PROPOSALS FOR INSTITUTIONAL REFORM

University Governance As a Principle-Agent Problem

DAVID SCHMIDTZ*

ABSTRACT

My work has always taken its cue from an ancient moral question: "how to live" as Plato put it. I call that a question of self-governance to mark it as potentially continuous with topics of corporate self-governance in general and university governance in particular. Since university governance manifestly is a hot topic, I will pause from time to time to reflect on what my colleagues in this symposium are saying about current events, but my focus is on self-governance, including how universities govern themselves, and on what is illuminated by treating self-governance as a principal-agent problem.

TABLE OF CONTENTS

I. SELF-GOVERNANCE

Self-governance is about deciding: how to live; how to understand a mission; how to articulate, pursue, and really mean it; and also when to change it. In economics, a well-defined decision is characterized as maximizing utility with respect to a budget constraint. Simple in theory, but in practice, there is a problem. Namely, our world does not give us substantial enough constraints to make our decision problems well-defined. Instead, we operate under specific budget constraints because we *decide* to operate under them.

For example, if I seek lodging, I do not infer from my life expectancy of twenty years that I have twenty years to find a place. Neither do I treat my net worth as the factor that limits how much I can spend on lodging. Such constraints are given but are not sufficiently constraining to be what humanly rational choice needs from a budget. Humanly rational choice is choice within a context of having other things to do. Accordingly, my time budget is defined not by my life expectancy but by something more immediate, such as where I aim to be Monday morning, the first day of my new job.

Being constrained only by the world often would look like a mental illness. For example, if my night at the casino were constrained by my net worth plus my borrowing power, that would make me a gambling addict rather than someone setting up for a carefree night at the casino. Because life goes on, we do not want to burn through our life savings in one night, and therefore, we impose a spending allowance for that night. The world does not decide that I cannot spend next month's rent at the casino tonight. I decide that. It goes with being an adult.

A related point: gambling addicts can talk themselves out of their chosen budget, but humanly rational choice is partly about not reverting to decision-making mode when there is nothing left to decide. For example, I had some fun tonight, but my evening at the casino is done. I already drew a line. I decided what needed deciding. Treating myself now as having another decision to make would constitute a loss of self-control.

The budgets we choose to impose upon ourselves, if we choose well, reflect awareness of an imperative for particular compartments in our lives—as defined by our chosen budgets—to leave room for other compartments that jointly make up a whole life. The details often are somewhat arbitrary, but what is not arbitrary is that we need to limit ourselves so that what we invest in one pursuit leaves room to get on with other things.

We don't *calculate* what is the best life overall. Big pictures are not pictures of calculation. Life as a whole is not a sufficiently well-defined space for the problem of optimizing an overall life to come down to mere calculation. Real answers to questions about life as a whole turn out to be ways of crafting spaces within an overall life that no theory can crank out as a theorem but that nevertheless make intuitive sense when we put them together.

To summarize the point so far, budgets are tools of self-governance. Some constraints, as per ordinary models, are constraints we discover. Many, however, are

constraints that we choose to impose on our maximizing choices so that they leave room for other compartments in an overall life.

One final point about humanly rational choice: budgets are *input* constraints that limit how much we can spend within particular compartments. Input constraints are one tool of self-governance, but we operate under output constraints as well. In particular, we define what we will count as success in finding we are looking for. Suppose I decide I need a screwdriver. I find myself facing an input constraint if and when I start to feel that I can't afford to spend more time looking and should go with whatever I have in hand. By contrast, I am operating under an output constraint if and when I reach a point where I say either, "Yes! This is what I was looking for" or else, "Not exactly what I had in mind, but it will do." So, we limit resource inputs. Alternatively, we specify target outputs. In simpler words, I can stop looking because I ran out of time or because I found what I was looking for.[1] In practice, we don't necessarily do a lot of advance articulating of such plans. Neither do we necessarily know in advance which kind of constraint will be the limiting factor. It depends on how the search goes.

The literature refers to output constraint as *satisficing*. I have referred to it that way myself. But let's note that satisficing may be a satisfactory rather than optimal label for output constraints. Suffice it to say that a fair bit of choice—that is, self-imposed constraint—is involved in making our projects accountable to each other so that we get particular jobs done in an economical way and then get on with our lives.

II. CORPORATE SELF-GOVERNANCE

Like individuals, corporations face challenges of self-governance. We are limited in various ways by circumstances outside our control but sometimes we choose to operate within self-imposed limits. We decide whether to take on debt, whether to defer maintenance, and how to manage cash flow. We may decide that some ways of making money are beneath us. We may define a corporate mission, but doing so will not be a matter of solving equations that make up maximization problems. Within limits, many possible targets will make sense. When we pick a mission, we are *picking* rather than solving a well-defined problem.

Individuals have a principal-agent problem insofar as they decide how to practice the self-restraint that is the heart of individual sanity. The person you are this evening must decide what kind of life to turn over to the person you will be tomorrow morning. Should we see this as a principal-agent problem? Perhaps. What is illuminated by seeing it this way?

The case of collective self-governance is more clear-cut. Collective self-governance unmistakably is a principal-agent problem. A corporation unambiguously is a kind of agent for which self-knowledge cannot be taken for granted. A

---

1. *See* David Schmidtz, *Rationality Within Reason*, 89 J. PHIL. 445 (1992). I discuss instrumental ends (finding the screwdriver), pursued for the sake of further ends, in *Choosing Ends*, 104 ETHICS 226 (1994).

corporation needs to know that it consists of people who decide for themselves whether to buy into its corporate mission wholeheartedly. What combination of incentives, opportunities, and education can channel individual behavior in ways that serve a corporate mission? The Public Choice school of political economy ostensibly has a cynical view of government employees as creatures driven by self-interest. However, the genuine Public Choice insight is not that politicians are selfish maximizers but that politicians are agents. Putting agents within institutional structures of opportunity and incentive makes behavior predictable: not deterministic, of course, but predictable. What would call for further study is a surprise: that is, observed behavior that is contrary to what structures make predictable.[2] Corporations are not so different from governments in this regard. In either case, the nature and scope of the power you create will determine who becomes willing and able to do whatever it takes to capture and hold that power. How much power do you want Donald Trump or Vladimir Putin or Hugo Chavez to be able to capture? That question should bear on how much power you are willing to create.

Those who have given everything they have to acquire power often seem to feel entitled to ignore those who have not. To those who gave everything, those who did not will seem more like spectators than like players. Even candidates who campaigned on promises to be ecumenical and democratic seem to conduct themselves autocratically once they acquire power, seeing themselves as entitled to exercise a right for which they fought so hard. At their best, though, politicians remember that getting results involves understanding how to negotiate and compromise. Political compromise is an ideal that typically cannot be equated with moral compromise. Human beings are supernovas of purpose. Political compromise can start with understanding that we are social animals living among social animals who are origins of purpose. Just like us, they decide for themselves, more or less skillfully, what their purpose is.

A profound part of being a good neighbor or colleague is learning to resist the temptation to presume to decide what other people are for. Other people have purposes of their own. We live in a world of agents whose world does not revolve around us. In effect, they live in a different world. They don't see it our way, and they are acutely aware that there is no earthly reason why they should. Good governance as a political ideal is about finding ways to respect that fact.

Which structures are predictably more resistant to corruption? Unfortunately, we have lost our edge when it comes to theorizing about governments or large

---

2. On hoping for one result while paying for another, see John Hasnas's essay in this volume. My concern with ideal theory as done today is that it defines realism as attending to incentive compatibility, then defines itself by contrast. Ideal theory insults itself when it does this. Idealism should have a point: not to avoid confronting the reality of what incentives make predictable but to imagine an ideal response to this reality. *See* DAVID SCHMIDTZ, *Realistic Idealism*, *in* METHODS IN ANALYTICAL POLITICAL THEORY 131 (Adrian Blau ed., Cambridge Univ. Press 2017).

corporations that are not decision makers so much as arenas of decision making.[3] America's founding fathers (and authors who inspired them such as Montesquieu) developed concepts of separate powers because *ideal* governance as they saw it is not a question of how a benevolent despot ideally would govern. A benevolent despot might govern well for a historical moment but that would be a stroke of good fortune that would not last. The relevant ideal is more political: for no one to have the means to consolidate power to impose their moral ideal on those whose moral ideal is different.

At the core of adulthood is accepting that none of us gets everything we want. When we accept that, we do not compromise our morality. Rather, we give our morality a chance to grow up and become fit for a political world. Succeeding as social animals and political animals involves seeing past the zero-sum and seeing what's grand and truly human about human potential: namely, our potential to be of service even to strangers and even to people with missions unlike ours. Having something to offer is the core of what makes us tick.[4]

Corporate agents need to generate positive cash flow to survive.[5] But a corporation needs more of a plan than that. It needs to decide *how* to make money. A corporation needs to decide, much as any individual social being needs to decide, how it intends to be of service. A purpose is a compass, orienting us toward acting in one way rather than another. To lack purpose is to be lost. Corporations need a compass just as individual agents do. Perhaps there is no particular purpose that a corporation *should* have. Rather, the imperative is to exhibit purposiveness per se. We pick a purpose partly for the sake of being purposive.

---

3. In a legislature, each legislator contributes a few pages to justify their yes vote on a bill. The final bill, thousands of pages long, may never be read in its entirety by anyone. It is a *product* of choices that is not chosen per se by anyone. The final bill is a constellation of pages supplied by legislators, plus interpretations later supplied by regulators. It is largely unelected middle managers at regulatory agencies who decide what it all means. I thank Kaveh Pourvand for the "arenas of choice" metaphor.

4. In passing, Adam Smith's first book (A THEORY OF MORAL SENTIMENTS, published in 1759) explored humanly rational choice and humanly moral psychology. We are social animals, Smith thought, driven to seek the esteem of others. We are born with that drive, then cross a threshold into adulthood when we realize that being esteemed is one thing while being *worthy* of esteem is another. If we had to choose between the two, adult self-respect is about going for the latter. Adam Smith's second book (AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS, published in 1776) then begins by asking what accounts for the emergence of specialization and division of labor. We are taught that Adam Smith's explanation for everything was the profit motive. Yet, Smith launches his second book with something strikingly different, and very much in keeping with where his first book left off. Namely, Smith says, human beings are driven by a natural propensity to truck, barter, and exchange. So, Smith's premise, contrary to popular misconception, was that we are driven not to maximize profit but to be *social*—and to make an estimable contribution. The reason why (on Smith's account) we address ourselves to the self-love rather than the benevolence of the butcher and baker is because that is how we ourselves manifest benevolence in a commercial society: we figure out how to be of service.

5. On a neoclassical model, corporations maximize profit. Maximum profit is not the same thing as positive cash flow but positing a goal of profit maximization makes for a logic that enables neoclassical models to crank out theorems.

For that reason, a university's mission and underlying purposiveness is best seen as a flow, not a stock (to borrow accounting terminology).[6] A university ideally endures as an entity with a mission. Its purpose is not to land on Mars or cure cancer so much as to be a crucible from which such outcomes are an ongoing flow. Enduring purposiveness is part of what it provides.

The achievement involved in having a purpose is a day-to-day thing. The purpose we found yesterday may not carry over. I am grateful for the opportunity to make this presentation, but the way in which it serves my purposes this morning is not a truth about the arc of my whole life. It is what makes life meaningful today, but it cannot continue to be my purpose.[7] Concrete purpose is ephemeral—a feature of defined compartments within a life rather than a feature of life as a whole. A steady flow of abiding *purposiveness* is at the heart of the art of healthy self-governance. For a university, too, acting with purpose is a continuous process of adjusting to a landscape of constantly changing opportunity.

III. UNIVERSITY SELF-GOVERNANCE

What is self-governance for a university? Suppose a university's officers decide what its ultimate objective is, then govern with that objective in mind. To Andy Morriss (in this volume), "the lack of a clear purpose is the defining governance problem of the modern university." One implication of my discussion so far (more or less congruent with our experience, I would say) is that picking a mission is not a well-defined choice. There is no formula, but I will list a handful of familiar possibilities that are not mutually exclusive.

What principal would a university be an agent of?

   a) One answer: students are a university's customers. Its main service consists
      in providing students with a teaching faculty. Behind the scenes, there will
      be administration. There will be research and development. But the ultimate
      research objective on this model is to ramp up the service provided to stu-
      dents. Our research exposes students to a cutting edge of new knowledge.

This answer hints at an all-too-real tension. If our client is the student, serving that client entails duties not only to what our students are but to what they can become. How do we do that? By putting students in situations that challenge

---

6. Sometimes the rub for our business is not whether we are eventually going to be profitable so much as whether we have a sustainable cash flow right now. There is something awfully theory-laden about projecting that we are trending in the direction of an outcome (namely turning a profit), compared to the daily managing of cash flow, especially when it is a matter of conjecture whether current revenue will cover our payroll *next month*.

7. Therein lies a real danger. Winning a gold medal can be a purpose that, once achieved, or given up, can no longer be one's compass and can leave a person facing a void, needing a new purpose, and for all practical purposes needing to reinvent oneself, or else be adrift. Between projects, we might drift for a time. We must be okay with that. Keeping ourselves busy is a false comfort. But lifelong learning, somehow, is not.

them to grow. We recruit them to work on themselves. We challenge them to *become*. We challenge them to go beyond where they are.

Recently, that has become more of a problem. Some students assume a right to a campus consisting of spaces that will keep them safe from needing to grow. Obviously, it is imperative to make students physically safe on campus, but what we now call safe space is far more problematic. I once had a student who wrote an editorial that said (paraphrasing): "Yale women are getting invited to parties where men are spiking their drinks and raping them when they pass out. The courts and police need to protect us. But first we need to protect ourselves. So, a word to the wise, classmates! If you go to a party and someone you don't know well enough hands you a drink that could have been spiked, don't drink it!"

Three decades later, that editorial was excavated and presented as reason not to confirm her as Brett Kavanaugh's replacement on the DC Circuit. It seems, in that case, that our zeal for making campus a safe space turned a campus into a place where it is retroactively unsafe even to do something as politically correct as warning classmates to protect themselves from sexual predators. When my student was in her dorm writing a newspaper editorial, test-driving her newfound adult voice, she thought she was safe. It turns out, decades later, that she wasn't. She accidentally said what could be portrayed as blaming the victim. For that, Neomi Rao had to pay (although it ultimately was not enough to derail her renomination). Somewhere along the line, as an ironic consequence of creating safe spaces, we made it unsafe for her to have had something to say back when she was a student and adult responsibility was a new frontier.

Yet, even so, students can't live in fear. They should not live in fear of what they might say or in fear of what others might say. We have no right to pretend there is no risk when they experiment with being "snowflakes" either. Being human is a challenge. Being of service is a challenge. Learning to have adult advice to offer to classmates is a process and a challenge. As with most skills, it takes practice as well as aptitude. A university's service to students is to facilitate their effort to acquire the tools of adulthood, not to make those tools unnecessary.

> b) At some point, we need to put all that in the context of a second answer: a university is a community within a community. That larger community (on this view) is a university's ultimate customer. Universities provide communities with an expanding base of knowledge, and with graduates trained to run with that knowledge. I suppose a community should want its university to not only train but to inspire a next generation. We do research partly with a view to inspiring students to want to be researchers themselves. We teach with a view to inspiring students to want to be teachers—not to teach for a living but to be people from whom others will have something to learn. (I am mindful of Harry Brighouse's essay in this volume.)

> c) A third answer: the client that a university serves is truth itself—knowledge for its own sake. If we care about the idea of a university at all, we want it to be noble enough for this answer to have some plausibility. Yet, of course, it is not enough to defend what one does as pure research. There are an infinite

number of truths; only some are worth knowing. Thus, we need criteria of relevance—including some context from the previous communitarian answer— that tell us which questions are worth answering. Still, the fact remains that we want to have enough faith in the truth to want to get to the truth even when truth is uncomfortable or unexpected.[8]

In sum, it is plausible in a way to see a university as an agent of the truth. Most of us at least hope to work in service of the truth. Yet, I don't think we can see truth as a customer or as a consumer of our product. While we have some kind of duty to be an agent of the truth, that duty is not to a principal. Truth is our product, not our principal.

 d) A fourth answer: a university's client is its faculty. A university is in some respects a club, perhaps a club of truth-seekers. Faculty are the club's members. For comparison, imagine the Royal Society of London, forming in the late 1600s. But even clubs need administrators, so there will be principal-agent problems. Universities are administered by middle managers who do not always take a university's interests or the interests of other clients to heart. Some do, of course, but others go into administration to fill a void in their lives. They always imagined they would have better things to do than to be administrators, but it didn't work out that way. It is a matter of observation that there is some truth in seeing the principal-agent relationship this way. Whether it should be this way is a different question.

However, I would say faculty are *providers* of the university's product rather than *consumers* of it. The Royal Society is legitimate. Faculty clubs in general presumably are legitimate. But universities are not faculty clubs. Needless to say, if Newton, Boyle, Wren, and Bacon were on your faculty, that might be a different story. Still, without denying that there is merit in being of service to spectacular visionaries whose importance to a community and whose service to the truth could justify a university, actual universities and actual faculty are not like that, and a university cannot plausibly be justified as a means to the end of providing lifetime pensions to pedestrian faculty who will never make a major discovery and who no longer remember what it was like to be seriously looking.

 e) A fifth and final answer is that a university's client is the National Science Foundation, the Department of Defense, other funding agencies, state governments that supply universities with operating budgets, private donors, and so on. In short, follow the money. Money is a trail leading from funded agent to principal funder. Of course, even if donors are principals, it makes perfect sense to wonder whether they should be. But the fact that this

---

 8. There are people today willing (and in their minds able) to speak truths that the rest of us find uncomfortable. Some alleged truth-seekers also seek notoriety, and seeking notoriety is immature. Still, when it comes to governance, I would not want my institution to discourage those who crave notoriety. Rewarding attention-grabbers is a bad idea but punishing them would be worse.

makes sense presupposes some other mission that we do not want conflicting interests to undermine. We know that. But what exactly is conflicting with the donor's interest? Presumably something like the search for truth. Or a recognition that, while truth is pivotal, pursuing the truth is a mission implying a further principal—humanity, say—in service to whom we aim to discover truth.

So far as I can see, that takes us back to the first two answers, that is, to taking our principal to be students and/or our broader community.

IV. MISSION-DRIVEN GOVERNANCE

As noted, we often make key decisions without the benefit of any decision-making algorithm. Another point that seems to survive exporting from the individual context is that good governance is mission-driven governance. A university must choose its mission as a preface to having a framework within which problems of governance can become well-defined.

From observation, I would say a mission *statement* typically will be a compromise among original framers of said statement. Consensus building among framers who represent diverse constituencies is an ideal of a kind, but as a matter of observation, consensus building results in platitudes. Platitudes do not unlock human creativity. They do not give it a focus. Instead, they read as if they were designed to be innocuous and therefore unobjectionable.[9]

So, on one hand, surely there is something to be said for having a founding mission with enough plasticity for future administrators to be able to make it work for them.[10] On the other hand, if your diversity statement reflects a desire to conform to expectations and say what every diversity statement says, then no matter what it literally says, what it actually expresses in practice is the opposite of a commitment to diversity.

Universities have crossed a line between pursuing truth and terrorizing it. After all the mission-stating is done, questions inevitably remain about which way the wind is blowing and what would make it reasonable to expect administrators to be steadfast in being unmoved by it. At a university, we presume people can make up their own minds and we have faith that making up one's own mind can

---

9. Consider how objectionable consensus building can be in the real world: The U.S. Constitution needed to begin life as a compromise that slaveholders could live with, or it would not have been ratified at all. Many who went along with that compromise did so *not* because the compromise was remotely acceptable, but because it was the lesser of evils. They signed off on a horror partly on faith that the new country would someday become a place that had the will to abolish slavery. So, they aimed to launch with a plasticity, anticipating a new sensibility that someday would embrace the egalitarian vision of its founding principle in a more straightforward way.

10. We might suppose that, in a diverse polity, everyone ideally gets something they can live with. A diverse polity's *political* ideal will be a negotiated compromise where no one gets their *moral* ideal. Ideally, everyone will see their cherished dimension of equality honored in some way. Yet it is a political *ideal*, not a moral compromise, that no one gets everything when that would mean ignoring someone else's vision altogether.

be done more or less skillfully; in the limit it can be a kind of excellence. That makes it terrifying when scholarship becomes a team sport. When people start choosing sides and wearing team colors, they start aiming to win rather than to make a contribution. They start booing the other team and celebrating when members of the opposing team get hurt. That is when the academy stops being a noble place. When a belief becomes a condition of membership in a tribe, the academy turns ugly. It was true of religious orthodoxy. It is true of political and ideological orthodoxy too.[11]

A related point. To be wired to *find* a specialty is to be wired to be creative. But normal people are not creative in pointless, erratic, or non-functional ways. The truth is the opposite: in order to make themselves useful, faculty and students aspire to be a *little bit* different from the people around them. We want people around us to see our departure as revealing that we have a creative flair. They celebrate our departure when it *complements* what they brought to the table but won't feel the same way if our departure renders what they brought *obsolete*.

Our purpose, when we have one, is a social animal's purpose. Being creative in the way that colleagues applaud involves learning to fit into a world that perceives and appreciates creativity at the margin. Perhaps the best we can do at teachers is to anticipate witnessing a quantum leap or two along the way, hope we recognize it for what it is, and hope we can nod in admiration and otherwise stay out of the way.

V. SPECIALIZATION AS ADAPTATION

A community's need to develop reservoirs of purposive capacity is at the heart of a university's mission and needs to be a focus of university governance. As students, we are capable of shaping ourselves into buggy whip makers. That capacity survives as a genotypic capacity because it is not a hard-wired code for "buggy whip maker" as a specific phenotype. Rather, it codes for an underlying flexible capacity to take a shape that our community needs us to take in a particular time and place.

To complicate matters, part of the human condition is that we adapt to ecological niches by changing them. For better or worse, we turn nature's niches into novel, artificial, and (hopefully) more habitable niches. We change ecologies so profoundly that niches arise for buggy-whip makers, keypunch operators, philosophy professors, pedicurists, yoga instructors, mobile phone app developers, and a virtual infinity of astoundingly novel specializations. As we create niches, we pressure our gene pools to evolve toward coding for extreme responsiveness to novel environments. Capacities that endure are those that can express phenotypically in

---

11. When I say that, I am not imagining myself to be an excluded lonely voice howling in the wind. I am perfectly aware that I have made a difference. Indeed, something called "Arizona School liberalism" exists because of me. But if I found the alumni playing team sports instead of speaking for themselves, or found them reaching for notoriety rather than wisdom, that would make me feel like I hadn't made a difference.

a multitude of skill sets—whatever the circumstances call for. Otherwise, the next big change will be an extinction event. In a rapidly changing world, *any* hard-wired purpose is an over-specialization that is just around the corner from an existential crisis.

We read about people who adapt to particular occupational niches to a point where they become brittle and feel lost rather than challenged as their once-useful contribution becomes obsolete. They adapted—adapted hard—to fit a niche whose time has passed. But just to state the obvious, there are times when what others have brought to the table is or deserves to be obsolete. So, the respect that we instinctively show for what is already on the table has a downside. We are wired to trust people. We are wired to assume that walking in their footsteps is worthwhile. It is part of being a social animal. We join the club by believing what people say.

One implication is that it is simple pragmatic realism rather than high-minded idealism to say that a university's mission is to be something more than a vocational school that teaches task-specific skill sets. Some institutions have to "code" for specific vocations, but a university is partly a response to the fact that the usefulness of task-specific skill sets tends to have an expiry date. We succeed as social animals by specializing. Our goals are not hard-wired, but our capacity to develop them is. We find ways to be of service and thereby build estimable places for ourselves in a community. Nature selects not for any particular specialized skill set so much as for a *capacity* to serially specialize.[12]

The challenge of serial adaptation is endemic to the human condition. As a provider of service to society, universities produce reservoirs of entrepreneurial adaptability. The challenge is to nurture a capacity to reboot what got phenotypically expressed as a fine-grained adaptation to challenges previously posed by one's ecological niche, so that we may once again be primed to handle major surprises.

I haven't discussed the conduct of administrators. It's a key topic but other contributors to this volume are saying enough to make it best simply to be mindful of what they say. I will say, not because it is conciliatory but because it is a truth that matters, that there are many truths that there is no point in voicing. We need to censor ourselves because having a point is a matter of saying what needs saying, as opposed to indiscriminately blurting out truth like someone with Tourette's syndrome. Pursuing truth must be responsive to our here-and-now human condition in dignified, diplomatic, sensitive, constructive ways.

In passing, here is why it is right for universities to employ philosophers. When we evolved flexible capacities to answer questions and to fit in, a capacity to wonder *what's the point* came with the territory. We evolved into beings with massive capacity to process, evaluate, and adjust to incoming information. We do

---

12. I borrow the root idea of serial hyper-specialization from ELIJAH MILLGRAM, THE GREAT ENDARKENMENT (2015).

not always have time to think, but if and when we do have time to wonder what's the point, that is when we start needing answers.

When this life is done, what will be the point of having lived it? Will you know what you stood for, what you fought for? Of course, not all capacities are pro-survival; the capacity for self-doubt was not selected for but instead evolved as part of a package deal. Self-doubt comes with the territory of pro-survival flexibility. It rides along with our pro-survival capacity to be creative and to ask questions. We end up having questions even when looking in the mirror. It isn't a mistake for a university to nurture that capacity. Part of a university's purpose is to be a setting where young people can know they are not alone in wondering why they are here. Sometimes wisdom can be articulated. Sometimes it can be shared.

VI. OVER-SPECIALIZING

Specialization is good, but the academy has little feel for what to count as over-specialization. Here is a story about why that might be so. Imagine one department studying how to produce widgets. Imagine a different department studying how widgets ought to be distributed. Imagine the two departments are in different colleges whose members never interact except by accident. If they decided to specialize in manufacturing shoes for the left foot, a dearth of customers would confirm that they over-specialized. But what feedback do academics, theorizing about justice, get if they theorize about distributing a variable flow as if it were a fixed stock (thus priming themselves to ignore—as if it were a mere detail—the fact that some ways of distributing flow are apt to choke it off)?

Suppose feedback in the academy consists of reports from two referees who are experts on your topic. If only half a dozen "experts" would dream of reading your paper, they already have a conflict of interest. They need your paper to be published lest their topic go extinct, so they give it a thumbs up precisely because there is no demand for it. (Are such false positives even more corrosive than false negatives occasioned by the same dynamic, namely that referees are driven to put a stop to ideas that make them feel obsolete? I do not know.) In any case, feedback like that cannot shut you down for being over-specialized. The overspecialization of the literature's gatekeepers desensitizes us to the literature's pointlessness. Departments and fields become echo chambers. That issue is so huge that it's invisible. It is more corrosive than ideological bias because our practical professional experience motivates us to be unable to see it.

I do not know whether anyone is focusing on these questions when they talk about mission-driven governance. What would it be like to escape the corners into which we paint ourselves with academic over-specialization?

VII. TRUTH

It is one thing to have a mission statement on a web page. It is another thing to be properly oriented by it. As noted earlier, if the entity in question—the corporation or university—is itself a cobbling together of entities that decide for themselves, then getting the parts of that entity to pull together in service of that

entity's mission will be a nontrivial achievement. When you hire someone who feels entitled to game the system—and sooner or later you will—then the system's overall function begins to break down.

The system of tenure is motivated in various ways, and serves various functions, but some faculty treat securing tenure as crossing a finish line rather than as a starter's pistol—a means to the end of job security rather than as opening a door to a life of unlimited ambition to take excellence to another level. People say they equate defending tenure with defending academic freedom. But tenure seems not to serve that end. Imagine hiring a football coach, while writing into the employment contract that the coach cannot be fired for losing. Putting a clause like that into a contract induces candidates to think more about securing the contract than about earning it. The conundrum in the academy is that people who need job security to feel comfortable speaking their mind are people who lack the commitment to truth that the process is supposed to be encouraging. Such people fantasize that they are keeping their disruptive insights to themselves until the time is right. The truth is people who spend years practicing having nothing to say end up having nothing to say. (Consider Emily Chamlee-Wright's observations about the academy's "fair-weather friends.")

Presumably there is a lot to be said for job security, and presumably many people have some reason to care about it. But again, job security has nothing to do with what universities are supposed to be providing and what their mission is supposed to be. Faculty who truly serve a university's mission, and truly deliver an estimable product, are the least in need of job security, and worry the least about the consequences of telling the truth as they see it.

Universities that have given up the practice of awarding tenure are not places where I would be glad to work, but the problem is not that those places compromise academic freedom. The problem is that they are not well-funded and are not delivering a good product. I hope that changes because the system of tenure seems broken.

Politics is aimed at keeping the peace among people with diverse missions. People are supposed to be comfortable exploring the space of mutual advantage within those constraints. Your university ought to be an easy case, but how confident are you that your colleagues see material they disagree with as a non-threatening opportunity to learn? It's a problem.

VIII. Separation of Powers

How should universities ideally be governed? Should there be a separation of powers? Why? What would that be like? Part of the point is that if universities seem inevitably to end up being fairly bureaucratic, that arguably is how it should be. Checks and balances limit opportunities for bad colleagues to be toxic and abusive, but the same checks and balances that limit our ability to do evil also make it harder to do good. So how much is it worth to have bureaucratic safeguards that limit damage caused by toxic colleagues?

Universities nowadays are run by two kinds of people: those who are not look-ing for trouble, and those who are. That can be a bad combination. People selected for tenure can be people selected because they kept their mouths shut even when something needed to be said. They learned to avoid imposing any dis-cipline on their toxic colleagues. Universities nowadays settle for ducking con-frontation with extremists in their midst for whom imposing costs on colleagues gives life a facade of meaning. Checks and balances appear to be in place and manifestly limiting our ability to do what we think needs doing. Then the appear-ance of checks and balances vanishes in a blaze of intimidation by righteous non-achievers.

Middle managers often have their positions as consolation prizes. The ones who are not looking for trouble sometimes duck when trouble looms, hoping for bureaucratic inertia to make the appearance of a problem go away. It never ends well. Those who are looking for trouble (who want revenge against the institution for failing to see them as high achievers) end up causing it. You don't want gover-nance structures that depend on top administrators to be benevolent despots. You also don't want to drown your best people in bureaucratic checks and balances, and you don't want your top administrators to be indecisive.

It's a problem, and not all problems have solutions.

IX. SERVICE TO STUDENTS: TEACHING ETHICS

We have made mistakes in how we teach ethics. Ironically, the fact that we are inept at teaching ethics seems to be fueling a sense that universities should be doing more to teach ethics. Empiricism triumphed in the 1700s. Philosophers envisioned a Newtonian revolution that would culminate in a burgeoning moral science. Hypotheses about human welfare and human progress hopefully would someday soon be as testable as hypotheses in the natural sciences.

Such empiricism became a victim of its own success in the 1800s as social sci-ences emerged as siloed academic departments tasked with scientific explorations of the human condition. Philosophy was left to rebrand itself as a field that was anything but empirical—because empiricism was off colonizing the new social sciences whose emergence it catalyzed. We came to see analytic moral philoso-phy as concerned with conceptual analysis. Philosophy lost sight of ideas of cau-sation and correlation, as those ideas became colonies of social science, and came to focus on studying necessary and sufficient conditions for the applicability of moral concepts. Partly as a result, philosophy has gone through a period of teach-ing that moral theory is a search for, in effect, a recipe. Today's moral theories are jingles—slogans—from which we are supposed to be able to deduce what to do. Theories seem designed to tell us what to do but are useless for that purpose. That is why hardly anyone you know (including professional philosophers) has ever used a moral theory to make a real decision.

What are philosophers supposed to do when they are recruited to teach applied ethics classes such as Business Ethics? What they tend to do is develop potted case studies (which for historical reasons often revolve around runaway trolleys)

and test students with exam questions like "What does the Utilitarian say here?" Notice how this changes the topic. The administrators who advocated Business Ethics courses had in mind that students would learn to see the ethical dimensions of business decisions. But philosophers weren't taught anything about that. So, they redirect the conversation back to familiar turf, such as questions about the necessary and sufficient conditions for applying the word 'utilitarian'. A teacher ends up asking students to show proficiency in using a technical term. That is not good enough. Questions about how to understand a theory are not good enough. Real questions are questions about what really matters in this situation, what the problem is in this situation, and what would solve the problem in this situation without catastrophic unintended consequences down the road. Questions about what is built into the definition of a theoretical term are beside the point on any plausible understanding of any real moral problem.

We also teach that the true ethical theory would enable you to be *certain* that you are doing the right thing. Life is not like that, however, and a theory often is not even the kind of thing that can help. You may have best map ever drawn, but it won't by itself leave you knowing where you want to go. You cannot simply follow your map. No map, no moral code, relieves you of responsibility for choosing and being accountable for choosing. Some codes encode a measure of wisdom, but there is no such thing as a code you simply follow. Even the best theory's point is to reduce rather than eliminate the risk of making a wrong turn.

Over-specialization undermined what passes for ethics among academic philosophers. We inherited a way of doing Ethics. At the end of the 1800s, Sidgwick's *Methods of Ethics* accidentally but influentially reinvented "methods" of ethics as methods of deciding what to do. Over the ensuing century, utilitarianism went from studying what makes some nations famine-proof to studying how much of one's income ought to be invested in famine relief.

A more generic mistake implicit in our system of education is that we accidentally teach students to treat our courses as games where a student's goal is to read the instructor's mind and say whatever the instructor wants to hear. If a student apes professors well enough, professors infer that they are successfully teaching students to think for themselves, and give the student an "A." Most of us are not fooled, although there isn't much we can do about it. But insofar as that is what is going on in our classrooms, classrooms are pointless. Learning to parrot whatever a teacher gives points for doesn't prepare a student to live a life. Above all, it doesn't prepare students for those moments where they make ethical decisions that will define them.

If I could ask a university to teach students one thing, I would ask it to teach them that, and if it succeeded, I would feel like the university was what the world needed it to be. The lesson is, a life is like a novel. You only get to write one. You can't be superhuman. You can't be a person who never makes mistakes, but you can be a person who honestly admits them, corrects them as best you can, and learns to do better. There is such a thing as humanly heroic. Heroes don't live forever, but neither do cowards. Make yours a story about a life worth living.

Our quest for classroom cleverness leads us to search for a way to pull a rabbit out of a hat, pretending that our definitions are so clever that only people who refuse to be reasonable can refuse to see the truth of what we infer from them. We want our arguments to be *compelling*. But adult ethics is about understanding that even a great reason is not a proof. Even a well-chosen budget is not necessarily well-chosen for the situation that is around the corner. A well-chosen budget is one that *turns out* to have been well-chosen, and probably also turns out to have needed adjusting at various points. Love of wisdom is about accepting that we have more to learn. What is right around the corner may teach us that we could have done better, and maybe still can.

Part of adult responsibility is making choices for reasons that aren't compelling, and not pretending otherwise. Our characteristically human purpose is to invent a purpose. (To *invent* a purpose that feels so right that it feels like *discovering* a purpose.) Sometimes a goal just feels right. Sometimes it takes work; we make it right as we grow into it. Other times we choose a path that does not fit, then make matters worse by hiding our mistake from ourselves.

A professional philosopher's purpose is to articulate precise understandings of particular subject matters. But actually, the goal of precision is a 20th century idea. In philosophy, it has to do with constructing definitions that—conceived of as lists of necessary and sufficient conditions—are impervious to counterexamples. That way of understanding precision does not get at what it would take to make philosophy valuable rather than clever. What would make us genuinely worthy of being on the payroll is articulating understandings that illuminate. A really precise statement would not even try to misrepresent itself as the last word on its subject matter.

CONCLUSION

I talked about challenges of individual self-governance and how they might illuminate analogous challenges of corporate and university self-governance. I treated self-governance as a challenge of governing internal relations between principal and agent. Challenges of university self-governance seemingly should be easy by comparison to challenges facing even more disparate and diverse political or corporate bodies, but experience suggests otherwise.