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The Conflict of Commodification of Traditional Higher Education Institutions

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Abstract

Moving into the 21st century, the landscape of the traditional higher education institution has changed, including its model of conducting business. Students in the millennial generation see higher education as a commodity, where learning can be acquired through different delivery systems. It is imperative that organizational leaders, like those in colleges and universities, improve, effectively responding to changing environments at their institutions. Double-loop learning (Rahim, 2011; Senge, 2013) is a formative method of organizational effectiveness that allows top managers to focus on the underpinning of conflicts like commodification of higher education and use strategic decision-making processes to recognize and accept the commodification trends and determine a course of action to improve their campus for the long-term. Force field analysis (Lewin, 1943) determined the driving and restraining forces of whether or not top leaders at colleges and universities throughout traditional higher education should view their institutions as commodities and concluded that the driving forces were more than the restraining forces, and change process was needed to re-establish equilibrium.

Keywords: action theory, commodification, double-loop learning, force field analysis, organizational learning

The Topic

Commodification is a process where items such as goods and services are transformed into objects for sale. People not only live within a market economy but also in a market society within categories that have come to dominate areas of people's lives. This has been increasingly true

within higher education institutions. Colleges and universities believe that the education that they offer is a “product” and the students they recruit are treated as customers or “consumers” (T.H.R., 2003). In at risk higher education institutions, this can be viewed as a driver of stress (Martin & Samels, 2009).

Problem/Issue Statement

Higher education has faced complaints for offering poor-quality, overpriced products and services. As a bureaucratic and inefficient industry, it is unwilling to adapt to new markets, is administratively bloated, technologically backward, and is uninterested in teaching (Lazerson, 2010). Moving into the 21st century, the landscape of the traditional higher education institution has changed, including its model of conducting business. The purpose of this study is to discuss the literature of commodification of traditional higher education and determine how organizations learn from and effectively manage that conflict to reduce the stress at their colleges or universities.

Significance and Justification

Commodification of American higher education is a major concern for many institutions. The values of a place for higher learning and education that were once the strength of the nation’s institutions have eroded. Undergraduate, graduate, and terminal degrees are the production of “tickets” that can be bought and sold on the open market...reinforcing inequalities that already exist (Martin & Samels, 2009). Today’s professors have become producers and students consumers of education (Noble, 2001). According to Carey (2012), Mitt Romney, a legislative stakeholder in higher education, has the right to say:

Students and their families must also be given the information they need to intelligently weigh the costs and benefits of the many options available to them. Better information about products and services helps consumers make more-informed choices, and nowhere is this as important as when students consider a postsecondary education. Despite requirements that colleges and universities report volumes of data to the U.S. Department of Education, there is no simple way for students to access that data and interpret its implications (para. 2).

Theoretical Framework

There is an increased need to improve knowledge about organizational learning and effectiveness so that organizations like colleges and universities can respond effectively to the needs of changing campus environments. These two types of organizational learning are single-loop learning and double-loop learning. One of the imperative objectives to manage conflict within contemporary organizations is to enhance organizational learning that will provide long-term effectiveness (Rahim, 2011).

There are two types of organizational learning. Single-loop learning is the understanding of intervention in problems without changing assumptions, goals, or policies. This results in behavioral and cognitive changes within an already existing paradigm; asking one-dimensional questions and receiving a one-dimensional answer (Rahim, 2011). Double-loop learning is a

process that extends beyond surface level techniques, goals, and responses to the targeted values and assumptions that underpin the system. The idea is to infuse solutions to problems that are ill-structured and complex and modify the organizations' norms, policies and objectives (Clark, 2015). Organizations who use double-loop systems also take into account their current situations and environment when making decisions (Senge, 2013).

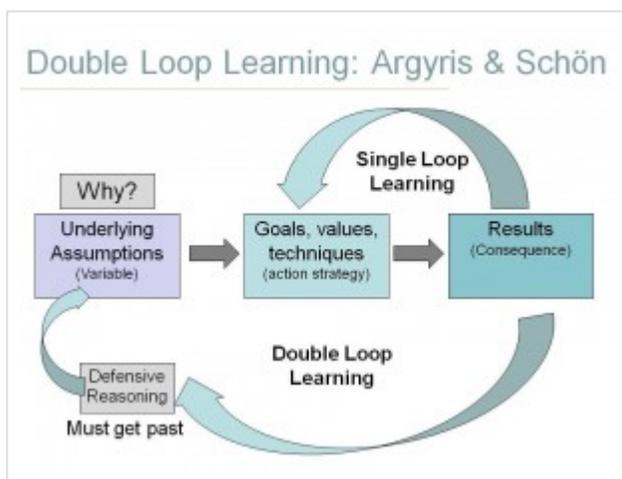


Figure 1: Problem Solving Process, Double Loop
Clark (2015)

Organizations such as institutions of higher education using the double-loop theory can levy this theory through Lewin's Force Field Analysis. Lewin (1943) is the father of social psychology. He stated that behavior is the function of people and their environment. He developed the Force Field Analysis that provides driving forces (drivers of change), like top leaders in higher education viewing higher education as commodities and restraining forces (restricting change), like top leaders in higher education viewing higher education as status quo, to establish equilibrium. His model of change involves Unfreezing, Moving, and Refreezing. There is a scale of 1-5 for each force where 1 is weak and 5 is strong. The steps include identifying the problem, finding the change objective, identifying and tallying the driving forces and restraining forces to determine change process if needed. If the driving forces are greater than the restraining forces ($D > R$), then change occurs, though it is easier to lessen the restraining forces than it is to infuse the driving forces to re-establish equilibrium (Lewin, 1943).

Literature Review

Millennials bring with them a sense that higher education is not considered a privilege or a right, but rather, a commodity, which can be acquired through a variety of delivery systems. Therefore, each institution's stakeholders perceive no difference between the products, services, and outcomes that are offered by the institution themselves or their competitors (Fennel & Miller, 2013).

Organizational Learning was introduced over half-century ago, but it has only been in the last decade that it has received much attention within organizational literature. According to Argyris and Schon (1996), organizational learning is a process of detecting cognitive error and seeking and executing behavioral correction of that error (Rahim, 2011).

Historical Context of Commodification of Higher Education

Commodification is the process of treating something like a commodity—products or goods, services, or articles of trade—giving a more abstract concept to something like traditional higher education. Ranking takes the intangible theory of higher education and “commodifies” it and assigns it a quantitative value—an exchange-value, enabling higher education to take the shape of a competing product and be entered into a competitive market structure (Brunso, Jorgensen, & Viborg, 2012).

The early methods of instruction in higher education stemmed from the influences of medieval, classical, and colonial times, and during the 18th, 19th, and 20th centuries respectively. In the 18th century, students were put into “classes” where they were considered a cohesive social unit. They took the same classes at the same time every day in the same classroom by the same teacher and would then graduate together as a cohort. Moving into the nineteenth century, two more popular methods became prevalent for teaching students. The first was recitation. With a huge emphasis on rote memory, there was an exchange between student and tutor, where the tutor was citing and the student was reciting. Recitation gave way to the Lecture Method, where the professor would literally read from a book and students would try to write not only what was being said, but how it was being said. There was a big shift to seminar-style learning and utilizing labs and libraries in the 20th century, where students conducted research and became more independent (Brubacher & Rudy, 2002).

In a qualitative study that investigated the purpose of higher education and how it has changed through the commodification of higher education. “It seems as if there is a cultural change, not only within the institution of higher education, but also in a broader societal context. Whether or not it is in the development toward a postmodern consumer society, or it is into a new form of modernity, the globalization of the world has caused changes within all aspects of our lives and naturally also when it comes to higher education institutions” (Brunso, Jorgensen, & Viborg, 2012, p. 44).

Commodification of education has interrupted these fundamental educational processes and distilled the traditional method of education into sellable packages of things. With this transformation happening in the 21st century, teachers have become commodity producers and deliverers, and students have become consumers of more commodities. The student/teacher relationship has been reestablished through the medium of the market, with the buying and selling of commodities taking the appearance of education (Noble, 2001).

The Present or Contemporary Status Quo of Organizational Learning and Effectiveness

Organizational learning is the search for equilibrium between exploitation of old certainties and exploration of new possibilities. Exploitation includes items like production, implementation, and execution. These refer to ‘the old paradigm’ (Rahim, 2011) mind set and most closely resembles single-loop learning. Exploration captures terms like innovation, discovery, and flexibility (March, 1991). This refers to the ‘new paradigm’ mindset and most closely resembles double-loop learning (Rahim, 2011).

Organizational conditions like leadership, communication, structure, and technology greatly influence the effectiveness of an organization (Rahim, 2011). Literature references organizational effectiveness as productivity, profitability, turnover, and efficiency – all of which are explicitly, implicitly, separately, or in combination considered criteria for success (Yuchtman & Seashore, 1967).

Several approaches have surfaced to define organizational effectiveness. The first approach is goal attainment and the most widely used approach by researchers and management practitioners. Here, effectiveness is measured by outcomes as opposed to means; social systems achieving its goals and objectives, and these practitioners are concerned with an organization's bargaining position in its environment to obtain resources.

The Systems Resources Approach focuses on inputs rather than outputs; it explicitly treats the relations between the organization and its environment as a central ingredient in the definition of effectiveness (Rahim, 2011; Yuchtman & Seashore, 1967). The Systems Resources Approach only provides inputs and excludes outputs, and therefore yields inaccuracies in its effectiveness model.

The inability to uncover these inaccuracies and a variety of unpleasant truths arises due to faulty organizational learning. This includes habits and attitudes that allow the organization to hide its problems that ultimately lead to rigidity and deterioration. Argyris (1977) describes how this process can be reversed by a method he calls double-loop learning.

The double-loop learning theory focuses on solving complex problems and changes as problem-solving advances and can be used with a higher education institution's strategic decision-making process. The theory is based upon a "theory of action" where changes in behavior, values, and leadership are all part of the theory of action, and interaction with others is causal for identifying the conflict, like commodification of traditional higher education. There are four steps in the action theory process:

1. Discovering the theory-in-use
2. Inventing new meanings
3. Producing new actions
4. Generalizing the results

Oriented toward leadership inside organizations and applied within the context of management development, the end results of using double-loop learning should allow for better acceptance of mistakes and failures while increasing effectiveness in the decision-making process (Culetta, 2013).

The Future of Commodification within Higher Education

Higher education is transforming, and this includes the trend of commodification. According to Florida's Board of Education (BOE), the Florida College System is at the nexus of transformation—embracing innovation and fostering economic development. As part of their 2012-2013 through 2017-2018 Strategic Plan, Florida BOE will implement Enterprise Florida-related programs, erect

technology transfer and economic development centers, and create workforce literacy programs (Florida Board of Education, 2012).

In a recent study on *Responding to the Commoditization of Higher Education*, Fennell and Miller (2013) state that as the economy has slowed, tuition rates have gone up and continue to increase, and graduating high school students are treated as customers being lured into the higher education marketplace. Higher education, “is too important to society to allow its future to be determined by market forces” (Bok, 2009, p. 916).

In an article written on college and university board of trustees turning to a business-style model, governing boards of higher education institutions are increasingly demanding that the president of their institution perform more like CEOs, despite academics who feel that treating their college or university as a business does not fit the higher education mission. Experts in the field say that these moves have been spawned by state and federal funding cuts implying that presidents of universities are transitioning to running their schools like a business with their board of trustees acting as professional boards (Sampson, 2012).

Recommendations

Higher education is facing the perfect storm. The demand for higher learning is changing due to changes in student demographics—increasing in older, employed, commuter, and nontraditional students. Online education has changed to whom and how education is delivered and with the popularity of vocational schools and community colleges on the rise, private colleges are competing for fewer traditional students. At the same time, public universities have more students enrolled, but are stretched both physically and financially to meet their needs. With greater public scrutiny and additional demanding consumers, college education is being reduced to a commodity (Fennell and Miller, 2013).

High level managers within higher education need to be aware of their environment as it has become that of a marketplace filled with competitive commodities. Using the double-loop model as a tool will help top leaders delve into the complex problems, like commodification, and collaboratively find solutions that will work for that particular institution and reinforce organizational effectiveness (Senge, 2013).

As college and university presidents and boards begin to assess this conflict within their own institution, they must find out what they want to stop, start, and/or continue doing as this might mean moving resources around. The leadership team must try and understand the wants and needs of their new customers and realize, “If there’re going to invest in you, there’s going to have to be a return on investment” (Wiley, 2013, p. 12). Meaning, if students are going to invest much time, money, and resources toward earning a degree, the board of trustees must find ways to attract students to their institutions, to keep them there through graduation, and to ensure what is being learned in and outside of class (i.e. co-ops, internships, and service-learning) will assist in their employability.

Kurt Lewin’s Force Field Analysis (1943) is a tool that higher education administrators should utilize to examine driving and restricting forces that are occurring within a program, department,

unit, or policy. In this case, to determine whether or not top leaders at colleges and universities throughout traditional higher education should view their institutions as commodities. Outcomes from the force field analysis will close the loop on the double loop system by evaluating the results and determining next steps in the process (Lewin, 1943).

SUMMARY

The restraining forces of top managers in higher education not viewing higher education as a commodity yielded a score of 14. The driving force of top leaders in colleges and universities viewing traditional higher education as a commodity provided a score of 20 and is the higher of the two scores. Thus, according to Lewin (1943), since the driving forces are more than the restraining forces, change process is needed in order to re-establish equilibrium.

Conclusions

It is the responsibility of the leadership of the college or university to review its organizational effectiveness, recognize that commodification of higher education is part of the college landscape, and replace the old paradigm of policies, procedures, and promotion of the institution with new strategies through the use of double-loop learning (Rahim, 2011; Senge, 2013).

Presidents, boards of trustees, and close advisors need to go beyond surface level goals seen in single-loop learning (Rahim, 2011). It is imperative that these leaders utilize and apply the four steps in the action theory process of double-loop learning. Paired with Lewin's Force Field (1943) analysis instrument, the process can be utilized as problem-solving practices to address the commodification issue and other changes or conflict to re-establish equilibrium and increase organizational learning and effectiveness and ensure the stability of higher learning for generations to come.

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