

Find this article at:

http://www.statesman.com/opinion/content/editorial/stories/02/18/0218palaima_edit.html

COMMENTARY

Palaima: The price of corporate culture at UT

Thomas G. Palaima, REGULAR CONTRIBUTOR

Austin American-Statesman Tuesday, February 17, 2009

There are many questions being asked now about the current economic crisis, in Texas and nationally. How did it happen? Who is responsible? What can we do about it and about them? Two weeks ago, the governor and lieutenant governor of Texas disingenuously asked why regents paid out bonuses last fall to the University of Texas System's investment fund managers. Like Captain Renault in "Casablanca," they pretended it was the first inkling they had that bonus agreements had been reached.

Here are a few questions I have yet to hear asked.

In the past 30 years, schools of business have attained a prominence in higher education unmatched in our nation's history. The graduate and undergraduate accounting programs of the McCombs School of Business at UT are ranked first nationally. In the past 30 years, we have arguably educated the best business professionals in the history of the world.

Why then have we ended up in this mess? What were graduates of schools like ours taught to do? What values were they given as privileged citizens of our nation? What goals did they set for themselves and for others? Are they even trained to consider the antiquated notion called the common good? What courses do they take in history, foreign languages, international programs, government, philosophy and psychology that might make them aware of their responsibilities to our society and our world and the dangers of pursuing short-term profits that maximize their own personal compensation? Something is clearly missing if we have ended up where we are.

Part of the problem is the degree to which a corporate culture has invaded the UT campus under our last three presidents.

A \$50-million gift from Red McCombs in 2000 put the business school on a fast track. Part of his money went toward the AT&T Executive Education and Conference Center (EECC) that opened last fall. The center is UT's version of the Four Seasons and is everything Fortune 500 executives-in-training once expected and, for all I know, still expect. A standard room in the middle of March rents for \$329 per night (\$349 with Tower view) plus 15 percent tax.

A business school professor remarked to me that the only UT employees who can afford to eat lunch at the center are administrators and the few faculty and staff who happen to be on departmental expense accounts. A spokeswoman for the center said last fall that it is not intended for students, but encouraged students to study in the lounges and courtyard.

One wit calling herself Average Student then commented on *The Daily Texan* Web site that she would study there "but the loan for my textbooks fell through." She imagined UT President Bill Powers tossing "Ramen noodles from the Tower to the proletariat below" and declaring, like a Longhorn Marie Antoinette, "Let them go to A&M.;" At least the center has inspired satire Evelyn Waugh would have appreciated.

This brings me to my last question for today: Who guards the guardians?

UT's regents and president OK'd a Versailles-like business palace that has no place at a public university. They recently authorized a salary increase of \$475,000 for an assistant football coach. Gov. Rick Perry and Lt. Gov. David Dewhurst said nothing. A \$17-million south end football stadium upgrade is underway on top of the \$250 million dollars spent on sports facilities since 2003.

The salaries of UT's coaches, athletics directors and president have skyrocketed in recent years. The average professor's salary rose 25 percent in the six fiscal years 2002 to 2008 (\$73,845 to \$92,249). The president's salary between 2004 and 2009 rose 81 percent from \$331,000 to \$600,600. His salary increase alone could have hired almost four faculty members.

UT's president can afford a room with Tower view at the AT&T; EECC and one of more than 100 skyboxes for rent at UT athletics facilities. But the more upper administrators make and the more they and other wealthy Texans, including regents, look down from skyboxes, the less they see and prudently manage the university where students wait for book loans while eating Ramen noodles.

Palaima (tpalaima@sbcglobal.net) is a UT professor.