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a matter of degrees

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americans value few things more than a college degree. but what exactly does a degree do for people? although college graduates do have higher incomes, the reasons why, and our ever-increasing need to acquire educational credentials, are tied to larger social forces.

Americans value few things more than college degrees. Right now, 29 percent of adults over age 25 have a bachelor's or higher. That figure has more than doubled since the 1970s, and many within the educational establishment argue it will have to increase significantly for the United States to remain globally competitive.

The number of graduate degrees also continues to rise—masters' have doubled since 1980 and record numbers are enrolled in mas-

ter's programs, a recent article in *The New York Times* reported.

In many ways these numbers aren't surprising. Early on, students learn that a college degree is the starting point to

making it in American society. Indeed, both the Clinton and Bush Administrations touted a college degree as the most expedient way to ensure economic well-being.

Media reports periodically reinforce such beliefs, reminding us that degree-holders have important income advantages. A recent news story in *The Washington Post* reported that in tough economic times, those with college degrees are much more likely to avoid lay-offs and maintain their incomes than those with high school diplomas or less.

Few college students learn job skills. In the business curriculum, not all areas focus on acquiring specific skills. In the social sciences and liberal arts, there is little or no skill-training.

the purpose of degrees

needed to acquire educational credentials, are tied to larger social forces that sociologists have explored—forces that will continue to impact all those trying to climb the ladder of success.

But what exactly do degrees do for people? The conventional wisdom holds that college graduates acquire skills that better prepare them for the world of work, which makes them more attractive to employers. Thus, students and parents are willing to pay the continually rising costs of higher education, assuming the pay-off will be worth it.

Although college graduates do have higher incomes, the reasons why, and our ever-increasing

The most popular view on the purpose of a college degree is known as the human capital model, which argues students attend college to acquire the knowledge and skills modern societies require, and that this allows them to obtain meaningful employment.

It's the model most students seem to accept, too. For example, surveys conducted by UCLA's Higher Education Research Institute found that

72 percent of college freshmen cite "to get a better job" as the major reason for going to college.

However, if the human capital model is correct, it must be assumed students acquire skills in the classroom that are directly transferable to the job. One can certainly argue certain majors like accounting and computer science offer more skill-training than others, and research indicates that with these types of majors, employers do tend to hire on the basis of perceived skills.

The fact of the matter is, though, most college students don't major in areas that teach job skills. Some 22 percent of students currently major in business, but even within the business curriculum not all areas of study focus on acquiring specific skills. Moreover, many students continue to major in the social sciences and liberal arts, where there is little or no skill-training.

Along these lines, it would be logical to assume those possessing the necessary job skills, as indicated by their college major, would be more productive. Yet, the research that does exist on this idea suggests job productivity isn't significantly related to major.

Perhaps a more important question is, how much do students actually learn in college that could be applied to their job? In this regard, the Major Field Tests administered by the Educational Testing Service are designed to assess student learning by college major. Approximately 700 colleges use the tests, and on average, students answer slightly more than half the questions correctly, indicating that although some learning does occur, it doesn't appear to be substantial. Thus, although the human capital model tells us something about the purpose of degrees, there's certainly much more involved.

Another prominent theory holds that degrees are screening and sorting devices for employers,

and this is supported by the work of organizational theorists like Herbert Simon. He argues human beings possess limited information processing abilities, which he calls bounded rationality. Due to these limitations, we use various techniques to make things simpler. One technique is to apply heuristics, or "rules of thumb," rather than more complex decision-making processes that would require substantial amounts of time and effort, to say nothing of the costs involved.

For example, it isn't unusual for employers to receive many more job applications than they can reasonably handle. To ease the process, employers limit the applications they'll seriously

consider to those who hold a college degree, or a degree in a certain major, or even require a graduate degree.

It does seem obvious that employers use degrees as screening devices. Yet, the fact that degrees are used in this way raises questions about their real meaning to employers, and this is where sociological research can provide valuable insights.

why we credential

Max Weber is credited with being the first sociologist to closely examine the function of degrees. He concluded educational credentials had much less to do with acquiring job skills than providing occupational and professional groups with a way of excluding certain individuals. The ability to exclude not only gives these groups power but helps ensure those hired will be loyal to the organization.

Weber's basic insights provided the foundation for modern credentialing theory, the most important work about which remains Randall

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century and the rise of large-scale bureaucratic organizations where individuals with management skills were needed. It was assumed college graduates possessed the cognitive and verbal abilities good managers needed, which also reduced the uncertainty associated with hiring. Interestingly, studies do show college tends to increase cognitive abilities, so in many cases these assumptions weren't unfounded. Nonetheless, degrees provided a claim of competence or status that came to be taken for granted.

Thus credentials, as David Labaree points out in his book *How to Succeed in College Without Really Learning*, have exchange value because they allow students to obtain employment based largely on the status a degree confers. However, much less use value is apparent because the connection between degrees and actual job performance is questionable.

the pay gap

Many students pursue a degree to position themselves to earn a higher income, and it has been well established that college graduates earn more. In fact, four-year degree holders earn nearly 45 percent more per year than high school graduates, according to the U.S. Census Bureau. Indeed, the pay gap is one of the strongest arguments for the conventional wisdom of the human capital model, because it seems to demonstrate that employers are willing to pay for the skills college graduates possess. On the other hand, it's difficult to know exactly how much degrees are really worth because the most capable students go to college. As a result, there's no control group of equally capable, non-degree students available for comparison.

Nonetheless, credentialing theorists would agree that income and degrees are clearly related. Research by Ross Boylan found the largest gains in income occur soon after obtaining a degree. In

Collins's *The Credential Society*. His detailed historical and social analysis supported Weber's contention that degrees allow certain occupational groups to exclude individuals, and that even business degrees seldom provide actual job training but do serve as indicators that a potential employee possesses the correct values that make compliance with organizational standards more likely.

There are always uncertainties about how new hires will adjust. The last thing most employers want is for them to "rock the boat," which could threaten stability within the organization. It's assumed individuals with the appropriate college degree will be more likely to fit in, but why? Part of the answer is self-selection. That is, students choose a college major that appeals to them, hoping to land a job and the start of a career, and hence are more than willing to conform. On the other hand, it's also likely that being exposed to a curriculum socializes students to acquire values associated with a profession. For years sociologists have investigated this so-called "hidden curriculum."

For example, prospective managers are taught that their interests and the interests of workers are often in conflict and that their loyalties should be tied to management. Credentialing theorists have also suggested possessing the appropriate values is particularly important in higher-level positions, where individuals are often given more autonomy and are less likely to be closely monitored. So perhaps it isn't surprising that business researchers Nasrollah Ahadiat and Kenneth Smith discovered employers considered "professional conduct" the most important attribute when hiring accounting graduates.

Besides conformity and control, credentialing theory emphasizes that degrees also confer status on those who hold them. Along these lines, sociologist David K. Brown traced the development of the credentialing system to the late 19th

this regard, reports from the Bureau of Labor Statistics show income gains for students are small unless they obtain a credential, even though students could certainly acquire job skills without earning a degree.

Consider that the median weekly income of individuals with some college but no degree in 2004 was \$574, compared to \$916 for those with a bachelor's. This suggests degrees do serve as status indicators. Just as important, Boylan found income gains experienced by degree holders are often relative. That is, as the number of people with degrees increase, degree holders take jobs formerly held by high school graduates. Hence, the relative value of a degree actually increases because non-degree holders are forced into even lower-paying jobs.

One result, according to D. W. Livingstone in his book *The Education-Jobs Gap*, is that workers are often underemployed, because employers have increased the educational requirements for jobs whose basic content hasn't changed. Research by Stephen Vaisey discovered that nearly 55 percent of workers are overqualified, which has produced increasing levels of job dissatisfaction, to say nothing of the fact that workers are forced to pursue even higher, increasingly expensive credentials (which is particularly burdensome to lower income groups) if they want a chance to be hired.

This phenomenon has been termed "defensive credentialing," where students attend college to keep from losing ground to degree holders. As one student recently put it, "I don't like college much, but what kind of job can I get without a degree?" Similarly, as the number of bachelor's degrees climbs, more have pursued graduate degrees, hoping to gain some advantage. This also helps explain the increase in the number of master's degrees.

credentialing and higher education

The role of higher education in a credentialing system seems obvious—to grant degrees to those who earn them. But there's still more involved. Although higher education certainly responds to the demands of industry and students for credentials, colleges haven't just been passive participants waiting for students to enroll. They've used the credentialing system to their advantage, having relied on demographic changes.

By the late 1970s, higher education faced a troubling reality. The education of the baby boom generation that had produced the so-called "golden years" of higher education, when enrollments tripled, was coming to an end. The last of the boomers would be graduating in a few years and the future looked grim. The Carnegie Council warned enrollments could decline by as much as 50 percent, while others predicted 30 percent of colleges might have to close or merge. To survive, they would have to recruit more students from a dwindling pool.

Hence, colleges began to enroll a more academically diverse group of students and recruit more women and minorities, many of whom represented first-generation college students. To a lesser extent, the situation was helped by the fact that more students were completing high school. According to the U.S. Department of Education, between 1972 and 1985 high school completion rates increased by roughly 2.6 percent, and then climbed by about 3 percent by 1999.

Moreover, the curriculum, particularly at less prestigious institutions, was expanded and further vocationalized. In fact, W. Norton Grubb and Marvin Lazerson in their book *The Education Gospel and the Economic Power of Schooling* maintain that expansion in higher education has only occurred when more occu-

institutions, a nearly three-fold increase since the 1970s.

Similar to trends in traditional undergraduate education, many of the new adult students were females, to the point that 57 percent of all college students now are women. A number of older students also returned to college to complete degrees they had started earlier in their lives. According to the U.S. Department of Education, 52.5 percent of adults over 25 have some college but no degree. These students also tend to be attracted to more

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occupational majors, and perhaps came to the realization that without a degree their incomes wouldn't increase much, which is consistent with the research findings. This trend, along with a growing number of graduate students, further boosted enrollments. Thus, the predicted declines in enrollments never happened, and attendance increased over the years.

Why? Obviously, factors like a more vocationalized curriculum and the willingness of colleges to enroll a more diverse group of students played a role. Yet, a purely economic explanation can't entirely explain the increases. If this were the case, enrollments should have declined at some point because the value of degrees diminishes as their numbers increase.

The most plausible explanation is that the relative (if not absolute) value of a credential rose, providing degree holders with an income advantage. Interestingly, researchers at the Economic Policy Institute found that during the 1990s, the pay gap between college graduates and those with less education could largely be explained by the decline in wages of those without degrees, not increases for those with them. Thus, it seems likely many new college students were simply protecting their own interests,

pational majors have been added to the

curriculum. In the early 1970s, 58 percent of majors were considered occupational and by the late 1980s that figure had climbed to 65 percent. These types of degrees can be particularly appealing to first-generation college students, who often come from working- and lower-class backgrounds and want a degree that seems to improve their chances for employment and justifies the considerable investment.

New degree programs were often in subject areas that in the past hadn't required a bachelor's degree for employment. For example, females who might have

needed a certificate or an associate degree to secure work as a secretary could now earn a four-year degree in office management. Such was also true for other areas, ranging from various medical technologies to the performing arts, which reinforced the credentialing system in two significant ways. First, a more diverse group of students earned degrees, many of whom might not have obtained them in the past. Second, by creating new majors, credentialing was expanded into vocational areas not traditionally associated with a four-year degree, while at the same time reinforcing the notion that a college degree imparts job skills.

The efforts to enroll more students clearly succeeded. In the early 1980s, one-half of high school graduates attended two- and four-year colleges, and by the mid-1990s that number had climbed to two-thirds. In addition to attracting more traditional-aged students, major efforts were successfully undertaken to recruit older adults. By 2000, adult students represented 43 percent of all those enrolled in degree-granting

fearing they would fall further behind without a degree. All of which created a momentum of its own that allowed higher education to expand.

For the foreseeable future, there appears to be few alternatives to a credentialing system that dates back more than a century. Indeed, Collins has speculated that such systems can last 200 years. Thus, higher education as we know it will obviously continue and college graduates will enjoy income advantages.

However, this isn't to say the system may not weaken. It appears, in fact, the pay gap between four-year degree holders and high school graduates is beginning to narrow, which could dissuade some from attending college, particularly if tuitions continue to rise. Although the reasons for this aren't entirely clear, some hypothesize that secondary education has improved, making high school graduates more attractive to employers. Other research indicates there's little, if any, monetary advantage to obtaining an MBA (the most valued of master's degrees), unless it's from a prestigious school.

If this sort of information ever becomes widely known, graduate enrollments could be negatively impacted. Moreover, how individuals are hired could be altered. Employers could begin to put less emphasis on degrees and more on other criteria, including job performance tests, experience, and motivation. However, such changes have been discussed for years but have never been widely implemented.

RECOMMENDED RESOURCES

Ross D. Boylan. "The Effect of the Number of Diplomas on Their Value." *Sociology of Education* (1993) 66: 206-21.

Shows how the relative value of college degrees has increased while their absolute value has not.

David K. Brown. *Degrees of Control: A Sociology of Educational Expansion and Occupational Credentialism* (Teachers College Press, 1995.)

Documents the development of the credentialing system to the late 19th century and how it came to be assumed that degree holders had certain traits that made them more attractive to employers.

Randall Collins. *The Credential Society: An Historical Sociology of Education and Stratification* (Academic Press, 1979).

A detailed historical account of the credentialing system and its implications for American society.

W. Norton Grubb and Marvin Lazerson. *The Education Gospel and the Economic Power of Schooling* (Harvard University Press, 2004).

Discusses the rise of vocationalism and its continuing impacts on higher education.

D. W. Livingstone. *The Education-Jobs Gap: Underemployment or Economic Democracy* (Westview Press, 1998).

Suggests workers are increasingly underemployed because the educational credentials required for jobs has risen even though the content of most jobs has not essentially changed.

Eric Margolis, ed. *The Hidden Curriculum in Higher Education* (Routledge, 2001).

One of the first attempts to describe and analyze the hidden curriculum at colleges and universities.

REVIEW QUESTIONS

1. In what ways is higher education more than a skill-training effort? What other important functions do the college years serve? How might these impacts and outcomes vary by institution or student?

2. The authors talk about "capable" students. Give examples from your own experience of how educational achievement (or failure) is used to make assumptions about a person's character.
3. Define "defensive credentialing." What impact might an economic recession and a

- tight labor market have on this rationale for education?
4. Activity: List five reasons you are in college and compare them with a classmate's. How do you think your reasons compare with those of the majority of the U.S. college population?