assemble, the staff expertise and special equipment necessary.

Between the university-funded research and the externally funded service contract is the external-agency grant, either governmental or foundation, which usually differs from the contract chiefly in emphasis: rather than buying a service require by the grantor, the grant makes possible an activity initiated by the grantee but beyond his means to support.

There is also the profit-making client for academic service. Probably in recognition of the potential problems for both the institution and the client, many arrangements for such service are made directly between the researcher and the client on a consultation basis. The problems that do arise come from five circumstances: (1) the client or the researcher making his university connection part of what is being bought and sold, (2) the researcher using university facilities and assistance to do the job of the client without compensating the university, (3) the researcher's neglecting his institutional duties in favor of the usually more lucrative consultant duties, (4) the researcher embroiling himself and his institution in some "conflict of interest" matter and (5) the occasional conflict over rights to a valuable product.

The final group of university clients is the faculty itself. The institutional mission to serve the public is an important reason for gathering a good faculty together and making conditions propitious for services for which government, foundations, and industry will pay. But another reason -- often enormously strong -- is to serve the faculty, so as to be sure that a good faculty is not only recruited but retained. Books have been written on the subject of the centrality of the faculty to the university enterprise. That there are some fat cats (or Pooh-Bahs, as will appear below) does not alter the need to maintain favorable conditions for faculty members upon whose brains, skill, and experience the whole enterprise rests.

This brief review has (deliberately) left some questions dangling. Should faculty members be allowed -- or expected -- to exceed some standard assignment to teach overload, and if so under what compensation policies? What is an equitable distribution of both time and research and study funds among faculty members? How much of a faculty member's time may be given to "consultation" without raising questions of neglect of duty -- or is this even the right question? At what point should an institution demand "overhead" money for the equipment and support services used by a faculty member for a project not initiated by the university administration? Should the institution limit the compensation of a faculty member working on an externally funded project?

Before trying to answer these questions, or even to approach them very closely, it is worth asking three more questions: What is being paid for? What is being paid? And what do the faculty get out of it?

What is being paid for?

The university pays for the experience, preparation, skill, intelligence, and motivation of the faculty member. And values: those appropriate to teaching, to the research being undertaken, to the counseling or consultation.

And time and effort. Here there are some problems. To the extent that the time is roughly countable (so much class contact, so many hours actually performing an experiment or chiseling a block of stone or traveling to an assignment and sitting with the persons being advised), time and the energy equivalent may be the most convenient measures for compensation. But two photographers may spend identical time and physical effort on preparing a portfolio, yet the first's be superb and the other's pedestrian. Or ten minutes of A's time may produce far more than days of B's. Thus, time is seldom satisfactory as the only measure of value.

The products of the work may be what is paid for. But again, there are problems. Things may have wildly different values, even if one means only dollar values in the present market. Books, musical compositions, paintings, inventions, patents, copyrights, reports, survey results, texts, training materials, performances (including those in the classroom), performances preserved on tape or film, the residuals from these: all may have no value, some value, or (more likely) a variety of values for different audiences. It is not surprising that academic compensation policy has most often avoided questions of the market value of a product as the basis of compensating faculty members.

What is being paid?

In most cases, institutions provide relatively modest salary and benefits under reasonably standard policies that provide a measure of equity related to demonstrated performance. Characteristically, the policies for promotion and merit increases, applied objectively over time in an institution, result in considerable spread of salary among the middle-aged and older faculty, reflecting varied perceptions of the faculty members' work as an institutional asset, but also emphasizing a point that organizations like the Department of Labor's Wage and Hour Division find it hard to cope with: that the expectation in faculty careers is that a faculty member's "job" in fact alters with time and the increasing skill, experience and knowledge of the person.

Besides modest salary, institutions offer faculty what might be collectively thought of as opportunity. This is of three kinds: Access to clients and markets (e.g., students, and agencies and donors who make contracts and grants only with responsible organizations); facilities, supplies, and assistance; and the benefits of association with the image and reputation of the institution.

What do the faculty get out of it?

Planners of compensation policy are likely to forget that faculty members are not at any moment a uniform group, though in an entire academic career they may tread similar paths. Thus, considering the possible attraction to faculty members of the chance at extra pay, there will be those for whom the money would make the difference between a subsistence income and one below subsistence; those for whom it would provide a few amenities; and those for whom it might provide affluence or even wealth. For all of these, the chief attraction could be, not the money, but the opportunity to do something of special interest. For some, the activity for which the additional funding is provided may permit considerable autonomy not otherwise available. In other cases, recognition is enough, or recognition may be valued because it will later improve the basic compensation. It is also worth remembering that some of the jobs that are done for additional compensation may be looked upon as tedious chores or major diversions from the person's chief interests. In the latter case, the additional compensation may be the equivalent of overtime pay for a blue-collar worker or hardship pay in the military.

Despite the extreme oversimplification of the comments above, it is already apparent that the matter of faculty compensation and extra or overload compensation is too complex for anyone to prepare a single policy that would cover adequately and in every case the desires, needs, and current circumstances of all faculty members, all institutions, all contractors and grantors, and all students, to say nothing of the public. Nevertheless, a good many of these have been accommodated in ways that -- though they should be reexamined -- will probably be usefully continued. Coping with the rest, we may need to probe behind what we now do to questions of why we do it. First, then, a quick review of some current accommodations, and then a look at the whys.

Some current accommodations

Most foundations, government agencies, and contractors rely on the university to determine the rates of pay of persons who work on funded projects and will pay no higher than these rates and sometimes less, as in fellowships. The practice may not very well relate the pay to the ultimate value of the work, but it has a very great convenience and is generally acceptable. The donor does not have to administer a complex salary policy, and the institution, which must, does not have an exterior agency upsetting its attempts to provide internal equity.

Institutional overload pay for regular staff members performing extra service either in the academic year or in summer can be justified on several grounds: it compensates for additional effort or (possibly even more important) for the diversion of effort from things of potentially more interest to the faculty member and which his colleagues without the special assignment may still be able to do. In some instances, this brings in a "Studentgeld" approach to compensation -- pay being directly related to the numbers of students taught. The workability of overload payments for regular staff depends heavily on a commonly accepted and defensible definition of what the standard load or assignment is. In institutions with limited roles, such a standard may be relatively easily arrived at. In comprehensive institutions, considerable latitude is required and some inequities may appear. Giving up an overload policy is not, however, a very useful answer. It merely shifts the problems elsewhere.

The case of payment from the profit-making contractor is in several ways quite different. If the money is not simply a grant from an industrial foundation similar to grants made by other foundations, but is instead the purchase of advice or product development or the potential for a new invention, technique, or drug to be sold for profit, probably the most satisfactory arrangements come from writing a contract with the university or its faculty member, specifying what services are to be performed, what facilities if any are to be used, what reference may be made to the institution, and whose property the results become. Especially where the possibility of considerable profit exists, these matters are best worked out in advance. This is not to say that a university should or should not demand a portion of the profitable rights that may accrue, but only that the question is much harder to resolve after the fact.

Getting at the underlying questions

All these arrangements are essentially expedients of convenience and clarity. In most circumstances, they serve well enough. Nevertheless, they don't handle all the cases that we can identify as troublesome. For example, questions of equity remain in the differing access of faculty members to opportunities for extra compensation. Must an institution provide for the humanist the equivalent of the facilities and assistance it provides the physicist? Should the government match scientific and humanistic grant moneys? Can the university cope with the willingness of a business firm to pay an economist $500 a day when the vocational education specialist can command only $50 and expenses? Can the institution control in some ways the quality of the work done by its faculty members for outside contractors? After all, its reputation affects its ability to help attract opportunities for other faculty. Who rings the bell when a faculty member appears to be neglecting his university duties?

These questions and others like them can be resolved by the raw classification and salary-scale construction techniques of the salary administrator or the Wage and Hour people at DOL, but possibly at enormously high cost. To see why, we must look at four common notions of employment.

The simplest I label "Professoren," to suggest the autonomous German scholars whose compensation was "Studentgeld," or payments direct from students. This essentially is the self-employment model; providing pay for output, and common in our institution-ridden society chiefly in the arts, entertainment, and farming. It has not quite disappeared from universities: we still use it when we pay overload to those teaching in the continuing education division. If the students don't show, the class is off, and the teacher doesn't get paid. But for the purposes of this discussion, the Professoren do not figure large.

Pooh-Bahs inhabit the second category. It will be recalled that Gilbert and Sullivan's Pooh-Bah had -- for their salaries -- taken over all the vacant government posts in Titipu abandoned by those who refused to serve under Ko-Ko, the suddenly elevated tailor. Ko-Ko consults Pooh-Bah about how lavish his wedding to Yum-Yum should be and, particularly, who will pay for it. In part, Pooh-Bah replies:

> Of course, as First Lord of the Treasury, I could propose a special vote that would cover all expenses, if it were not that, as Leader of the Opposition, it would be my duty to resist it, tooth and nail. Or, as Paymaster-General, I could so cook the accounts that, as Lord High Auditor, I should never discover the fraud. But then, as Archbishop of Titipu, it would be my duty to denounce my dishonesty and give myself into my own custody as First Commissioner of Police.... I don't say that all these distinguished people couldn't be squared; but it is right to tell you that they wouldn't be sufficiently degraded in their own estimation unless they were insulted with a very considerable bribe.2/

Just a few academic Pooh-Bahs put all other faculty members under suspicion. Congressmen and state legislators grabbing headlines establish Pooh-Bahs as the model of all academics, and fearful bureaucrats and administrators react by over-regulating the employment and compensation of faculty members.

But not all the difficulty arises from the Pooh-Bah reaction. It is likely that far more of the trouble comes from the conflict inherent in the last two employment models: Parents and Proles.

Parents and Proles

A long time ago, the American Association of University Professors defined the college or university teacher as "a citizen, a member of a learned profession, and an officer of an educational institution." 3/ Note: officer. The model for the officer in this context is the parent. The parent does what is necessary, not what is prescribed in some kind of agreement anticipating all eventualities. The model requires autonomy, self-regulation rather than external regulation, and at the very least the seven virtues with which this paper began. The job is not defined by time or output.

In contrast, there is the Prole model. Initially, the proletariat were the lowest order of worker and subjects of extreme exploitation. In the past century their helplessness has been replaced by considerable power, chiefly through collective bargaining. But the new model is not parental. Instead it is the contract model, in which the employee contracts to perform certain acts in a certain time for a certain pay; if more is required, then more will have to be paid. To preserve the integrity of other jobs, the worker may not do what he sees as necessary unless the doing of it is in the contract covering his or her work.

Our difficulty in resolving the kinds of compensation questions reviewed in this paper arises, I believe, from a failure to agree on the model of employment being used to govern the circumstances. The failure encourages the potential Pooh-Bah to claim the model which offers the most profit: he would be a Professor when Studentgeld is to be paid, but not when teaching the evening class is to be part of his regular assignment; he will demand a full two-point-five-ninths of his academic-year salary for whatever summer time he puts in because that is what is in the contract with NIH, and during the academic year will take the dollar equivalent of the faculty-handbook provision that he may spend one day per week on "consulting." Hooray for the contract model. But if the job is a chore, he may invoke his rights -- but not his responsibility -- under the parental model to refuse it.

Even those, unlike Pooh-Bah, who wish to provide good service for adequate compensation may find considerable difficulty because either the funding agencies or the institution or both are unclear about the employment model being used. Those funding agencies whose chief motivation is fiscal (and more recently social) accountability will foist contract-model regulations upon institutions and their faculty members which deny autonomy, reduce trust, and encourage litigation. Perhaps it is true that a large dependence on external funds inevitably begets this problem. But there are institutions in which the faculty itself -- either for economic reasons or because they have never experienced advantages in a parental model -- have dug in behind the limitations of the contract model and may force all agencies to deal with them in this way.

* *

Having alliterated you with Professoren, Pooh-Bah, Parent, and Prole, I may as well go the whole hog and confess I was thinking of building prolegomenon into the title, because what I've done is only a preface. Perhaps unfairly, I have not pursued my models far enough to be able to assure you that they do work and will be worth your using them as you sort out the compensation questions with which this conference deals. I've not done so for two reasons. The first is that I really didn't want to spoil the fun. I think I've found a small but rich treasure house. Not Tutankhamen's tomb, but still good. If so, it will pay us to take our time about excavating, examining, and interpreting what's there. My second reason is that, like the archaeologist Carter at Tut's tomb, it seemed best to have company when the treasure house was first opened. He called on Lord Carnarvon and waited 20 days for him to arrive from London. Because of Bob Linnell's schedule, I had to provide a text 20 days ago, and thus am following Carter's lead in waiting for your company to see whether I've found something good.

As you know, a small group will meet following the conference to consider whether the matters addressed here need more attention than we have been able to give them, and if so how that attention might be provided. As a special aid to the group that will meet, I now invite you to come out swinging at my prolegomenon.

Footnotes

1. Milton R. Rock, ed., Handbook of Wage and Salary Administration. (New York: McGraw-Hill Book Co., 1972) is a basic source of information about industrial practice and practitioners.

2. From "The Mikado," in The Complete Plays of Gilbert and Sullivan. (New York: The Modern Library, n.d.), pp. 354-55.

3. "Academic Freedom and Tenure: 1940 Statement of Principles and Interpretive Comments," AAUP Bulletin, June 1974, p. 270.