

AN ISSUE OF TENURE: SHOULD COLLEGES AND UNIVERSITIES FUNCTION AS A FOR-PROFIT BUSINESS?

Rob H. Kamery, Christian Brothers University
Robert C. Lawrence, Christian Brothers University

ABSTRACT

Tenure has been an issue of debate for over a century. It is a tradition that has been held in esteem for many years at some of the most prestigious institutions in the United States. In these rapidly changing economic times, it is necessary to review long-standing policies, and determine what course of action should be taken, if any. Though there are many opposing views concerning tenure and its abolition or continuation, the single issue they all revolve around is whether or not an academic institution should operate by the same standards and goals as a corporation. The conclusion is no, but colleges and universities can make positive changes to provide for better efficiency and consumer satisfaction.

INTRODUCTION

Tenure has come under attack because in the age of corporate downsizing, corporate leaders, legislatures, and some board of trustee members have questioned why colleges and universities should not also be made "leaner and meaner" (DeGeorge, 1997). In order to address the issue of whether an institution of higher learning should operate as corporations do, one must define the role academia takes in society compared to the role a corporation takes in society. Secondly, one must define tenure and its purposes, including arguments for and against this long standing tradition, and finally conclude, weighing both sides equally, what course of action should be taken to remedy the problems facing tenure.

Comparing the corporate and academic cultures is like comparing apples and oranges. Their motives are strikingly different, as well as organizational structure, specialization, decision-making process, and hierarchy of power. Each could learn valuable lessons from the other, such as the presence of shared

governance in higher education as a decision-making tool. Corporations would benefit greatly in the area of labor relations if similar policies were adopted. Colleges and universities could provide a great service to their consumers, that is students, if like corporations, they would place greater value on the student's needs, and not their own sense of what is necessary for a proper education.

Tenure is defined many ways, but for the purposes of this research, it will be defined as relating to faculty at colleges and universities, and as the American Association of University Professors (AAUP) defines it:

"After the expiration of a probationary period, teachers or investigators should have permanent or continuous employment, and their service should be terminated only for adequate cause, except in case of retirement for age, or under extraordinary circumstances, such as financial exigencies" (DeGeorge, 1997).

Tenure has traditionally been held as the watchdog of academic freedom. There are many factors, which keep tenure in place, according to Mortimer (1985):

1. The pervasiveness of tenure systems among colleges and universities, which discourages deviation from the accepted practice.
2. The resilience of the principle of tenure, academic freedom, and economic security against attack.
3. The legality of seniority, and
4. Support for tenure systems by faculty unions (Mortimer, 1985)

According to Richardson (1999), tenured and tenure track faculty now constitute only 35 percent of all of those who teach at institutions of higher learning. This is good news for critics of tenure, because not too many decades ago, almost all faculty were tenured or on the tenure track (Richardson, 1999). There are many critics of tenure, but few distinct criticisms. Most fall under the

economic umbrella, citing decreases in productivity and motivational problems with post-tenure professors.

The purpose of this study is to strike a balance between opposing sides of the tenure debate. In a free market economy, such as exists in the United States, the organizational model of the academic institution can thrive, and continue to grow. It is necessary for attitudes to change, such as acceptance of the institution that chooses not to offer tenure, or combine it with part-time faculty, and/or multi year contracts. Institutions of higher learning should be able to adjust to the changing economic environment effectively, without dismantling the long-standing traditions put in place decades and centuries ago. Tenure is an economically sound policy for colleges and universities, but should not be so sacred, that it cannot be reformed.

COMPARING THE ACADEMY AND THE CORPORATION

According to DeGeorge (1997), colleges and universities should not be compared to businesses, and the education of students should not be compared to products produced by factories. Businesses usually benefit from downsizing, whereas a college or university may not become more efficiently valuable. In fact, the opposite is more likely to occur. Corporations are managed hierarchically, whereas a college or university is not. Chief Executive Officers may make decisions with or without board approval, but administrators share decisions with faculty members. Finally, business is subject to changing trends, whereas most colleges and universities will not find themselves with faculty expertise that is outdated (DeGeorge, 1997). Morrell (1994) points out that the private sector employee can expect five to six promotions and the possibility of profit sharing. Faculty members can expect no more than two promotions, with no possibility of profit sharing (Morrell, 1994). Because many members of the board of trustees are from the business world, faculty members may be seen, not as partners in the academic enterprise, but as mere employees (Perley, 1998).

MODELS

DeGeorge (1997) sets up five models of a university. The traditional model goes back to the 13th century and the University of Paris. This university operated autonomously and was faculty run. Students would learn from the master, and the university was not subject to local authorities. The second model

is student-run. The main purpose was for job preparation. Students hired faculty specializing in law or medicine, for example, to teach them what they needed to know to thrive in that profession. The third model is similar to what existed in the former Soviet Union. Faculty could only teach the state's ideology, and students were prepared for specific jobs. The fourth model is an entrepreneurial one. Its goal is to make a profit. Someone starts a college or university, hires faculty and staff, and pays them to teach the students. Courses are determined by the greatest demand. The fifth and final model DeGeorge (1997) presents is the state college or university, and is a mixture of the previous models. It has some autonomy, even though it is supported by tax dollars (the state) and students, by way of tuition. The faculty decide what should be taught and how it should be presented (DeGeorge, 1997).

McPherson (1983) contrasts academic institutions and corporations using tenure, structural aspects, knowledge capital, training patterns, job security, and motivation. Academic tenure differs from the job protection seniority provides to production workers. A striking contrast between academic institutions and corporations is the nature of the job guarantee. In a college or university, there are a number of high-level employees who do not expect to stay. Tenured faculty are not only assured continued employment, but continued employment in a highly specific and well defined area, such as 18th century French literature (McPherson, 1983). McPherson (1983) contends that tenure has some desirable efficiency properties that are often overlooked.

Corporate employees are hired with a lifetime guarantee following a brief probationary period. Barring malfeasance or economic hardship, they will retain continuous employment. They are not, however, guaranteed a specific assignment; instead they face a variety of career paths. University employees do not receive an immediate employment guarantee, but face an extended probationary period. When they are guaranteed employment, it is for a specific set of tasks with well defined prerequisites (McPherson, 1983).

ACADEMIC EMPLOYMENT

In academic employment, there is very little internal job mobility. It is well understood that people who are hired as faculty either stay on as faculty or are dismissed. Very few former faculty members move on to administration, and non-faculty members are rarely promoted to faculty. The college or university lacks the flexibility to assign responsibilities to workers (McPherson, 1983).

When a worker is inflexibly attached to a particular job, McPherson (1983) states that mismatches between wage and productivity can only be avoided by (a) adjusting wages to match individual productivity, (b) accepting the costs of higher turnover by dismissing low productivity employees, or (c) introducing more intensive and costly initial screening. Alternative (c) has been the chosen method for academic employers. It is more intense than that which corporations undertake (McPherson, 1983). Corporate employers have the ability to make marginal adjustments in job assignments, which increases productivity in the labor force. In the university, monitoring performance is of little value. One way to increase productivity is to use information about tenured faculty to increase or decrease wage rates and serve as moral suasion (McPherson, 1983).

The major structural contrast between academic institutions and corporations is the fact that individuals are hired to do narrowly defined and rigidly specified jobs in the college or university (McPherson, 1983). Another important difference, McPherson (1983) states, is the difference between the knowledge capital workers require to do their jobs. In a university the knowledge is specific to the occupation and not to the firm. In the corporation firm specific knowledge, such as codes, practices, and procedures are important (McPherson, 1983).

Training patterns differ from university and from corporate work. According to McPherson (1983), academic employment is for a specific academic discipline, and is an example of an extreme case of "non-appropriability" of worker training. The university hires its employees already trained, at someone else's expense. Faculty's duties remain constant, and hopefully improve with time (McPherson, 1983). The corporation hires generalists, who are put through firm-specific training, and future periodic training in firm related skills (McPherson, 1983).

The form of agreement of job security differs in academic institutions and corporations. The university has little authority to reassign workers to different work. The faculty member has the authority to determine his/her job description.

This is what attracts many people to academic employment, the freedom to read, think, talk, and write about things that they find interesting and rewarding. In the corporation, the firm maintains authority to determine the career path of the employee, not only at the beginning, but also throughout his/her employment. The benefit to the employee is job security (McPherson, 1983).

The tenure decision from the university comes from specific individuals within the institution. In the corporation, decisions are made in a hierarchical

manner, with high-level decision-makers determining the course of those lower. Deans and presidents may have some say in the tenure decision, most of the decision making is left up to those in the same discipline as the candidate, who already have tenure. This is called peer review. This process is closely linked to the high level of specialization in academic employment. Peer review is also cost effective, because peers can be familiar with more than just one's published work (McPherson, 1983).

One similarity corporations and universities possess is the avoidance of instituting wide merit based pay differentials for different workers doing similar jobs. Corporations do use promotions and job reassignments as tools of motivation. Monitoring senior faculty member's performance is difficult, expensive, and may have a negative effect on morale.

Trust is an important issue when dealing with post-tenure monitoring. Ensuring continued performance in faculty is challenging. One crucial point is to select beforehand faculty who possess internal motivation, or are easily swayed by moral suasion or peer pressure to perform. Another important motivation to mention is the desire for tenured faculty to desire a higher position at another university (McPherson, 1983). All of these techniques or a combination of a few are effective methods of maintaining a high quality staff. There are many differences in how corporations and universities operate. This is just one aspect of the tenure debate. An in-depth discussion of the history, impact, and future of tenure is necessary to expand one's understanding of this unique problem.

WHAT IS TENURE?

Tenure came from a German research model to American colleges and universities in the late 19th century (Worth, 1999). American colleges resembled the German Gymnasium or French Lycee until the mid-nineteenth century. Around that time, the German university evolved into one designed for disinterested research and learning, which would be intellectually independent of state control. Toward the end of the 19th century, debate between liberal and conservative benefactors brought to light the problem of academic freedom from business and legislative interest. In 1915, the AAUP spoke out against the potential tyranny of public opinion, also stating that the university should be a refuge from this tyranny. The two major causes of insecurity for the colleges and universities at the time, was the perceived danger of "foreign elements" during and after World War Two, and the financial instability during the depression era.

Academic freedom was becoming more accepted, along with academic tenure as a deterrent to threats against academic freedom, due process, and of the professor's role in decision-making, commonly called shared governance (Mortimer, 1985). Tenure and the issue of academic freedom did not come to the forefront until the early part of this century, when a Stanford Instructor was fired because Leland Stanford's widow disagreed with the leading scholars of the day, who wanted to bring attention to the issue (Richardson, 1999).

A good way to make clear what is academic tenure is to compare it to something similar, such as judicial tenure. Judicial tenure is held by federal-court judges. They will have a guarantee of continued employment until they die or retire, unless they fail to perform their functions in a satisfactory way. The purpose of judicial tenure is to protect their decision making from outside influences, such as threats of dismissal or disapproval from the executive branch. Judges must be granted freedom to make impartial judgments based on evidence and their own insights (DeGeorge, 1997).

The recruitment and evaluation systems leading to tenure in academia are similar to that in law and banking; tenure being equal to a partnership. In both cases there is a probationary period, testing, and careful evaluation by senior members, after which there is a final decision made which leads to a lifetime association. Partnerships, in law and banking, are not as secure as they used to be. Many senior partners have been asked to retire early in the face of changing economic circumstances. Colleges and universities may, in times of financial exigency, terminate tenured faculty. In law and banking partnerships, a mandatory retirement age is written in the partnership agreement. Traditionally, academic tenure was granted to faculty until they reached a mandatory retirement age (DeGeorge, 1997). Most faculty retire by or before the age of 65, or reduce their workload as they approach retirement (Cotter, 1996).

Cotter (1996) describes the tenure process at Colby College. A tenure candidate is first given a one-year contract. Midway through that year, the candidate undergoes an evaluation. After a year of acceptable performance, the candidate will be given a three-year contract renewal offer. A pre-tenure evaluation is given during the sixth semester of teaching, which is overseen by a three-person committee reviewing the candidate's course syllabi, assignments, examinations, laboratory instructions, and all material published or submitted. The tenure review committee gathers material over a six-year period, which is reviewed by the Tenure and Promotion Committee, traditionally chaired by the dean of faculty (Cotter, 1996). Mortimer (1985) writes that the tenure system has

in place procedures to prevent incompetent professors from achieving tenure in the first place. According to Cotter (1996), most Tenure and Promotion committees live by the motto: "when in doubt, do not tenure".

The granting of tenure allows faculty members certain rights, such as continuous employment, but tenure in itself is an alienable right, meaning it can be refused by a faculty member (DeGeorge, 1997). DeGeorge (1997) continues by stating that tenure is not an inalienable right. The doctrine of employment-at-will holds as far as the decision to hire someone or not. The initial hiring of a tenure candidate does not guarantee a tenure appointment, but it does become a legitimate expectation. Tenure is rarely an automatic appointment. It is granted after a probationary period of extensive performance review by committee members and/or administrators (DeGeorge, 1997).

There have been many structural changes in American higher education, because, according to Richardson (1999), of the increase in size of colleges and universities and the comparably fewer faculties hired to teach in them. The statistics that follow were taken from Ernst Benjamin's article "Declining Faculty Availability to Students is the Problem, but Tenure is not the Explanation":

Between 1949 and 1993, the number of students being taught in institutions of higher education increased 5.4 times. The number of institutions increased 2 times, and the number of faculty increased by 3.4 times. Student/faculty ratios rose during this period from about 11: 1 to 17: 1, an increase of over 50 percent in just over forty years (as quoted in Richardson, 1999).

This trend has affected tenure appointments. The following data comes from the U.S. Department of Education, dealing with the years between 1975 and 1993. The number of faculty has increased by 43 percent, from 783,000 to 1,118,293 (including 160,000 graduate assistants in 1975 and 203,000 in 1993). The number of full-time faculty has increased by 25 percent, from 435,000 to 546,000. The number of part-time faculty has increased by 97 percent, from 188,000 to 370,000. Within the full-time faculty category, the number of tenured faculty has increased by 23 percent, from 228,000 to 279,000. Within the full-time faculty

category, the number of non-tenure track faculty has increased by 88 percent, from 81,000 to 152,000. Within the full-time faculty category, the number of probationary faculty has decreased by 9 percent, from 126,000 to 114,000 (Richardson, 1999).

From this data it is evident that part-time faculty have increased at four times the rate of full-time faculty since 1975. Tenured and tenure-track faculty now only constitute 35 percent of all of those who teach on college campuses (Richardson, 1999).

There are many perspectives concerning the economic aspects of tenure. Hallock (1995) argues that faculty with tenure have higher salaries, because the longer an individual with a given set of characteristics stays with an employer, the more he or she is paid. According to theories concerning the monopsony power of an employer (a college or university), workers with seniority suffer an earnings loss (Hallock, 1995). Williams (1991) also supports Hallock in that as tenure increases, job-specific skills are accumulated, leading to higher wages. Richardson (1999) contends that downward pressure on the salaries of academic faculty is a result of a large number of available academic workers forced to work for less. Also there are fewer purely academic positions available because:

1. many such positions are being absorbed by the high costs of the push towards more use of technology;
2. a general growth has occurred in academic bureaucracies relative to faculty numbers; and
3. faculty lines on many campuses are being turned into a multitude of part-time faculty positions, positions with few if any benefits (Richardson, 1999).

Many times faculty can be "fired at will" and have few if any benefits. This has resulted in fierce competition between faculty, which weakens the department as a whole. The split-labor-market theory developed by sociologist Edna Bonacich attempts to explain what happens when labor groups compete with one another for jobs and resources. The fierce competition that may result allows greater power to flow to those who make resource allocation decisions. In academia, full-time faculty fight to retain their position, while part-time and

non-tenure-track faculty fight to increase their share of salary and benefits. Faculty have lost purchasing power, as they are seen as the problem with American higher education (Richardson, 1999). In the decision to reduce expenditures, reallocate resources, and increase institutional flexibility, decision-makers have four opportunities:

1. The decision to create a position or to hire replacements for faculty leaving the institution, which is part of position control;
2. The decision about the type of appointment to make (the use on part-time or non tenure-track faculty);
3. The decision to reduce the rate of tenure-track faculty;
4. The decision to increase the number of tenured faculty leaving the institution or to develop retraining programs for present faculty (Mortimer, 1985).

In most cases institutions have gone with alternative (3), and limited the percentage of faculty that can be tenured (DeGeorge, 1997). After a basic understanding of the economics of tenure, one can move on to its benefits and shortcomings.

THE BENEFITS OF TENURE

The majority of tenure's proponents argue that tenure is necessary to protect academic freedom. DeGeorge (1997) takes this idea one step further by stating that to maintain impartiality, objectivity, and lack of pressure, faculty must be able to maintain academic freedom. Tenure protects the faculty from the repercussions of criticisms of policies and administrative decisions (Perley, 1998).

Critics claim that academic freedom can be protected separate from tenure by the First Amendment. Perley (1998) argues that professors may not have the resources or the support from their board of trustees to pursue questions about the limits of their speech. The First Amendment does not protect free speech at private universities, and is limited to matters of "public concern" at state institutions (DeGeorge, 1997). DeGeorge (1997) states that:

"Academic freedom involves the freedom to pursue one's research independent of outside political powers and pressure. Academic freedom loses its central meaning in a society in which the external powers that control the university decide what is true and what is not, and so what may be taught or published, and what may not be" (DeGeorge, 1997).

Job security is not the only goal in securing tenure. In the former Soviet Union, all workers had job security. The government was the only employer. Professors did not have tenure, because they could lose their jobs instantly, if they taught or published what was ideologically unacceptable, after 1931, that being Marxism. Academic freedom did not exist in this environment (DeGeorge, 1997).

Another argument used to support tenure is the idea that given the time and study necessary for professors to attain their position, they trade job security for low salaries. DeGeorge (1997) argues that faculty salaries were low before academic tenure came on the scene, and if faculty salaries were commensurate with the amount of study required to hold such a position, tenure would not be justified (DeGeorge, 1997).

Tenure is beneficial to academic institutions because it keeps faculty salaries down (DeGeorge, 1997; Morrell, 1994). According to Morrell (1994), colleges and universities monitor their expenditure levels through the Higher Education Price Index (HEPI), which measures the average relative level in the prices of goods and services purchased at academic institutions. Faculty salaries constitute less than one-third of the total operating expenditures (excluding financial aid). To reflect the permanent nature of the positions, the laws of economics dictate that salary levels for long-term, continuing faculty members continue to be relatively low (Morrell, 1994).

Tenure gives a college or university the competitive edge necessary to obtain the best and brightest graduate students. Elimination of tenure might make the teaching profession less attractive to new graduates, and could cause institutional instability because of increased mobility (Cotter, 1996; Morrell, 1994). Tenure cuts costs to an institution by eliminating high rates of turnover and costs of recruiting (DeGeorge, 1997). Cotter (1996) writes that tenure actually liberates the faculty member to become more productive and contribute more to the academic quality of the institution.

McPherson (1983) writes that macroeconomic studies show a mutual benefit between workers and firms when long-term, stable employment relations are sustained. Tenure protects against special problems that arise with highly specialized employees. Tenure has efficiency properties, also. The productivity of an organization depends on the character of the work environment. Turnover is costly because of training costs and accumulation of information. Mobility is expensive for employees, because of the search and relocation costs. McPherson (1983) also writes about wage and promotion structure, and how it helps to secure the relationship between the worker and the firm. The firm invests in the worker, both by training and by accumulation of information about his/her strengths and weaknesses. The worker accepts a low initial wage, which only makes sense if he/she is willing to stay long term. This type of arrangement will be self-enforcing because the worker and firm have a mutual interest in placing the worker where he/she will be most productive, and at a wage that the employee will be willing to maintain (McPherson, 1983).

Cotter (1996) states that faculty are the continuing heart of a college or university. Regular turnover occurs with students, trustees, presidents, and staff, but tenured faculty, make a lifetime commitment. It is beneficial to academic institutions to provide a stable environment in which creativity can be liberated and faculty will sustain their dedication to their life work. Faculty has a vested interest in an institution's values and quality. Cotter (1996) continues to make the point that faculty members are depended on to volunteer for advising, mentoring, and committee service, most of that work is done by tenured faculty.

The academic institution must ensure that it tenures quality faculty. This is a problem unique to the academic marketplace. The probation period is a viable solution to this problem. There are four distinct ways to express the value of the probationary period:

1. *Performance monitoring*; teaching and scholarship are hard to measure, and quite costly. It is possible to adequately monitor these activities over a long period of time at a lower resource cost.
2. *Self-selection*; the danger in this is the vulnerability of the employer to believe misrepresentations of the candidate. This is remedied by the probationary period and the reasonably likely chance of dismissal. The longer the probation period, the better chance of screening out any

unsavory candidates.

3. *Time to tenure as an economic variable.* The university can use variations in the length of the probation period to vary the value of its employment as market conditions change.
4. *The focusing of monitoring resources;* limiting the probationary period to a reasonable amount of time ensures that the candidate is evaluated carefully, and it cuts back on the tendency to postpone firing anyone, which is an inefficient use of time and resource. (McPherson, 1983).

After the probationary period and tenure appointment, post-tenure review becomes an issue. Critics of tenure claim that faculty members may reduce their efforts once they obtain the lifetime security of tenure. In response to these critics, Cotter (1996) states that evaluations do not end with tenure. Student evaluations rate faculty's effectiveness at the end of every course. Some institutions maintain a merit salary system, in which a faculty member's work is reviewed periodically. Its incentive is monetary and can add thousands of dollars to lifetime earnings. Additionally, faculty can be dismissed with adequate cause. This system, properly in place, will motivate tenured professors to remain productive (Cotter, 1996). DeGeorge (1997) asserts that as a faculty member ages, they usually grow in wisdom and experience, which is invaluable to the students and the institution.

Other criticisms include the possibility that young faculty are facing less opportunity for full time employment when tenure is in place. This is true, but tenure is not the cause, instead it is because retired tenured faculty are being replaced by part-time and adjunct positions (Perley, 1998). Critics of tenure also claim that it hinders an institution from making curricular changes that are responsive to student demands and changes in society. In fact, most faculty members regularly update their own material and may even introduce new courses. There is significant turnover, resulting from retirements, resignations, denials of tenure, and contract renewal for colleges and universities to make new appointments (Cotter, 1996).

There are many non-economic criticisms of tenure including the deadwood argument, the six-year conformity argument, the post-modernist argument, and the politicization attack. DeGeorge (1997) answers these critics by explaining that if a faculty member fails to perform his/her duties, he/she can

be dismissed. Poor performance does not necessarily reflect on tenure itself, but the individual. The six-year conformity argument states that the candidate will conform for a short period of time to achieve tenure and then change. In response, DeGeorge (1997) writes that this is an abuse of the tenure system, not a result of the tenure system.

As far as there being no absolutes, this is a matter of opinion. DeGeorge (1997) believes that there are still absolute truths and knowledge to be pursued. The post-modernist view does nothing but damage the discipline involved in this belief. Politicization is a problem, and if it does exist, it should be remedied, but again this does not reflect on tenure, but the institution (DeGeorge, 1997).

If the tenure system were abolished, unions and collective bargaining would replace tenure (Mortimer, 1985). The collective bargaining process cannot protect society's interests or academic freedom. It could also, according to Mortimer (1985), polarize viewpoints, rigidify tactical positions, delay resolutions of dispute, politicize faculty and students, and induce resentment, slowdowns, and boycotts in an effort to influence negotiations. There are many critics who would like to see tenure abolished. The effects of this action are unknown. It is safe to say that an institution that has been in place as many years as tenure, must have some value. It is now time to turn to some of the evidence supporting the abolition of tenure.

CRITICISM OF TENURE

Criticisms of tenure stem from a variety of academic scandals, such as grade inflation, the over-use of teaching assistants to perform up to 40 percent of the instruction, and the faculty members failure to pay adequate attention to their students by not keeping posted office hours, etc. The tenure system came under attack after World War Two, and has been blamed for some of the uprisings on college campuses in the 1960s. The attack on tenure has taken several forms: direct, such as legislation to abolish tenure, and indirect, which comes from internal and external sources (DeGeorge, 1997). Internal criticisms include junior faculty's disdain for tenure, administration's frustration with slow change stemming from shared governance, and presidents, who doubt their ability to lead when tenure allows professors to strive to fulfill personal goals and not work toward institutional goals (Trower, 1999). Many external attacks on tenure are economic. The most frequent is the deadwood argument. It claims that pre-tenured professors work hard until they become tenured, after which they

become lazy; teaching, but not doing research, or being published, and spending little time and exerting little energy with students (DeGeorge, 1997).

The next charge is inefficiency. Comparing an education institution with a corporation, critics claim that colleges and universities are saddled with too many tenured professors in the wrong area, and because of tenure they cannot "downsize" that area. Critics also claim that colleges and universities have no incentive to be productive because they do not face any real competition and are usually not-for-profit (DeGeorge, 1997). Critics often question the cost effectiveness of tenure. Tenure holds inherent value. This is proven in the exercise of thinking of two identical jobs, except one has a lifetime guarantee. Which one is more likely to be chosen? The one with the lifetime guarantee. If lifetime employment were cost effective, why is it not more wide spread? In reality, lifetime appointments reduce flexibility, and a profitable business must have the ability to get rid of unneeded resources. Tenure prevents efficient resource allocation. Though it is commonly believed that tenure keeps costs down, in reality, overall labor costs may increase because additional faculty may need to be hired to fill needs in popular disciplines (DeGeorge, 1997).

Mortimer (1985) found that a high tenure ratio is one indicator of potential danger in faculty personnel systems. If an institution has a high tenure ratio, it will have more difficulty in opening and closing academic programs, freeing resources to respond to shifts in student demand and/or improving the quality of existing programs, and providing for institutional renewal by hiring new faculty (Mortimer, 1985).

Dismissing "deadwood" faculty can prove to be difficult. DeGeorge (1997) writes that it is expensive and time consuming as in the example Michigan set with passing the Teacher Tenure Act in 1937. Labor law in Michigan has evolved so that tenure is no longer necessary. Dismissing an incompetent instructor is expensive, averaging between \$50,000 and \$70,000 (DeGeorge, 1997). Tenure adds costs to the education system by burdening institutions with high labor costs without adequate output in return (Morrell, 1994). In 1992, the University of Minnesota and the University of North Carolina at Charlotte made a surprising discovery. For several months, a faculty member had been holding tenured positions at both schools, commuting regularly between them. It took Minnesota two years to dismiss him (Trachtenberg, 1996).

Is tenure necessary for academic freedom? Many say no. Novelists, playwrights, journalists, editors, songwriters, clergy, film producers, actors, cartoonists, and whistleblowers challenge orthodoxy without lifetime employment

(DeGeorge, 1997). The consumers of education, students and taxpayers, cannot pick and choose what they find acceptable to support, like the typical consumer can when watching television or reading a periodical. The main threat to academic freedom is a tenured professor who may not like the views of a tenure-track professor, or an institution that will not allow some speakers on campus because of a lack of political correctness (DeGeorge, 1997). According to Worth (1999), the arguments for tenure and academic freedom fail because the two issues are separate.

Does tenure guarantee high quality? Again, many say no. Many times good instructors are denied tenure at the most prestigious universities. For example, three-fourths of the recipients of Harvard's outstanding teaching award were denied tenure. As one critic says, in the modern university, no act of good teaching goes unpunished. The probationary period is too short to properly evaluate a faculty member. Many times the probationary period is too short for a candidate to complete and evaluate research to be published. This is a lose-lose situation for everyone involved. The university's policy of up-or-out may lose them an outstanding faculty member, also causing upheaval in the professor's life (DeGeorge, 1997).

Other criticisms of tenure include the out of touch professor, who loses touch with changes in their field, and loses interest in teaching. Eventually, research will become paramount, and even a self-justifying enterprise. Tenured professors teach less than ever (Worth, 1999). Tenure prevents schools from holding faculty accountable or changing with the times. The tenure process can cause candidates to over specialize, limiting their scholarly value to marginal areas. Worth (1999) writes, "tenure's rigidity makes it difficult for schools to adopt changes in knowledge" (p 2).

The elimination of tenure would deny job security to incompetent faculty members, it would expand the flexibility the administration has to improve education quality by improving faculty quality (Mortimer, 1985). There are numerous people who like to see tenure abolished. DeGeorge (1997) believes that little changes would occur if tenure was abolished. Deadwood professors would not be fired, and it would be impossible to abolish tenure retroactively. DeGeorge (1997) maintains that it would make an impact on academic freedom and would possibly increase faculty unionization. In 1995, the American Association for Higher Education (AAHE) released the following observation:

"In a 1989 survey of 5,000 faculty by the Carnegie Association for the Advancement of Teaching, 29 percent of all faculty, 32 percent of female faculty, and 39 percent of faculty under the age of 39 agreed with the statement concerning the abolition of tenure would, on the whole, improve the quality of higher education" (DeGeorge, 1997).

When such a long-standing tradition is dissolved, something must be available to take its place. Are there feasible alternatives?

ALTERNATIVES TO THE TRADITIONAL SYSTEM

Florida Gulf Coast University (FGCU) broke new ground when they opened their doors. This university is a business-based model that recruits faculty using multi-year contracts instead of tenure. For the 1997-98 academic year, FGCU hired 92 new faculty. Seventy-five (75) percent of the new hires had doctorates, more than 80 percent of the new hires were previously employed at other colleges or universities, 15 percent relinquished tenured positions, and 22 percent abandoned tenure-track positions (Chait, 1998). Surprisingly, the university was able to hire first and second choices without the promise of tenure.

Many of the new faculty members were burned out by other tenure systems. FGCU offered a clean slate for many, and the idea of team teaching appealed to many (Chait, 1998). This university, if successful, will serve as a model for other institutions that want off the tenure track.

There are many alternatives to tenure. Perley (1998) suggests that it be sold for higher salaries. Yarmolinski (1996) suggests the idea of greater institutional flexibility and the positive advantages of tenure. If tenure contracts were negotiated, at the time the candidate was hired, through the department, or even traditionally, through the institution, the scope of tenure could be renegotiated from time to time to fit each candidate individually. Another alternative is to offer tenure to general education instructors, or a team of teachers.

This could avoid the burnout that is so common (Yarmolinski, 1996). Yarmolinski (1996) also offers three ways to reconcile academic tenure and institutional change:

1. Individual scholars need assurance that they can

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| <p>pursue their interests freely;</p> <p>2. Institutions need to be able to allocate and reallocate resources, including scholarly talent; and</p> <p>3. Tenure is in place to protect the nonconformists (Yarmolinski, 1996).</p> |
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Worth (1999) suggests that academic institutions offer faculty a choice: traditional tenure or a limited-term contract with a higher salary. North Carolina's Evergreen College started offering 10-year contracts as an alternative to tenure in 1992. About half of the faculty have accepted the contracts. The Boston University School of Management started offering the same thing in 1995 with similar results (Worth, 1999). Trower (1999) agrees with the premise of offering a choice between tenure track and multi-year contracts. A balance between the two is the most desirable, allowing faculty more flexibility (Worth, 1999).

Term contracts have an efficiency appeal. In reality, according to McPherson (1983), the resources required to evaluate everybody seriously every few years would be enormous. The threat of job insecurity might make it more difficult to hire quality faculty at a competitive wage, one that is comparable to those at institutions offering more security. A more than likely result of term contracts will become instant tenure, because contract renewals could have a tendency to become routine. If contracts prevail and renewals are decided on by fellow professors, there is pressure to be compassionate toward their fellow contract holder (McPherson, 1983).

Mortimer (1985) suggests growth contracts for faculty to counteract complacency. Growth contracts would be used concurrently with tenure. Every faculty member states their own personal goals for the next five years. These goals will be held as an expectation by the institution and can pump new life in potential deadwood. Benefits of this idea include unity within departments, motivation of faculty, and it is consistent with an institution's educational objectives (Mortimer, 1985). Early retirement incentives are also important when dealing with tenure alternatives. Mortimer lists five basic incentives:

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| <p>1. Early retirement benefits that are larger than actuarial tables would justify;</p> <p>2. Lump sum severance payments;</p> <p>3. Annuity enhancements that increase early retirement</p> |
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| | income to the amount the employee would have received at normal retirement age; |
| 4. | Phased retirement or part-time employment; and |
| 5. | Continuation of fringe benefits (Mortimer, 1985). |

Reduction in workload is an option for many aging professors, and incentives for this could include continued contributions to a pension fund, and supplemental income. The extra costs can be recovered by not filling the vacated positions. This is a viable way to reallocate resources from one department to another.

DeGeorge (1997) offers this advice: allow colleges and universities the freedom to choose if they want tenure or not without fear of losing accreditation. This gives consumers a choice. Consumer dollars are the best way to reward good academic institutions and punish bad ones. This is only possible if the government is taken out of the picture. Government funding prevents colleges and universities from being sensitive to consumer demands. If the present education system changed into a consumer oriented one, many possibilities emerge. Some may hold on to traditional tenure systems, while others might eliminate it altogether, while others might mix tenure and renewable contracts. The market might develop unique alternatives to this problem (DeGeorge, 1997).

Post-tenure review is a source of great debate. High turnover is an anticipated problem with multi-year contracts and post-tenure review. Trower (1999) suggests that a truly effective and meaningful post-tenure review process is like having a contract. Once teaching productivity increases and reaches a summit (after tenure is abolished), there is a balance and turnover will not be a problem (Trower, 1999).

There are consequences for the suggested structural changes. Richardson (1999) argues that eliminating tenure threatens not only academic freedom, but also higher education and the democratic society in which it exists. The corporate mentality is chipping away at tenure and academic freedom, with the hiring of non-tenure-track faculty and part-time faculty instead of tenure faculty. It seems as if decision-makers have determined that academic freedom in an unneeded luxury. Term contracts are offered and often snatched up because of the state of the academic labor market. This, in turn will continue to damage the labor market by making educated people, who want a teaching career, into laborers with little economic security. Little opportunity, insecurity, and frustration have become commonplace in the academic labor market (Richardson,

1999). This scenario affects the consumers of education worst of all. Richardson continues by writing that America needs to attract the best minds, and this is only possible if they have a secure future (Richardson, 1999).

CONCLUSION

Is there an answer to the tenure debate? There are many credible arguments on both sides of the issue. They do not solve all the problems associated with the inefficiency in the academic institution, academic freedom, shared governance, or education quality. In the research that was sought out, not one set up the academic institution as a for-profit business. The two were compared, and the entrepreneurial model was presented. If a university could be set up as a corporation, the issue of academic freedom might not be addressed to the satisfaction of the elite of academe. One has to question the motivation of the argument of academic freedom. Does it truly exist? Even in the first months of the 21st century, there are issues that are taboo, especially those issues that threaten the advocates of this so-called academic freedom. It is questionable that an academic institution could ever be consumer driven. The government plays too big of a regulatory role for a for-profit university to succeed. DeGeorge (1997) writes that colleges and universities are insulated from free market competition. They cannot offer something radically different to attract students (DeGeorge, 1997). If a corporation were limited in what they could offer consumers, they could not survive. Colleges and universities are allowed to survive through the use of government funding. Trachtenberg (1996) states that if higher education is able to keep up with changes in the marketplace, it must be restructured. The question remains, can tenure go hand in hand with these changes? Morrell (1994) writes that tenure should remain in place while the necessary changes are made.

Williamson (1996) writes that in order to determine if a college or university would be better off with or without tenure, one can use transaction cost economics and comparative institutional analysis, by which alternatives are compared for completing a task. The theory states that an outcome for which no feasible superior alternative can be described and implemented with net gains is presumed to be efficient (Williamson, 1996). Depending on one's outlook, tenure maybe the most effective alternative or it may not.

Trachtenberg (1996) maintains that academic freedom must be protected regardless of what happens with tenure. His principles follow:

1. The restoration of the status quo ante, with the ante defined as the age when tenure was in effect a 30 to 35 year contract, must be in place.
2. The education and re-education of the American public by faculty members in higher education must provide their fellow citizens and political decision makers with facts that overcome the automatic linkage they are tending to make between tenure and the abuse of tenure.
3. Active support for the notion of defined and limited teaching contracts that would replace the award of tenure. Contracts can be for any number of years, subject to periodic reviews, with due process (Trachtenberg, 1996).

The solution is feasible. It is not practical to totally change the academic atmosphere to one that is corporate-like. This will be an ongoing debate throughout the new millennium.

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