

# The Opportunity Costs of Faculty Status for Academic Librarians

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*Faculty status for academic librarians is a topic which has consumed the attention of the profession for the last forty years. Very little of the discussion has focused on the costs this status imposes on the institution. This article attempts to point out and document the economic costs of this model, while at the same time encouraging campus and library managers generally to employ economic principles as a methodology by which to analyze their institutions.*



According to economists, an opportunity cost of a product or service is "the value of what must be given up in order to acquire the item or perform the service."<sup>1</sup> These costs are called "opportunity" costs because they represent the opportunities the individual or agency must forgo to achieve the desired output although they include the actual dollar outlay. For example, the opportunity cost of the library purchasing a book includes not only the purchase price but also the staff time spent processing, reshelving, and repairing the book over its shelf life.

Faculty status for academic librarians is a topic which has consumed the attention of the profession for the last forty years.<sup>2</sup> More has been written about this subject than about any other related topic in academic librarianship.<sup>3</sup> However, very little attention has been paid to the opportunity costs of faculty status as a component of the total cost of library services. No one has attempted to attach a dollar value to these opportunity costs

in the way an economist would.<sup>4</sup> This article will show that there is a certain amount of value to be gained from this kind of analysis. Certainly it is important to understand that, whatever the benefits, faculty status is not cost-neutral.

An economic modeling of faculty status cannot proceed without a definition of terms. Over the years, faculty status for librarians has meant different things at different institutions. For purposes of simplicity and consistency, the authors have interpreted faculty status as defined in the 1992 Association of College and Research Libraries (ACRL) "Standards for Faculty Status for College and University Librarians."<sup>5</sup> In order to provide consistent data sets, the study population has been confined to one subset of academic libraries—those that are members of the Association of Research Libraries (ARL).<sup>6</sup>

The institution of faculty status imposes real and opportunity costs on an academic library. The real costs of faculty status include travel expenses for attending conferences, resources for

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writing papers and sending surveys, and other research costs. Some portion of these costs are also incurred at institutions without faculty status. The opportunity costs of faculty status include the value of the time that librarians use to pursue research interests in addition to the financial costs. The time costs include sabbaticals and other forms of release time, such as the hours allowed the librarian each week to write scholarly articles or give presentations outside the library. As with teaching faculty, additional persons must be hired to do the work of the librarian pursuing tenure or promotion. Alternatively the tasks are absorbed by other staff members. If the librarian's task/function is not performed, the consequence for the patrons is a loss of service. This could include delays in implementing new services, the accumulation of cataloging backlogs, or the loss of collection development expertise and hours at the reference desk. There are also across-the-board overhead costs. The peer review process, used to monitor the production of research and perform quality

control functions, involves time spent by all librarians to review files and meet collectively.

For example, figure 1 shows the hours of work of four catalogers at a typical academic library with faculty status. Catalogers A, B, and C work full-time cataloging books. However, part of their 35-hour week includes time spent in professional development. At the same time, cataloger D is on sabbatical. The net cost of the professional development time by these four librarians is 51 (5+9+2+35) hours. If replacement catalogers are paid \$15 per hour (or \$525 per week), then faculty status results in a real cost to the library of \$765 per week. While each of these catalogers may spend additional hours engaged in research beyond the 35-hour week (research on teaching faculty shows that faculty spend 50+ hours a week at their jobs), the time spent during the 35-hour workweek has a real cost to the library.

Another way to look at this is in terms of potential "overstaffing" costs. If a library has set certain performance goals,

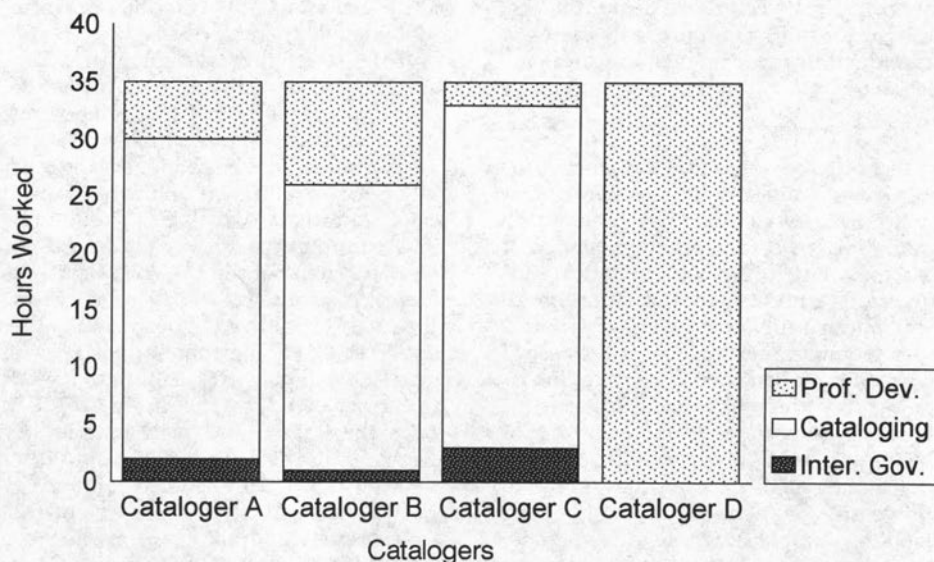


FIGURE 1  
Cataloger Hours

such as no book or order sits in any Technical Services Department longer than two days, staffing levels must accommodate both these goals and the need for professional development activities. Using the previous example, the library will then be paying for an additional 51 hours a week, representing an added cost to library services. From a public services point of view, if a reference desk must be staffed by a minimum of two librarians for 90 hours a week, and the available pool of librarian hours is reduced because of the need to spend time working to sustain faculty status, the pool of available hours will have to be increased across-the-board. A recent study on reference desk staffing adequacy also raised the concern that the quality of reference service is suffering because of inadequate staffing.<sup>7</sup> In either case, the time spent on research by librarians will cost the library additional resources.

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**When 51 hours of catalogers' or reference librarians' time are spent writing rather than cataloging or serving on the reference desk, it takes longer for books and journals to be cataloged or for reference inquiries to be answered.**

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It should be noted that these opportunity costs are not unique to library faculty. Faculty status has the same potential costs for teaching faculty. If teaching faculty are on sabbatical, adjunct or visiting faculty must be hired. The opportunity cost of a teaching faculty member on sabbatical is the cost of employing an adjunct to replace him or her. Just as the cost of faculty status for library faculty should include the cost of hiring replacements, so should the cost of teaching faculty. In fact, in response to university financial pressures teaching faculty are increasingly being judged by the amount of external grants they generate for the university. Teaching faculty "buy-outs" of classes and sabbaticals frequently come as the result of generat-

ing external grants to pay for an adjunct. The resulting cost to the university of hiring adjuncts or additional staff for teaching faculty or librarians is the cost of these additional employees minus the amount of external funds generated.

However, the dollar amount necessary to replace hours lost to professional development, \$765 or 51 hours in our previous example, is a conservative estimate of the full cost of faculty status for university librarians. If replacement catalogers are not hired, the opportunity cost of faculty status is larger than this. It is the value of the productivity lost as a result of librarians spending these hours in professional development. When 51 hours of catalogers' or reference librarians' time are spent writing rather than cataloging or serving on the reference desk, it takes longer for books and journals to be cataloged or for reference inquiries to be answered. This time delay denies faculty and students access to information. The opportunity cost of faculty status equals the lost benefits of access to this information during the time delay (see Richard Meyer's article "Earnings Gains through the Institutionalized Standard of Faculty Status" for a more detailed data analysis).<sup>8</sup>

To illustrate this concept further, assume that a librarian catalogs an average of four books an hour. Then 51 hours of cataloger's time equate to 204 books a week that will not be cataloged until the following week. Each book that is not cataloged is not available to the university community for use during that week. Each use of a book by a patron has a benefit to that patron. The benefit of the use of a book is the perceived value of access by the patron. To receive this benefit, each patron is willing to spend his or her own time to acquire the book from the library and read it. The expected value or expected benefit of the book to the patron can be assumed to be at least as much as the value of the time spent in acquiring and reading it. Assuming that patron benefits from the use of books can be quantified and ranked from highest to lowest, the lost opportunities or benefits from the use of

books that are not accessible to the patrons as a result of a one-week delay can be measured.

Figure 2 shows the total benefit of new books to the university community per week. Each book made available each week provides a benefit to a library patron. Since there are no quantitative studies of the value of a book in the library to a patron, the values in figure 2 are assumed in order to illustrate the opportunity cost. In figure 2, the initial 200 books cataloged in a week provide a benefit, by assumption, of \$2,000 or, on average, \$10 per book. The 200th through 400th books provide an additional benefit of \$1,800, or \$9 per book, for a total benefit of \$3,800.

In the faculty status model, the cataloging of 204 books is delayed by one week. If 1,204 books could be cataloged in a given week but only 1,000 books are cataloged, then, according to figure 2, the university community would lose \$1,000 in potential benefits. Thus, the opportunity cost of faculty status is the benefit lost to the university community

of \$1,000 rather than simply the replacement cost or real cost of \$765 for the four catalogers.

The institution of faculty status is assumed to benefit the university community in the form of a more productive library that employs higher-quality librarians and enhances the work of researchers. Evidence of a more productive library might include more journal articles published by the university community, more grants received, or, simply, more patrons visiting and using the library. However, Richard Meyer concludes that teaching faculty in universities with libraries that have faculty status are less productive, not more.<sup>9</sup> Another assumed benefit of faculty status is that the time and effort spent on achieving faculty status should "pay off" for the library and the librarian, resulting in a higher salary. However, although Meyer showed that faculty and librarian salaries were on a par at one particular institution, Clemson University, other research has shown the contrary—that either there is no statistically significant

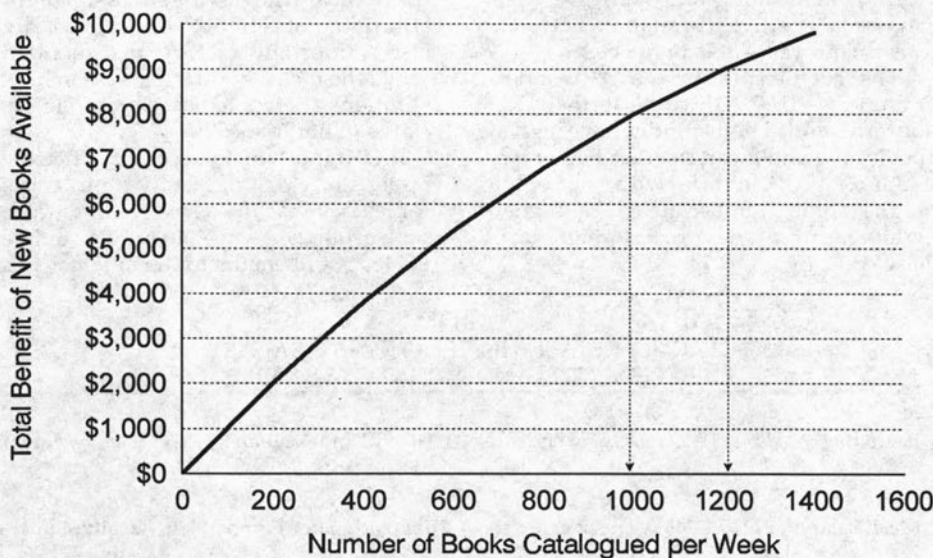


FIGURE 2  
The Total Benefit of New Book Use per Week

difference or that salaries are lower in institutions with faculty status.<sup>10-12</sup>

The effect of faculty status on librarian salaries can be checked using data on ARL libraries' beginning and mean salaries and average years of experience, ARL index numbers, and whether or not librarians have faculty status.<sup>13-15</sup> ARL index numbers are calculated from volumes added to collections, staff size, collection size, total serial holdings, and budget. These secondary data, arguably imperfect, can be considered reasonable proxies for library status, quality, and level of institutional support. When beginning and average salaries for university libraries at 101 ARL libraries were regressed on faculty status, average years of experience, and the ARL index number, the results shown in table 1 were obtained.

The coefficients on the years of librarian experience (+1112, +248) indicate that libraries with higher average years of experience pay their librarians more.<sup>16</sup> A library with an average of fifteen years of librarian experience has a mean salary, on average, \$248 higher and a beginning salary, on average, \$1,112 higher than a library with an average of fourteen years of librarian experience. This shows a positive correlation between salary and years of experience.

The coefficients on the ARL index numbers (+1150, +812) indicate that ARL libraries with a higher index have higher beginning and mean salaries. Beginning salaries at ARL libraries with a one point higher index number are \$1,550 higher while mean salaries are \$814 higher, all else constant.

However, the coefficients and standard errors for faculty status indicate that there is no statistically significant effect of faculty status on librarian salaries at ARL libraries. In addition, the coefficients on faculty status (-1118, -46) are negative; i.e., faculty status results in lower salaries, not higher. While there may be other benefits to faculty status such as paid leaves, travel support, or other fringe benefits, there is no evidence of an increase in salary.

As an additional check, the effect of faculty status on the ranking of an ARL library was examined. If faculty status provides a benefit of increased productivity, it would be expected that more productive university libraries would be more likely to have faculty status. However, when the correlation between the ARL index number and faculty status is calculated, the correlation coefficient is -0.14. This indicates that the typical university library with faculty status has a mean ARL index number 0.14 less than the typical university library without faculty status. Charles Lowry's research shows that institutional status (private or public) and classification (from the Carnegie Classification of Institutions of Higher Education) are also important factors that explain why "the oldest and largest research institutions are less likely to grant faculty status to librarians."<sup>17</sup>

It is important to recognize that the opportunity cost of faculty status exists for teaching faculty as well as librarians. Both groups may need to provide ample evidence of benefits to the university in

TABLE 1  
FACULTY STATUS IN RELATION TO SALARY,  
EXPERIENCE, AND ARL INDEX NUMBER

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Beginning = 24447 + 1112 (years of experience) + 1550 (ARL index number) - 1118 (faculty status)		
(224)	(510)	(971)
Mean Salary = 22225 + 248 (years of experience) + 814 (ARL index number) - 46 (faculty status)		
(118)	(267)	(510)

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Note: Standard errors are in parentheses. Faculty status is a dummy variable that takes on the value of 1 when the library has faculty status and 0 otherwise.

order to justify the short-term and long-term costs of giving employees lifelong contracts. Faculty status may or may not work to the institution's advantage. However, that decision can only be made when both the benefits and the costs of faculty status are considered.

The philosophical debate as to the pros and cons of faculty status for academic librarians will probably continue *ad infinitum*. In January 1992, ACRL sponsored a think tank to focus on issues evolving from faculty status for academic librarians. The subsequent report—"Faculty Status: 2001"—outlined an agenda to strengthen the concept of faculty status during this decade.<sup>18</sup> This agenda has met with some negative reaction.<sup>19</sup> Beth Shapiro's rebuttal of ACRL's position drew an immediate and lively response from the readership, ample proof that this topic is still being hotly debated.<sup>20</sup>

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At the same time, the workloads of individual librarians are increasing. Automation of library functions (both managerial and patron driven) has added new services, increased workloads, heightened the need for retraining and additional computer skills, and contributed to both the burnout and stress levels attested to in the literature.<sup>21</sup> Librarians are rethinking their *modus operandi* in response to the Digital Revolution and changing models of information delivery.<sup>22</sup> The move toward

the Virtual/Digital/Electronic Library is bringing librarians closer to their colleagues in the Computing Center who do not usually have faculty status (see Diane Cimbala's discussion of the issue of faculty status in her model for a "scholarly information center").<sup>23</sup> Will there be a trend toward combining all information jobs into one (or several) information families? Certainly if Anne Woodsworth and Theresa Maylone's conclusions hold true, a move from faculty lines to computing lines would have financial benefits that, according to Applegate, faculty status has not provided.<sup>24,25</sup>

Academic libraries are currently being compelled to look at the economics of library services. The high cost of doing business in the Information Age and the escalating cost of acquiring materials have contributed to an increased concern with the economics of library operations. It is unlikely that any administrator attuned to the sensitivity of the issue of faculty status among librarians would seriously consider changing the status quo unless there was a strong and reasoned demand for change on the part of the library faculty. However, since faculty status for librarians is not cost neutral, campus administrators would do well to integrate this fact into their thinking as they look at revised models of information delivery across the campus. Librarians would also be advised to analyze how well the faculty status model has served their purposes over the years and whether or not, as Fred Batt states, force-fitting librarians into the teaching faculty mode is comfortable.<sup>26</sup> If this model is found to be lacking, then perhaps it is time to develop a new model that more appropriately serves the patrons' and the librarians' needs in this brave new world of electronic resources and information access.

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