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Grantsmanship and Consulting Policy

Ronald D. Knutson*

Abstract

Market forces, when viewed from the perspective of faculty salaries alone, clearly indicate that the highest and best use of a faculty member's time and expertise is no longer university employment. As a result, many productive faculty members are becoming increasingly dissatisfied, and many top domestic undergraduate students are eliminating academia as an employment alternative. This trend operates to the long-run detriment of the land grant university system. In part, these forces are a direct result of outdated and/or unimaginative administrative policies, inadequate reward systems, and the inability of the profession to demonstrate its productivity in terms that society understands and appreciates. Implications are drawn for land grant consulting and grantsmanship policy.

Key Words: consulting, grantsmanship, grants, outside income, administration, land grant.

The purpose of this paper is to address some of the major changes in policy that could be made to make faculty agriculture positions in our land grant universities more attractive and more responsive to market forces. This paper is written primarily for the benefit, and hopefully the enlightenment, of those administrators who do not seem to realize that the labor market in which they compete is doing a very good job of allocating resources to the highest and best use. However, it is expected to be of more than passing interest to some of my academic colleagues who, by implication, may find themselves classed as freeloaders on a system that has the effect of shielding them from market forces. So be it.

This paper is not written in the options and consequences tradition of a policy educator. Rather, it is written as an advocacy piece that contains several value judgments, leaving it to the discussant to point out the downside from an administrative perspective.

Faculty, like anyone else, logically expect to see their real income rise with age and experience. When faculty salaries are stagnant in nominal terms and declining in real terms, the progressive faculty member looks for alternative means to increase real income and to justify continued university employment. Consulting and grantsmanship, if appropriately administered, can provide that opportunity.

Market forces, when viewed from the perspective of faculty salaries alone, clearly indicate that the highest and best use of a faculty member's time and expertise is no longer university employment. As a result, many productive faculty members are becoming increasingly dissatisfied, and many top domestic undergraduate students are eliminating academia as an employment alternative. This trend operates to the long-run detriment of the land grant university system. In part, these forces are a direct result of outdated and/or unimaginative administrative policies, inadequate reward systems,

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and the inability of the profession to demonstrate its productivity in terms that society understands and appreciates.

Two terms initially need to be defined. Grantsmanship refers to faculty going out and getting grants and contracts that are brought into the university to support their research programs. In some cases, this money supports more than its share of university overhead costs. Consulting refers to faculty earning income outside the university on an hourly, daily, or project basis. Business activity outside the consulting arena, such as farming, is not considered consulting. Consulting may contain elements of grantsmanship which I will discuss in this paper.

The Land Grant Academic Market Environment

It has been some 25 years since I entered the academic profession at Purdue University in a research and teaching position. At that time, the public image toward university research and education was highly favorable. As a result, land grant university employment was a highly attractive alternative for top quality domestic undergraduate students contemplating graduate work and for new Ph.Ds entering the job market. Most new Ph.Ds had multiple job opportunities. Salary levels were competitive with industry, given the job security discount, and with government. Research support was primarily through formula funds from the federal government and from state appropriations that were generally considered adequate.

That robust market environment led to complacency. Research and extension funding were taken for granted. It was assumed that university salaries were competitive and/or that the security and pace of university employment was so desired that reductions in nominal and/or real pay levels were possible without sacrificing the quality of education (faculty).

As a result of this complacency, the system adjusted slowly and unevenly when times began to change. Administrators for some institutions within the system apparently failed to even recognize that agriculture as a share of economic activity was declining. They did not perceive that as a direct result the academic labor market was also changing, despite the fact that the land grant system was the

biggest player in that market. The market failure was at the faculty level as well as at the director/dean level. The system circled the wagons.

These administrators apparently assumed that the market was (is) perfectly competitive, meaning they could do little to affect salaries. They also apparently assumed that they did not need to adjust--that the system was sufficiently resilient to weather the storm.

Many university professors also circled their wagons. These are faculty who have sought to protect their own positions and who may not have fully recognized that the market environment in which they got their Ph.D no longer exists. They failed to recognize that they were not worth nearly as much to the real world as they thought. This either reflects that they failed to make their case effectively in support of their research or it reflects the reality of a small contribution to solving problems and generating profits. These faculty circled their wagons to protect themselves and the journals over which they had gained some control as a measuring stick for quality. The journals have become increasingly irrelevant in the real world, however. These faculty failed to heed business and government signals that rewards were to be based on productivity measured by the usefulness of research and teaching in decision making.

Consequences

At today's salary levels and with the salary adjustments being experienced at our land grant universities, one basis upon which quality faculty and prospective graduate students can justify being on the research, teaching, or extension faculty is the potential to earn outside income. Moreover, with reductions in support for formula and state-funded research and extension programs, grantsmanship has become a more important element in securing the resources required to carry out an effective program. If the increased use of nine-month appointments in land grant universities is considered, the case for concern about grantsmanship and consulting policy becomes clearly evident.

Many administrators within the agriculture components of our land grant universities appear to be light years behind the other colleges in their

universities and behind other universities in adopting policies that recognize the marketplace realities of attracting top American graduate students and retaining faculty who have value outside their academic environment. Observing the extent of consulting activity in the top engineering and business schools emphasizes the importance of this activity in maintaining top faculty.

Current Consulting Policy

A telephone survey of consulting policy was conducted during January 1993 of faculty in each of the 1862 land grant universities in the South. The survey involved contacting one agricultural economics faculty member who was known to be involved in consulting at each of the 13 Southern universities. If the first person contacted did not know the answer to all questions, an additional faculty member was contacted to supply the missing information and to verify the information already received. Current department heads and other higher level agriculture complex administrators were not contacted for the following reasons: (1) they may not be involved in consulting and (2) their observations would be expected to be based largely on that portion of the consulting that is submitted for approval -- not wildcat consulting (consulting done but not submitted for approval).

The following were the results of this telephone survey of the population of Southern land grant universities:

1. Most universities (77 percent) have a policy of allowing faculty *outside the agriculture complex* to take four days per month or 1 day per week (Table 1) of paid consulting leave. Two universities allow two days paid consulting leave per month to faculty outside the agriculture complex. One allows no official paid consulting leave to faculty.
2. Within the research/teaching agriculture component, 46 percent of the universities had the same leave policy as the rest of the university. For a majority of these universities, this policy allowed up to four days leave per month. In reality, however, the agriculture research and teaching components were less inclined to approve proposed consulting projects, more likely to view consulting as a necessary evil, and less likely to reward consulting. Half of the universities had a more restrictive policy both in terms of allowing fewer consulting leave days and less administrative willingness to approve consulting.
3. While extension typically allows the same total number of consulting days as agricultural research and teaching, extension consulting is *not allowed* within the state by 77 percent of the Southern universities (Table 1). Survey respondents reported that extension consulting leave requests were generally less likely to be approved than research and teaching requests. In-state consulting leave is allowed by 69 percent of the Southern universities for agriculture research and teaching faculty.
4. Because of the more restrictive policy in the agriculture complex, substantial wildcat consulting is done. The philosophy pursued by most faculty apparently reflects that of a former head at Texas A&M, "It's easier to get forgiveness than to get permission."
5. The quantity of consulting varies widely among agricultural economics departments. Although up to 50 percent of the faculty consult in some departments, only about 25 percent do significant consulting in most states.
6. Consulting appears to be divided equally between expert witness work and special studies. Public speaking generally was not considered to be consulting by the responding faculty. Interestingly, most of the faculty contacted did not feel that they had any faculty members good enough to command a speaking fee.
7. Consulting rates typically ranged from \$200 to \$1,500 per day plus expenses, although most charged from \$300 to \$600 per day.

Table 1. Results of Faculty Survey of Consulting Policy, Southern Universities, 1992

Policy	Agr. Research and Teaching	Extension	University Not Agr.
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Days of Consulting With Leave Per Month			
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None	3	4	1
1	1	1	0
2	4	4	2
3	1	1	0
4	<u>4</u>	<u>3</u>	<u>10</u>
Total	13	13	13
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In-State Consulting Allowed			
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Yes	9	3	13
No	4	10	0
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Source: Telephone survey of faculty.

8. Policies and attitudes toward consulting have become more liberal in the past five years, indicating adjustments are occurring in some sectors. However, only one respondent thought the university's agriculture administration felt that having faculty consult was in the best interest of the university. Instead, the agriculture complex appears to view consulting as being competitive with private business and with the academic responsibilities of the faculty member. This contrasts with the perception of the responding faculty that, outside agriculture, consulting by university faculty was expected by private sector firms and was generally viewed by the university as a positive factor in promotion and salary decisions.

9. The responding faculty felt that university administrators had a legitimate right to

approve paid consulting leave. However, it was felt that consulting on vacation time or on weekends was none of the administrators' business. This is the source of most of the wildcat consulting.

10. Responding faculty felt that it was inequitable to limit consulting while placing no restrictions on farming or other business activities. They felt that there was at least as much potential for conflict of interest and/or competitiveness with university time in these other activities as for consulting.

Grantsmanship

Just as consulting has become a necessity for faculty members who logically prefer to see their real income rise with age and experience, grantsmanship has become a necessity for both department heads and faculty who desire to see their

research program grow and be on the cutting edge of usefulness in decisionmaking. Grantsmanship, if appropriately administered, can achieve the dual goals of growth in the research program and salary enhancement. While the emphasis on grantsmanship clearly has increased, it does not appear that grants are being used as a means of augmenting faculty salaries and, thereby, rewarding faculty for the extra effort, accountability, and risk that goes into building a research program based on grants. Stated differently, the faculty who are most effective in securing grants are not necessarily those who get the highest salaries or raises.

A fax survey of Southern region department heads was conducted to determine the importance of grants as a share of the department's operating and graduate assistant budget. The operating budget, as used in this survey, was for research and teaching only. This definition was used because many Southern department heads do not have budget authority over extension. Using this definition, the operating and graduate assistant budget indicates

the discretionary monies that a department has to run its research and teaching program. The results of this survey from the 13 Southern departments indicated that, in 1991/92, grants and contracts constituted a weighted average of 63 percent of the operating and graduate assistant budget for research and teaching. Six of the 13 departments received over 60 percent of their operating and graduate assistant budgets from grants and contracts while two departments received less than 40 percent (Table 2).

As might be expected, grants and contracts as a proportion of the operating and graduate assistant budget appear to have increased substantially. While actual historical budget information was not always available, department heads estimated that a weighted average of 38 percent of their operating and graduate assistant budgets in 1981-82 was grants and contracts. When grants have not been pursued, the size of the research and teaching program has diminished. This is particularly true of

Table 2. Proportion of Operating and Graduate Assistantship Budget for Research and Teaching From Grants and Contracts

Percent Grants and Contracts	Number of Departments	Percent of Departments
0-20	0	0
21-40	2	15
41-60	5	39
61-80	4	31
81-100	2	15
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	13	100

Source: Survey of department heads.

extension. Even when grants have been pursued, program size as measured by the number of faculty has declined. Like agriculture as a whole, agricultural economics appears to be a declining academic profession.

Increases in the proportion of grants and contracts have several interesting and important impacts:

1. The contents of the departments' research programs are determined more by the faculty and the priorities of those who provide grants and contracts than by the department heads, deans, and directors.
2. As a consequence of having funding agencies and faculty determine research priorities, the research program of the university may be less oriented toward the problems and priorities of the state. However, this depends on the distribution of the grants among faculty members, the size of the grants, and the subject matter. For example, large international development grants were cited as cases in which substantial program orientation can drift away from state interests. On the other hand, an emphasis on grants can result in an increased orientation of the program toward contemporary national priorities, such as water quality.
3. The content of the research program can be expected to fluctuate more and have less continuity when grants and contracts increase. These discontinuities can reduce the productivity of the program.
4. The department's program is at greater risk. This risk extends to the research program of the faculty as well as to staff members funded on soft money and to graduate students.
5. The agriculture complex of the university loses the comparative advantage it has enjoyed in the past as a result of ample state and formula funding relative to other segments of the university. This loss is important because the agriculture complex can no longer chart its own destiny when its base of support is soft money. That makes it more difficult to attract top graduate students and faculty. The result

is a need to assess and adjust the policies under which the agriculture complex has been operating or to simply accept the fate of downsizing.

Implications

The installment of an appropriate grantsmanship and consulting policy can help to offset some of the consequences of reduced appropriated monies and increased grantsmanship. This requires that faculty members be rewarded based on their ability to attract grants. Specifically:

1. Grantsmanship should be a positive consideration in promotions.
2. Senior faculty members should be expected to bring to the university sufficient grant support to at least support their program in a meaningful way. Once again, if a senior faculty member does not attract substantial grant support, that fact should weigh as a negative consideration in promotion decisions and salary adjustments. The land grant university system has fostered a system of research funding that nurtures professors who are, in effect, freeloaders accountable only to the peer-reviewed journals created by many of the same freeloaders. An alternative superior policy would involve allocating a majority of the formula fund research dollars (say 75 percent for sake of argument) to assistant professors. Most of the remainder would be provided to associate professors on a matching basis -- the size of the match would depend on the total amount of money obtained by the associate professors and by the number of years in rank. A small amount of money should be allotted as transition funds for full professors moving from one source of grant funds to another. Full professors with no grant support should be last in the order of priority for hard money allocations and only for facilitating continuity of funding. Stated more bluntly, other incentive systems must be developed since freeloaders cannot be fired.

Some might argue that such a position undercuts the theoretical and methodological segment of the agricultural economics profession. This is not the case. Grant funds

are available to support the development of theory and methodology. If this were not true, the economics profession would not exist. The National Science Foundation is a source of grant funds for theoretical and methodological research. Moreover, the new National Research Initiative was specifically established to support basic research with funds allocated to agricultural economics research. However, the underlying need in any research institution is that scientists justify the research they are proposing and be accountable for producing useful results to users and decisionmakers.

3. In addition to taking senior faculty off freeloading status, an additional incentive for fostering grantsmanship would involve developing a grant-sharing system whereby faculty members who bring in grants are allowed to include in the grant a salary supplement or per diem for time worked on the grant. However, care must be taken not to allow such a policy to be a disincentive for team research projects. Equity in treatment is clearly the most difficult issue in using this approach.
4. There is a corollary to the free-loading researcher on the extension side of the land grant system. It exists when the specialist is provided a budget and the emphasis in evaluation is based on head-counting -- that is, determining the worth of a free extension program by the number of people who attend meetings. The inherent assumption in such a criterion is that value lies in numbers. In fact, some of these free programs are subsidized in the sense that a free meal is provided to the participants. By adopting this criterion, administrators only have to count heads and are not required to know and otherwise evaluate the content of what faculty members are doing. An alternative method of evaluating an extension program involves considering the ability of the program to be self-financed through user fees. In other words, are the recipients willing to pay for the cost of the program? This approach becomes more feasible and essential as the proportion of one-on-one extension activity increases. User fees should be set to cover the marginal cost of materials, travel, support staff, and computers. As in grantsmanship, the question also arises as to whether salary supplements should be allowed for extension faculty who find ways to finance their programs through user fees. If this were done, it could be a controllable means of dealing with the in-state consulting issue for extension faculty.
5. An important disincentive that deserves more attention than it has received involves the overhead expense taken by the university. Faculty seldom see the benefit of this overhead. Overhead would be more acceptable if faculty benefits were evident either in terms of research program or salary enhancement.
6. Any senior professor and/or extension economist worth having on the faculty should be able to earn and allowed to earn enough income from consulting to provide for a real increase in income consistent with productivity. Moreover, the capacity to earn outside income should be a primary factor in evaluating the worth of a faculty member. If a senior faculty member (associate professor or above) does not have the capacity to earn substantial outside income, that fact should weigh as a negative consideration in salary adjustments.
7. Extension, research, and teaching should operate by the same basic consulting rules as the rest of the university.