

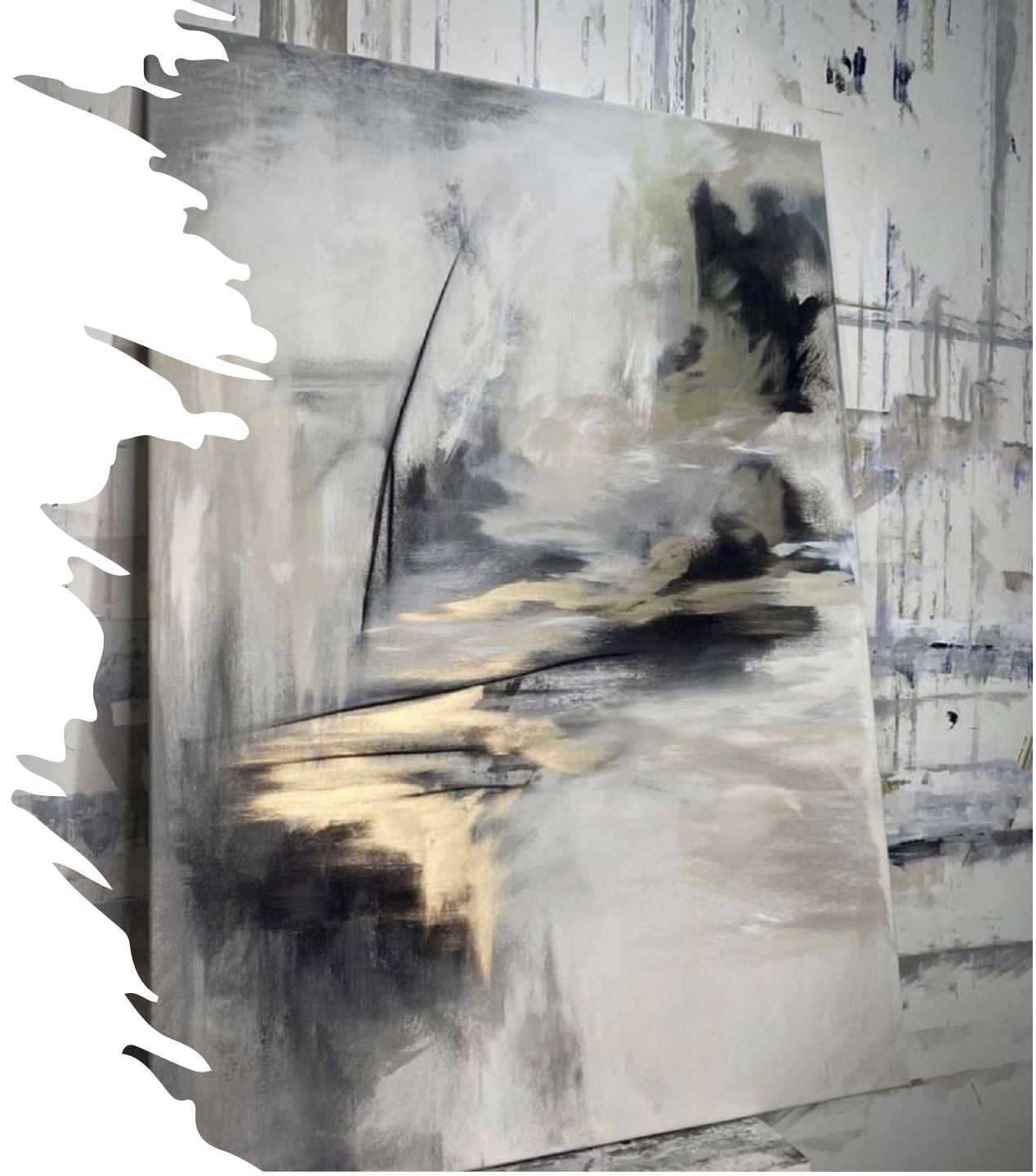


Agency, purposeful work,
and economic change:
reconceptualising the
relationship between HE
and the economy

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Aims

- Highlight the flaws in the current arrangements between HE and the economy
- Build on groundswell of critical work on human capital theory, skills, productivity etc
- Make the most of current inflection point in HE and economic thinking
- Present a new way of thinking about the relationship between HE and the economy and some linguistic tools to aid the discussion



Brief overview of the argument

- The economic purpose of higher education should be purpose itself
 - The economic purpose of HE is to prepare people for **purposeful work**
 - The economic purpose of HE is to prepare people for work in a way that drives and changes employers (businesses and other organisations) to function in more meaningful, values-driven, and purposeful ways to create a **purposeful economy**.
- Higher Education should lead to the convergence of individual, social, political and economic purpose.



'Methodology'

- Bring together ideas from HE studies, economics, business, the sociology of work, and social theory
- Based explicitly on two empirical studies:
- How students and graduates think about the value and purpose of their degrees:
 - An institutional case study
 - Semi-structured interviews with 100 graduates (graduated at different times over the last 10 years)
 - Semi structured interviews with 30 current (at the time) students
 - Fieldwork – 2018-2020
- Future skills needs for large business
 - Semi structured interviews with CEOs and Chairs from a third of FTSE100 companies
 - Funded by AHRC
 - Fieldwork – 2020-2021





Current Relationship between HE and the Economy

- As such two key ideas underpin the current relational structure between HE and the economy: **employability and productivity**.
- Rooted in Human Capital Theory
- Assumes:
 - Linear relationship between investment in education and training and financial returns in the labour market
 - A relatively simple linear relationship between increasing the level of skills in the population and increased productivity, ultimately resulting in economic growth.

Fundamental Flaws

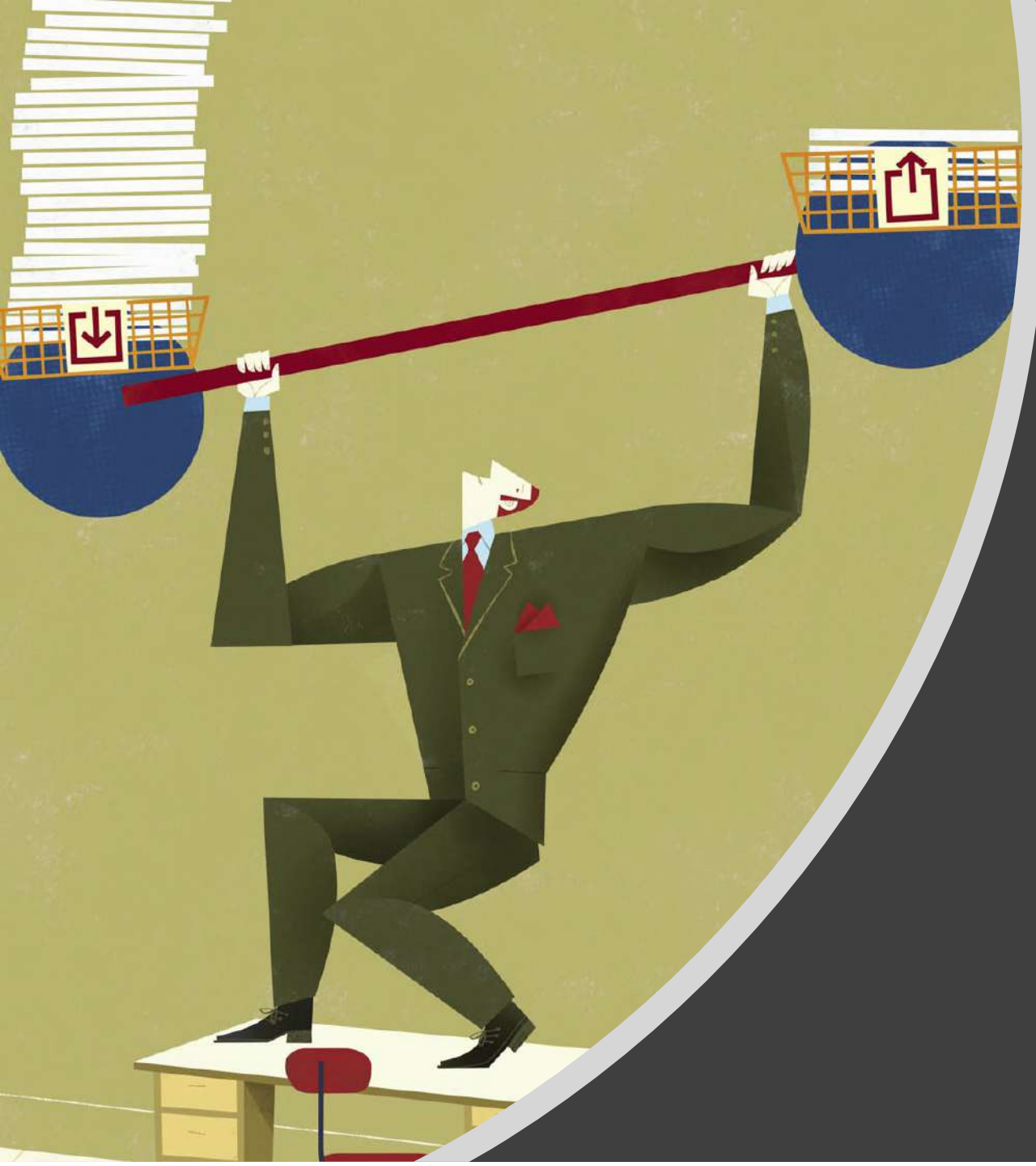
- Employability is relative good
- Even in times of economic buoyancy, it is clear that labour scarcity principles vary wildly across sectors, regions, and countries (Holmes, 2017; Green and Henseke, 2020)
- Major inequalities inherent in the labour market and graduate recruitment practices (Rivera, 2015; Friedman and Laurison, 2019; Savage, 2021)
- Labour market outcomes are a measure of societal inequality rather than a healthy economy or HE sector (Ashwin, 2020).
- Productivity is complex (Keep, 2021)





What is work: economic orthodoxy

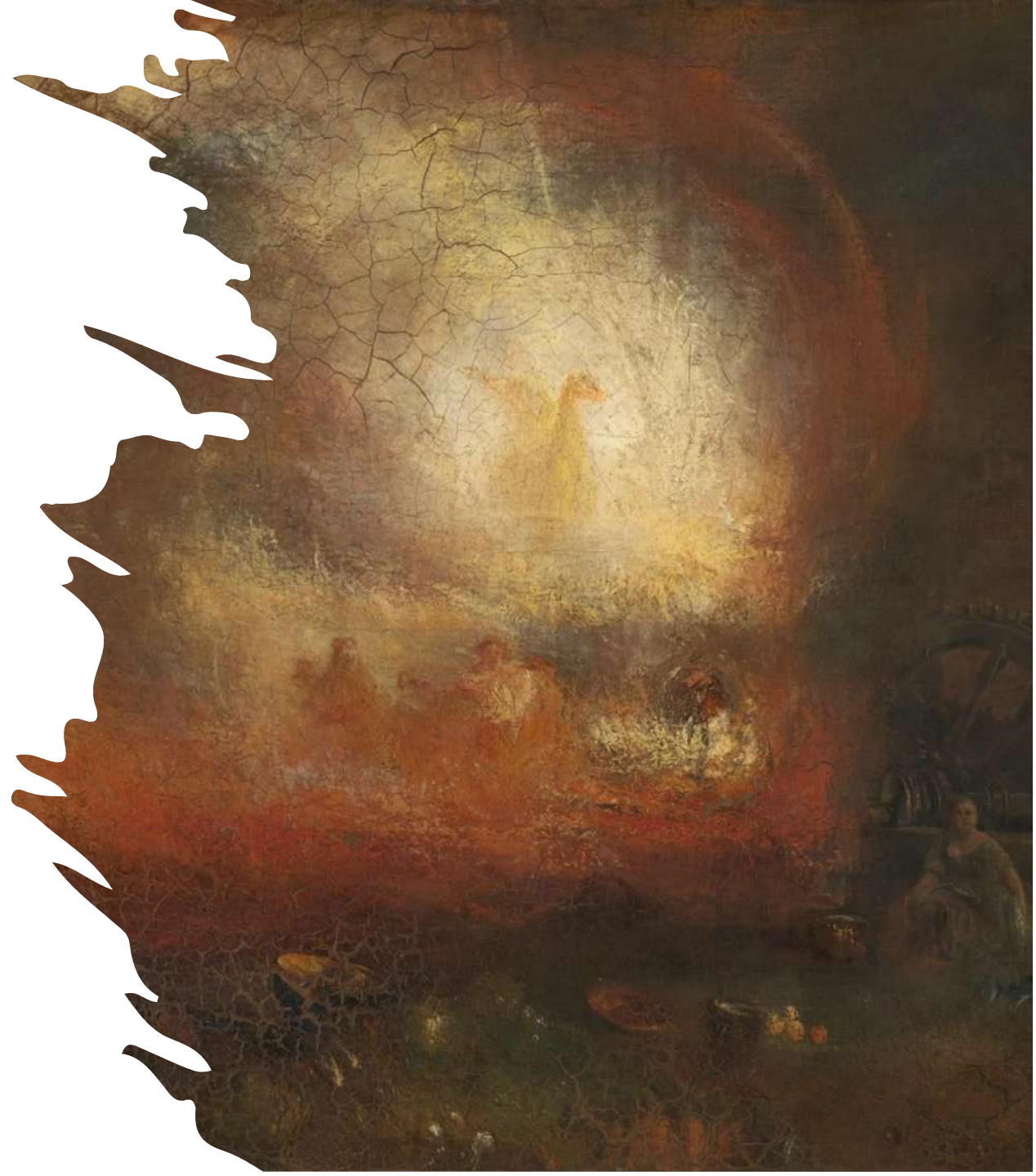
- Classical economics - work is a bad thing, something people do for extrinsic reasons, only the allure of income motivates humans to work.
- Neoclassical economics - work is a lost opportunity for leisure , people must be compensated with wages for giving up leisure.
- Cutting across (rooted in Chicago thinking) - work resistance is an innate laziness of the human condition (see Jensen and Meckling, (1976); and Williamson, (1985)
- All assume: homo economicus that craves a life without work, where consumption is maximized, and work is financially rewarded



Alternatives: Work is Purposeful

- Marx - work has meaning and importance in its own right and is the means by which humans express creativity and develop purpose (Marx, 1977). Work is fulfilling.
- Veblan (1898) - human progression is rooted in devotion to work and people's pursuit of 'useful effort' – the 'instinct of workmanship'.
- Arendt - work vs labour; work is the act of creating something outside ourselves
- Gaeber – Bullshit jobs
- All emphasise the importance of purpose in work –a 'yearning to do work in the service of something larger than oneself... more than just a paycheck'.

- 'I want work that means something. I'm not particularly bothered by the money...' (Current Student)
- 'I guess you could say I'm searching for a job that makes me feel like I'm doing something useful, you know... I've changed jobs quite a few times in the last few years, actually I've done completely different things each time... I guess that's the sort of thing that the careers department don't want you to do but... I think my degree has helped me, you know, given me the flexibility to move around trying to find the right work' (Graduate of 8 years)
- 'OK so I have to admit I do earn quite a bit. And that's nice and I am happy and fulfilled. But I'm not happy and fulfilled because of the money. It's because I have a family and I actually like what I do. I think it's important... useful... worthwhile... that's all that really matters' (Graduate of 10 years)



Purposeful Organisations: the purpose of business is changing

- Friedman Doctrine and shareholder capitalism:
 - there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud
- Alternatives:
 - Stakeholder capitalism
 - Values-led business
 - Purposeful business



Purposeful Economy

- “This new statement better reflects the way corporations can and should operate today. It affirms the essential role corporations can play in improving our society when CEOs are truly committed to meeting the needs of all stakeholders.”
(<https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>)
- ‘The crystalizing concept here is purpose-driven ESG. Companies wondering how to deliver on the long-term stakeholder goals should start by asking the questions, “What is our purpose?’
- ‘A strong purpose makes you look upwards, makes you dream, makes you think that you can be a part of it. It’s almost like the cleaner at NASA putting the man on the moon, “What’s your job?” You know, that old story [about] the guy who walks into the cleaner, “What’s your job?” He goes, “I’m putting a man on the moon”. It’s that centralised thing that pulls everybody together, that everybody feels that the job that they’re doing can contribute in some small way to the bigger desire, the bigger effort. So, I think that’s an incredibly important part of business.’ (CEO)



Purposeful economy: agency drives change

- 'People like to work for a business with a sense of purpose... people don't just get out of bed to maximise shareholder value... people get out of bed because they have to go to work, of course, but they would get out of bed much more willingly and much more happily if they know they're going to be... doing something that they believe in... and that's becoming more and more important. The next generation of workers are demanding it. Businesses have to change in response to their employees now. That's what's driving it all really' (Chair).
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- 'If you want to hire Generation Z, they will ask tough questions about what you are doing for the planet and for society. Almost 40 percent of consumers today are boycotting a product or service, not because they are unhappy with the performance but because of that company's social stance. The forces are moving very strongly in this direction'



The need for Normativity

- Individual agency is the driving force behind this kind of macro-economic change towards a more purposeful economy.
- Need to shift from **functional questions** to **normative question**
- Current Functional Questions: ‘What skills do employers demand? What skills does a growing economy need?’ and then subsequently, ‘what do education and training systems need to do to respond’.
- Normative questions: ‘what is needed to develop a purposeful economy’ and, therefore, subsequently, what role can education and training systems, and HE in particular, play in this?





Agency, purposeful work, a purposeful economy

- The economic purposes *of* HE can be found by rooting purpose *in* HE and ultimately reside in the formative nature of education, students' own formation, and the power of individual agency.
- The economic purpose of higher education should be purpose itself
 - The economic purpose of HE is to prepare people for **purposeful work**
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Thank you

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