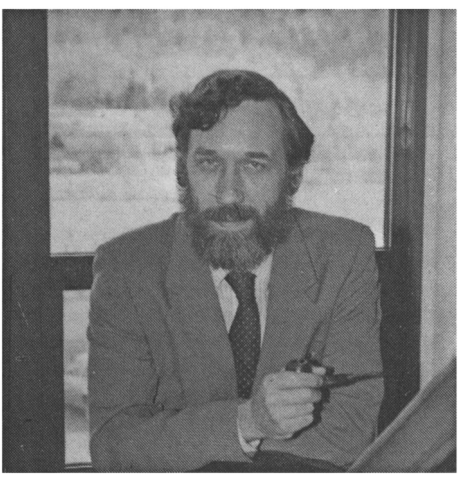
Tenure and Faculty Quality in Post-Growth Academe

Stephen P. Dresch
School of Business and
Engineering Administration
Michigan Technological University

Editor's Note: This essay is adapted from the author's *The Economics of Foreign Students* (New York: Institute of International Education, 1987).

Academic tenure has been justified historically by the ostensible necessity of protecting "academic freedom." In particular, it was argued to be necessary, purportedly in the interest of the unfettered search for knowledge and truth, to protect the faculty member and, perhaps more importantly, the employing institution from attack by partisan or parochial political, social and religious interests. More fundamentally, however, it served to concentrate power within institutions in the hands of the tenured faculty, which collectively and virtually independently controlled the award of tenure, not infrequently to ends contradictory to the ostensibly claimed protection of academic freedom in the search for truth.



STEPHEN P. DRESCH

Over the period of the development of the contemporary tenure system, the first half of the twentieth century, the academic sector experienced virtually continuous, uninterrupted growth. As a result, employment security in the face of possible contractions of enrollment probably constituted a relatively minor objective of faculty, the primary objective being to secure for the faculty, directly or indirectly, greater shares of the discretionary powers and of the residual revenues, actual or potential, possessed by universities as a result of their nonprofit, subsidized status.[1] However, a historical milieu of sustained growth resulted in a specific institutionalization of tenure (and of faculty power) which is extremely growth dependent and may have potentially severe employment-rigidifying effects as academe undergoes the transition from rapid growth to stability or decline. Alternatively, this transition might be used to achieve a significant upgrading of faculty and educational quality.

While the institution of tenure severely constrains institutional flexibility with reference to both tenured and probationary (tenure-track) faculty, greater flexibility is obviously possible with reference to the latter than to the former. Thus, to the degree to which declines in enrollment demand are anticipated, and to the degree to which these anticipations lead to changes in tenure practice, as reflected in the proportion of tenure-eligible individuals actually granted tenure, the institution can increase its reliance on probationary relative to tenured faculty, discharging nontenured faculty at the conclusion of the probationary period and replacing them, if necessary, by new probationary recruits.

To pursue a flexibility-enhancing strategy

https://doi.org/10.2307/419964 Published online by Cambridge University Press

relying on raising the rate of tenure denial depends for its success upon the existence of a ready supply of probationary recruits. Notwithstanding the anticipation of future declines in demand for faculty services, current demands could be quite high relative to available supply, making it difficult to replace those denied tenure with new nontenured personnel.[2] In fact, however, this has not been the case in the U.S. over the last fifteen years: Despite significant declines in rates of graduate school entry and completion, the flow of new Ph.D.s into the market has, in most fields, consistently exceeded academic demands. Thus, the states of the relevant markets have not constrained institutions desiring to pursue high-tenure-denial-rate strategies.

While this tenure-denial strategy would be motivated in the first instance by the desire to achieve greater future flexibility in the level and composition of the faculty, as a byproduct of the reduced rate at which tenure is granted academic standards for tenure could be upgraded, thus improving the quality of the faculty cadre.

In fact, tenure practices, and especially rates at which probationary faculty are granted tenure, have not changed dramatically in the face of changing institutional enrollment prospects. As a result, the ratio of tenured to probationary faculty has tended to increase significantly over the past decade and a half. The most compelling explanation for this institutional inertia is indeed the control of tenured faculty over the tenure process. In effect, higher standards for tenure, if successful in raising the quality of newly tenured faculty, would constitute a direct or indirect threat to those who achieved tenure under earlier, less demanding, standards. While the primary threat might seem to be to the self-esteem of the less capable members of the tenured faculty, more substantial adverse consequences for this group might also be anticipated, e.g., relative reductions in salary increases and losses of internal power and authority.

While the tenure system imposes significant constraints on institutional flexibility in response to enrollment change and has not adapted positively to changes in growth prospects, one significant development in academic employment practice has emerged over this period which has given institutions substantial flexibility. This is the growing reliance on nonprobationary, nontenured employment. Here, individuals are appointed either to fixed-term, nonrenewable positions (the revolving one- or two-year appointment), to indefinite term but non-tenure-eligible positions (as instructors or lecturers), or to casual or parttime positions. As a result, the downward adaptability of employment is substantially greater now than in the past and is notably greater than the constraints of a relatively static tenure system might suggest. Thus, while the tenured proportion of tenure-eligible faculty has risen, the tenured and tenure-eligible proportion of all faculty has declined.

Despite significant declines in rates of graduate school entry and completion, the flow of new Ph.D.s into the market has, in most fields, consistently exceeded academic demands.

In light of faculty resistance to changes in tenure practices which would increase institutional flexibility, one might question why faculty have been prepared to accept the substantial growth in the non-tenure-eligible faculty underclass. The apparent explanation, however, is quite consistent with that of faculty resistance to modifications in tenure practices and standards. Specifically, the emergent underclass does not constitute a threat to established faculty. Especially in light of the fact that, under prevailing circumstances (earnings differentials, etc.), persons willing to consider positions without prospects or security will be those least capable of securing positions with either of these attributes, it can be anticipated that they will be, on average, less capable. As such, they con-

stitute no threat to the permanent faculty.

In fact, as a result of their relatively modest cost, by comparison to fully qualified and recognized faculty, members of this faculty underclass may generate an economic surplus, at least part of which may be captured by the permanent faculty. If nothing else, this group provides indirect benefits to the established faculty as a group by relieving it of responsibility for the less desirable lower division and service curriculum. Thus, just as in the case of its resistance to elevated standards for tenure, the acceptance by established faculty of the emergence and growth of the faculty underclass may well contribute to the effective reduction in faculty and educational quality.

One might question why faculty have been prepared to accept the substantial growth in the non-tenure-eligible faculty underclass.

Faculty acceptance of the erosion of quality and unwillingness to realize opportunities for significant quality enhancements which have become feasible in the new low-growth environment constitute a major threat to the established system of academic tenure. In an environment of general enrollment decline competition between institutions for students can be expected to increase, and much of that competition will focus on quality. In the face of tenure practices which constitute a "quality trap," to break out of that trap will necessitate major changes in terms of faculty employment, changes which will involve the de facto or de jure abandonment of traditional academic tenure.

Historically, competition between institutions has been attenuated as a result of overt state-sanctioned collusion. However, because a contracting market imposes serious strains on collusive cartel arrangements, meaningful competition is likely to increase significantly as aggregate enrollment begins to decline, especially since institutional survival will depend upon securing an increased share of a contracting market. Particularly in the case of state-supported institutions (and to a lesser extent in the private sector), variations in rates of decline across institutions will impose severe strains on prevailing patterns of governmental support which, historically, have been strongly dominated by political prssures toward interinstitutional "neutrality"; major differences across institutions in rates of enrollment contraction will almost inevitably be reflected in corresponding adjustments of public subventions, thus magnifying the direct effects of differential enrollment changes on institutional resources and survival prospects.

Increased competition can take several forms. Conventionally, price competition is given greatest attention in the assessment of the competitiveness of a market. In the case of higher education, an increase in interinstitutional competition for students can be expected to be reflected in greater price competition; however, the effectiveness of price competition will be constrained as a result of the relatively modest share of total costs controlled by the institution, recognizing that foregone earnings on average greatly exceed the tuition costs of college, and of the differentiated nature of the product (in contrast to a standardized product such as a bushel of wheat). Thus, nonprice competition, specifically quality competition, is likely to provide the most visible evidence of this newly competitive environment. Quality competition will be encouraged both by the importance of qualitative differences in student choice between competing institutional alternatives and, perhaps more importantly, by the clear potential for major quality enhancements at modest cost as sectoral enrollment contracts.

However, those institutions which succeed in most substantially and visibly enhancing quality will be those which are able to break out of the "quality trap" imposed by the existing cadre of tenured faculty. Successful escape from this trap, in the first instance, is likely to be covert, e.g., administrative appointment of extremely capable junior as well as senior candidates to nontenured but prestigious

and relatively highly remunerative positions. Subsequently, either tenure itself will be formally abolished, replaced by some variant of rolling term-appointment, or the share of the faculty ensnared in a degenerate tenure system will undergo a long-term contraction toward a lower asymptote of zero.

About the Author

Stephen P. Dresch is professor of economics and dean of the School of Business and Engineering Administration, Michigan Technological University. Previously a research scholar at the International Institute for Applied Systems Analysis (Austria) and chairman of the Institute for Demographic and Economic Studies, he is the author (with K. R. Janson), most recently, of "Giants, Pygmies and the Social Costs of Fundamental Research, or, Price Revisited," *Technological Forecasting and Social Change*, v. 32, no. 4 (1988).

Notes

1. For an incisive analysis of the economic foundations of the system of academic tenure, see Armen A. Alchian. 1958. Private Property and the Relative Cost of Tenure. In P. D. Bradley, *The Public Stake in Union Power*, Charlottesville, VA: The University Press of Virginia, pp. 350-71, reprinted in Armen A. Alchian. 1977. *Economic Forces at Work*, Indianapolis: Liberty Press, pp. 177-202.

2. Of course, denial of tenure is not the equivalent of capital punishment: The termination of a probationary faculty member does not reduce the aggregate supply of faculty services unless the disappointed individual elects as a result to withdraw permanently from the academic market. This would be likely only in a weak academic labor market. Also, the depressive effect of adverse changes in tenure prospects on the supply of faculty services to the individual institution could be compensated by the offer of higher current remuneration; thus, the fact that tenure criteria did not become more stringent elsewhere need not imply a reduction in the supply of faculty to an institution employing this strategy.

Microcomputer Statistical Packages

Carl Grafton
Anne Permaloff
Auburn University at Montgomery

Our first article in this *PS* series, written five years ago, covered four microcomputer statistics packages (Grafton and Permaloff, 1983). Those programs represented a substantial fraction of the total number on the market at that time. Today there are probably 50 times that many, and virtually all of them offer many times greater speed and data handling capacity, enhanced data transformation capability, and a larger range of statistical techniques.

Here we discuss 15 packages for the IBM PC and compatibles, although several are sold in versions that will run on Apple II and Macintosh equipment. Because it is impossible to cover all the packages being sold, we have selected those whose earlier versions we found useful, others suggested by colleagues, along with "best sellers" and some that we judged from advertising to be potential bargains. Our objectives are to provide the reader with standards by which to evaluate this software, present an overview of the market, and evaluate these particular packages.

The packages examined are in the low to moderate price range. We have squeezed STATGRAPHICS and SYSTAT, the most expensive ones, into the moderate range because, unlike most statistics packages, they can be obtained at a substantial discount from mail order dealers. All except two can run on dual floppy disk systems, although several others perform much better on a hard disk. Most require a color graphics adaptor for all or some graphics displays. Only one is copy protected. Even the ones that are listed as able to run with less than 640K RAM (Random Access Memory) operate more effectively with 640K either because they are able to take advantage of full memory or because they can be used with RAM disk software. RAM disk software allows part of RAM to be set aside so that it resembles an additional disk drive. Since mail