Churn: The Unacceptable Face of the Global Knowledge Economy?

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ABSTRACT

Using the background of a visit to North America, this article considers the symptoms of change in the university labour market of the global knowledge economy and raises concerns for those working in higher education to consider for the future. It discusses university outsourcing, and the work of academic staff. The particular focus is 'precarious' work for students and university academics, and the consequential effects on the three key aspects of the university: research, teaching and service. It ends by suggesting that academia needs to go back and reclaim the ideals of the university as a community of scholars and teachers.

INTRODUCTION

Some things struck me visiting the North American university scene recently. These raise questions as to where we were going in higher education in New Zealand. The *first* is the way that the university campuses in both Canada and the United States (US) are outsourcing to multinational corporate brands. The *second* is the high level of on-line courses and services being promoted and provided to students, often by the university on behalf of various for-profit organizations, sometimes with accompanying taxpayer-funded student debt. Now, being a student requires money not only for fees, books, accommodation and food, but also for broadband Internet access. While the *third* aspect and the real point of this article is the very high numbers of graduate students or completed doctorates (and high debt) all desperately seeking the dream of a tenured job. They are employed part-time as contingent faculty, non-tenured contract faculty, and contingent on the pleasure of a tenured faculty member. At the drop of a hat I get recounted harrowing stories of insecurity, high workloads, low morale and low wages, pressure on families, and dashed dreams. Similar versions appear regularly in the higher education professional journals and newsletters (American Association of University Professors, 2010; Chronicle of Higher Education, 2010; COCAL, 2010). These different things should be seen as symptoms of the changing relationships between education and the state. It is what Dale and Susan Robertson (and others) describe, in their critique of the global knowledge economy (GKE) (see Dale & Robertson, 2002; Dale & Robertson, 2005; Robertson, Bonal & Dale, 2002), as the shifting spatial fix between capital and state (Harvey, 2003). As the GKE spreads internationally my prediction is that we will see more of this.

OUTSOURCING OF UNIVERSITY SERVICES

So, to look at the first matter. The outsourcing of university services for food and other things is growing across North America. The services originally were food, bookshops, gyms, and maintenance services but now IT services, email, recruitment, enrolment, scholarships as well as library services (and even assignment marking, see June, 2010) are outsourced usually to multinational companies.

A large food service player across the US and Canada is the Compass Group (part of the UK-based Compass Group that includes names known in New Zealand like Eurest and Crothalls; see www.compass-group.co.uk). In US and Canada, however, the fastest growing of these firms is a company named Sodexo (Sodexo, 2010) – a relatively new entrant to New Zealand. Sodexo (a French multinational food, domestic services and facilities management organization) began life in 1966 in Marseille as an hotel servicing company. Since becoming listed on the Paris Stock Exchange in 1983 the company has rapidly expanded to over 80 countries including UK, USA, Canada, Russia, Japan, South Africa and Australasia. As a company it is an ideal type indicator of the new multinational service industry. In addition to contracts for the provision of student food and cleaning services in universities, the company offers a wide range of other services such as systems for incentivising recycling, distributing vouchers, establishing smart cards, and organising IP as well as general project and labour management.

Internationally, firms like Sodexo employ thousands of people (mainly students and other young people, women, migrants and those with lower skills) who move around the economy seeking work, paid at minimal wage rates with lower benefits (Ross, 2009). And yet, in contrast to the assumption that they are only focused on extracting profit from their workers, these service firms also have a problem. In order to attract and retain staff they want to be seen as a 'good employer'. Interestingly Sodexo, according to its website (Sodexo, 2010), encourages university graduates to consider their internships, to view them as the preferred employer internationally, and to become members of the international Sodexo community (Sodexo, 2010); the people who they will want to continue to have work for them around the world. Sodexo promotes itself as an ethically oriented company seeking to enhance the quality of life for all whom it encounters, supporting diversity, corporate citizenship and community development including to various aboriginal communities in remote locations (Sodexo, 2010). So, as well as for profit, I argue that these concerns are related to that bugbear of these firms in the global economy: how to get highly-trained, disciplined, loyal yet readily available mobile staff for the cheapest cost. It is the problem of employment churn.

ENCOUNTERING CHURN

What is churn? Globally, IT companies, call centres and the fast food industries have become focused on 'churn'. Churn originally was a term used in marketing to measure the number of individuals or items moving into or out of a collective over a specific period of time (Jamal & Bucklin, 2006). 'Churn' is costly in its requirements to continually renew or develop the customer relationship. When it is about products, such as cell-phone services or pizza, various strategies are suggested to discourage customers moving away or choosing another solution: that is, to defeat 'churn'. Firms use mechanisms such as long-term customer service, brand loyalty, or longer contracts with discounts in order to try and stop or decrease customer choices. They develop smart cards, instant debit cards, air points, rewards and loyalty pledges, even Twitter pages, all to retain their customers, head off competition, and even clip-the-ticket minutely as they do so.

Churning into precarity

However, the other use of the term 'churn' is in association with employment. This is what we used to call high staff turnover, attrition, and low staff retention but in the new times labour speak, churn is a feature of 'precarity' (Fudge & Owens, 2006; Hardt & Negri, 2004; Ross, 2009). Precarity describes how large parts of the population are being subjected to a precarious existence through what is called flexible exploitation: low pay rates, intermittent income, and low security jobs. Workers churn through various jobs and they experience this existentially. The employment insecurity, accompanied by low incomes, welfare needs and the ever-rising cost of living, carries risks of social exclusion. Precarity, then, is particularly a feature of the growing services of firms that are replacing manufacturing across the developed world; and, to which the universities are outsourcing many of their functions. The churn rate in call centres, fast-food industries and domestic services are usually considered part of the industry: what is the real difference between McDonalds, Burger King or working in a call centre, when the pay is pretty much the same? Churn is ignored because the costs of replacement are hidden or accepted. But, as Hardt and Negri (2004) argue, however, 'precarity' now forms much of the core labour market under post-Fordist society rather than the peripheral area that was assumed under Fordism (Harvey, 1989). It is a feature that also has strong influence in the post-Fordist university.

For employers, there appear lower costs in this hourly-paid minimal wage work, generally no staff benefits are required, and churn delivers greater flexibility for the company in managing labour requirements. However, there are some real costs not just for workers but also for the organization as well as for society in the increasing precarity of 'the rise in contingent or non-standard work' (Kalleberg, 2000; Kalleberg, 2009). When people leave, what also goes is their institutional knowledge, reliability and constancy; there is accompanying bad feeling, and the continual need for replacement, more training and upskilling. There is a decrease in loyalty to the employer, who is now no longer 'the university' but a face-less contracted multinational. What's important however, in my view, is the other side of the ledger: the costs on these workers and their lives. Kalleberg (2009) has suggested that the rises in unemployment also effects on perceived job precarity for those still with work. It provides a usually undiscussed discipline on them. A literature review undertaken earlier by Beard and Edwards (1995) suggests that 'precarity' itself has significant emotional costs for the worker, their family and for the society of which they are part. To which I would suggest that we need to consider the effect of precarity on education, both for those in schooling (that is, children of the precarity), as well as in higher education.

PRECARIOUS ACADEMICS

So, it is the creation of the post-graduate workforce as the latest bearers of 'precarity' that I wish to turn.

The Global Knowledge Economy (GKE)

One of the consequences of the GKE has been the shift from manufacturing to services and knowledge, using state education as a service industry itself (Robertson, Bonal & Dale, 2002). Often this has occurred through the mechanisms of international entities such as the World Trade Organization (WTO) and its General Agreement on Trade in Services (GATS). The GATS argument has been reasonably well publicised in New Zealand (Kelsey, 2008) so I will not progress it here. But one of the other aspects is the creation of higher education as a key goal of the Organisation for Economic Co-operation and Development (OECD), with an implied improvement in the economy of the people and the nation. Doctoral enrolment, both domestic and international, is portrayed by the OECD as a guarantee of economic development and a source of funding. However, all of this ignores one major aspect. The universal push for secondary education completion experienced in schools at the end of World War II has now become the universal push for tertiary education (OECD, 2008). This means that the huge jump in secondary student numbers is being replicated and added to at the tertiary level. Internationally, there are now more and more universities competing for prestige. While at the same time, the nature of academic work is being split apart. Teaching is being separated from research, lecturing is being separated from lab-work, assessment and marking separated from teaching, while service is being separated from the whole and replaced by designated administrators or auxiliary units. Precarity is increasing.

The indicator of success for research-intensive universities or those aspiring to be (Marginson, 2006) are the league tables, which Marginson describes as 'positional goods or prestige measures' (pp. 5-6). One of the consistently used measures is the assumption of a quality research-teaching nexus and the completion of doctoral degrees. However, with more universities creating more PhDs with fewer jobs for them to fill, this is putting pressure on tenured academics to supervise, rather than teach undergraduate courses. Meanwhile, at the same time, the under-funded university requires ever more research grants. So tenured academics become also entrepreneurial grant appliers, or grant project leaders. Gaining a research grant requires research assistants or fellows, both contract or non-tenure, while teaching itself uses non-tenured instructors or teaching-only fellows to enable the tenured to research. The research-teaching nexus is rapidly becoming a mantra rather than a reality. This situation itself is attracting concern across disciplines even from those in science for whom the PhD is the accepted apprenticeship to work as a scientist. A recent discussion of the American biological community took place in the *Israel Journal of Ecological Evolution*; here Holt, Marshall and others (Holt, 2009; Marshall *et al.,* 2009) drew attention to the implications of the enormous growth in doctorates that were occurring as a consequence of both the growth of PhDs and the global recession. The recession, they argued, had the effect of decreasing both the hireage and the retirement rates in life sciences in US universities, and Marshall *et al.* (2009, p.382) commented:

> These recent events are superimposed on an already rapidly changing academic landscape. Tenure-track jobs have decreased so much in the last couple of decades that now classes taught by tenured faculty are a distinct minority on our college campuses … Classes are increasingly being taught by part-time, adjunct faculty members, positions that generally receive lower wages and reduced benefits … The declining number of tenure-track jobs available is coupled to an increasing number of Ph.D.s being awarded every year. Between 1975 and 2000, the life sciences saw a steady increase in the number of Ph.D.s awarded each year, resulting in a 75% total increase during this 25-year span … Compare this to a mere 94 positions in biology advertised on the Chronicle of Higher Education website in December 2008 (http://chronicle.com/jobs/100/700/), many of which were not even tenure-track appointments. Although this figure certainly doesn't represent all job opportunities, the outlook is at best highly competitive, at worst grim.

The pressure on these emerging academics to gain tenure (that is, move from precarity to some sort of secure working life) is becoming even more intense as the universities move consistently to part-time faculty and non-tenure track faculty. Couple this to the gendered and ethnic makeup of many of these precarious faculty, and what is being created is a core and periphery model of university employment: the few and the many. The core are the few senior administrators, and senior academics with tenure, superannuation benefits and good pay while the periphery are all the rest; in fact, those many hundreds who do the business of the university, its research, teaching and service, or engagement with the community. Kalleberg (2009) raised some of these questions in relation to academics in a recent presidential keynote to the 2009 American Sociological Association. He pointed out, 'While the number of tenure track positions grew by 7 percent between 1975 and 2007, the number of non-tenure track jobs and part-time faculty more than tripled' (p.10).

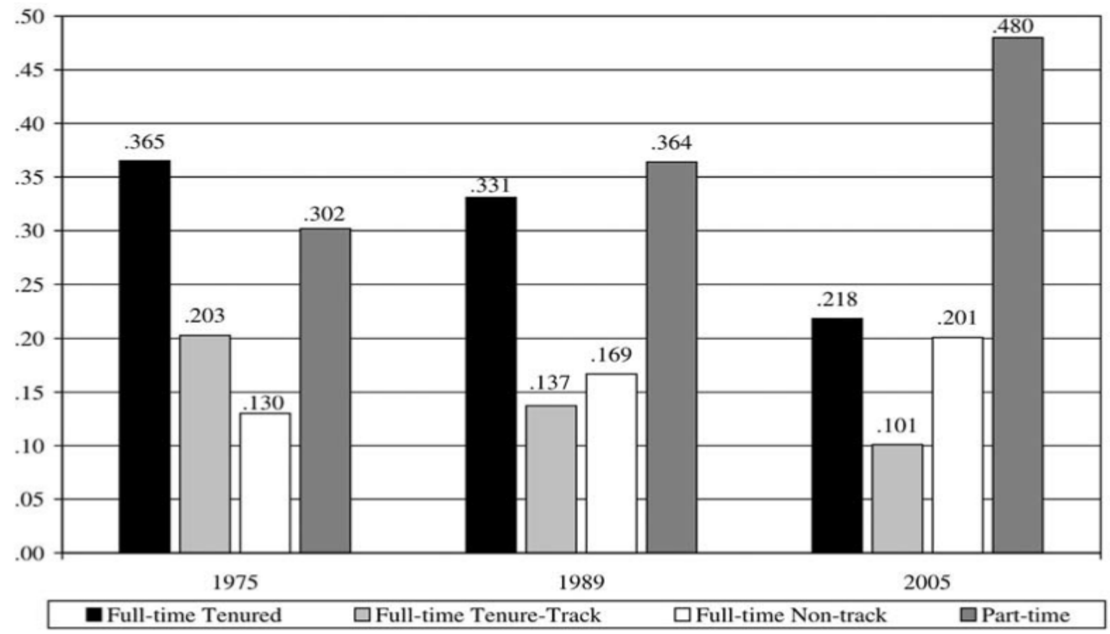

Figure One: Contingent work in academia: Proportional trends in faculty status, 1975-2005: All degree granting institutions in US. (Kalleberg, 2009, p.9)

CONCLUDING COMMENTS

The changing nature of higher education regarding the shifts in academic employment has prompted the OECD to consider the rationale for changes in academic work (Enders & Musselin, 2008). Serious concerns are surfacing from a number of sources about just how much is 'quality of teaching' possible in this situation of precarity and churn. Academia has now moved a long way past the medieval ideal of *universitas magistrorum et scholarium*, or from the 1854 idea of a university promulgated by Cardinal Newman (Newman, 1854), to becoming the entrepreneurial corporation. Yet their prestige or positional goods are based on those ideals.

As research gains priority in research-intensive universities, the relationship between research and teaching also becomes stretched. One of the consequences of the virtual invisibility of major parts of the academics' work in what counts as teaching, has enabled 'excellence in traditional university teaching-work' to become 'unbundled' (Macfarlane, 2007). Teaching has become separated into various components, now performed by different people according to different values, completely jeopardising university teaching as a research-informed activity to re-create the discipline or profession. Internationally, the North American trends show major sections of total university teaching undertaken by differently employed, casual, lower paid or less qualified staff, often in ways that are not regarded as teaching. Certain activities, including curriculum planning or assessment, are hived off and deemed 'faculty support'. The result is a new norm for university work overtaking traditional university teaching – that of Taylorist performativity (Jesson, 2010).

However, this push by universities to become corporations should be resisted. Even though they are embedded in the processes of the post-Fordist university, academics will have to take up again their responsibilities for the active questioning of society and the university. In other words, academics must inject their understandings of a broader concept of university into every debate about university. The nature of this debate must be to value university teaching in all its complexity and to recognise and value the intricacy of university work. The place to start is with some theory and critique about what is occurring to students, teachers and the curriculum in the global knowledge economy coupled with recognition of the importance of the ideal of *universitas magistrorum et scholarium* – a community of teachers and scholars.

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