

Breaking the golden handcuffs: recreating markets for tenured faculty

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Abstract

The present system of tenure in American colleges – combined with a dramatic rise in the proportion of non-tenure-track faculty – has led to a near-closure of active markets for most tenured faculty. In turn, this produces two types of mismatches: some departments / colleges have faculty they do not want; and some faculty would much prefer to relocate to another department / college. These mismatches are not without costs for professors and departments / colleges. Without abolishing or diluting tenure, colleges can alleviate these inefficiencies by initiating reforms to recreate markets for tenured faculty. This can be accomplished by establishing computerized job exchanges that allow departments / colleges to engage in mutually beneficial trades – across disciplines and across colleges – of tenured professors who are currently mismatched.

Key words college, university, tenure, tenure-track, faculty, professor, market closure, trading professors, inefficiency, markets, professional sports, trading players, expand markets

JEL codes I 21, I 23, L 31, L 33, L 38

1. Introduction

In recent decades, critics of academic tenure have argued that it reduces faculty productivity by creating sinecures; it also restricts the ability of administrators to restructure their colleges in response to changing markets and priorities.¹

While this paper shares these concerns, we take the view that the advantages of tenure outweigh its costs.² Therefore, instead of diluting or abolishing tenure, we should be looking at ways of mitigating the two problems it creates: erosion of faculty incentives and institutional rigidity. Taking a fresh look at the system of tenure for college professors, we argue that it is likely to lead to a contraction in markets for most tenured faculty. In turn, this creates two kinds of faculty mismatches: one from the standpoint of the college and another from the standpoint of the faculty. Over time, a college's inability to fire its tenured faculty is likely to create growing mismatches between its existing faculty and its needs.³ In addition, since

¹ The attacks against tenure have been led mostly by legislators, trustees, and writers from conservative think tanks; in polls a majority of college administrators too express a preference for contractual faculty appointments over tenure. For recent attacks against tenure, see Lindsay (2016), Wetherbe (2013), Riley (2011) and Taylor (2009). In 2011, *Time* weighed in on this issue without taking sides (Rotherham, 2011). In November 1997, the chairman of the Massachusetts Board of Higher Education described tenure as a "scam" and called for its abolition (McPherson and Schapiro, 1999). According to one survey, about 69 percent of administrators at four-year private colleges said, "they would prefer that a majority of faculty work under long-term or annual contracts (Stripling, 2011)." In 2016, the State College of Florida abolished tenure. In 2015, Wisconsin passed legislation that effectively destroys tenure at public colleges and universities; in 2017, bills were introduced to abolish tenure for new hires in Missouri and for all faculty in Iowa [Johnson (2016), Schuman (2016) and Flaherty (2017)]. More recently, Gardner (2018) has written that tenure "faces more peril now than it has in nearly 70 years".

² For the advantages that flow from tenure's protection of academic freedom, see de George (2003), Brown and Kurland (1990), and Van Alstyne (1990).

³ Colleges includes all post-secondary academic institutions, including community colleges, four-year colleges and universities.

stagnation or near-stagnation in the number of tenured positions is likely to lead to the near-closure of active markets for tenured faculty, this is likely to produce mismatches – now from the standpoint of tenured professors – between their current locations and affiliations and where they want to be. It is our contention that colleges can mitigate both of these mismatches by instituting arrangements that allow tenured professors in one department or college to trade their positions with professors based elsewhere. These trades need not affect the security that goes with tenure if the proposed trades are initiated by professors and occur with their consent. If these trades also occur with the consent of the relevant departments and colleges, then all-round gains are assured. In effect, this proposal calls for easing the near-closure of markets for most tenured faculty especially in times of stagnation in the overall size of the faculty: the flexibility this creates should benefit professors, departments and colleges alike.

The rest of this paper is developed in four sections. Section two examines how tenure – under conditions of a stagnant or a slowly expanding pool of tenured positions – creates near-closure of active markets for most tenured faculty: and why this is likely to have an adverse impact on the productivity of tenured faculty. Section three proposes the idea of “trading” tenured professors: it shows that this institutional innovation has the potential for alleviating the dual problems caused by tenure to the degree that it expands active markets for tenured professors. Section four compares our proposal for exchanging tenured professors with the arrangements in professional sports for trading players. A concluding section offers some thoughts on why the several solutions proposed in this paper for increasing the mobility of tenured professors have not been tested at least in the United States.

2. Markets for tenured faculty

Consider how tenure may greatly narrow “active” markets for most tenured faculty, where the active market consists of new hires in any time period. Some of the costs of tenure derive from this narrowing of the active market for tenured professors.

In a labor market with a fixed number of tenured faculty positions over time, labor turnovers could be set in motion by firings, resignations, retirements or deaths.⁴ Given the rarity of firings in academia due to tenure, this is unlikely to be a significant source of turnovers in the ranks of tenured faculty.⁵ Resignations are likely a more important source of turnovers, and these may arise from two sources. Some resignations may occur as faculty leave academia to take up non-academic jobs, but these are likely to be confined to faculty in business, medical and engineering schools. Resignations may also result as top-tier colleges raid each other’s faculty as they attempt to improve their academic rankings, but this is likely to create opportunities principally for the “stars” in any field. This leaves us with retirements and deaths as the chief potential sources of turnover for the non-stars in academia. However, it is unlikely that retirements and deaths (especially of senior faculty) will create openings for senior

⁴ According to the report of the American Association of University Professors (AAUP), 2012-2013, the number of full-time tenured and tenure-track positions at American colleges increased by 26 percent between 1975 and 2011, while the number of non-tenure-track positions rose by 300 percent over the same period (Curtis and Thornton, 2013, p. 4). At Harvard University, the size of the Faculty of Arts and Science increased by a mere 2.5 percent between 2008 and 2017; it had increased by 28 percent between 1998 and 2008 (Nakada and XU, 2018).

⁵ According to Huteson (1996: 13), only two percent of the total turnovers of tenured faculty in 1987 was due to dismissals for cause or retraining. In other words, 98 percent of the turnovers were due to retirements, resignations, and deaths.

tenured faculty. Colleges prefer to replace retiring and senior deceased faculty with tenure-track hires. There are several reasons for this. Generally, tenure-track hires will cost less than senior hires; they also give the college administrators greater flexibility since they can be fired before they receive tenure; in fast-changing fields, the administration may prefer to replace retirees with recent graduates in order to stay current; existing faculty too may prefer tenure-track hires since they will not affect their seniority or chances for promotion.⁶ In other words, firings, resignations and retirements will most likely shrink the ranks of tenured faculty, although this shortfall may be made up over time by the granting of tenure to tenure-track faculty.

To summarize: the near closure of active markets for most tenured faculty is the product of two circumstances. The institution of tenure nearly ends the firing of tenured faculty: in and of itself, this greatly reduces the turnovers that are set in motion by firings even in stable job markets. A second factor is also at play. Faculty who retire, die or resign (to take up positions in government or business) are often replaced by appointments in the ranks of tenure-track and adjunct faculty. Apart from the “stars” in the tenured ranks, this greatly restricts the movement all other tenured faculty. The degree of market closure for tenured faculty can be inferred from average years that they have spent in their current positions. According to a report prepared by the American Federation of Teachers (AFT), the tenured faculty at all institutions of higher education in the US spent 16.6 years in their current positions in 1992; in 1998, this had gone up to 18.1 years (AFT, 2003: 15).⁷ Alternatively, the degree of market closure may also be inferred from data on faculty retention. The retention rates for tenured full and associate professors in the State University System of Florida over 1977-1978 were 94.97 and 96.2 percent respectively (Christal and Hector, 1980:3). The immobility of tenured faculty may have worsened in the years following the Great Recession, especially for faculty in the social sciences and humanities. According to Cassuto (2011), there was a 40 percent decline in tenured openings over 2009-2011 in the fields of history and English.

It would appear that only one set of tenured professors are exempt from this market closure. This consists of faculty whose presence in a department visibly enhances its reputation and, therefore, its ability to recruit high-quality students and faculty: they are the “stars”. Colleges ambitious to increase their rank – or the rank of particular departments – will often be willing to offer special deals, including higher salaries, reduced teaching loads, research funding, job for a spouse, etc. – to lure these stars from their current positions. What this means is that most of the tenured faculty who lack this “star” quality are likely, once they receive tenure, to be stuck in the departments and colleges that first gave them tenure. Tenure for them becomes golden handcuffs.

The system of tenure, then, creates two kinds of rigidities: the first is the rigidity in the composition of tenured faculty and, over the last few decades, stagnation or near-stagnation in its size; the second concerns the greatly reduced mobility of tenured faculty that results from the market-closure just described. College administrators are quick to perceive the first

⁶ Note that in an industry with a fixed number of jobs, the firing of one employee may set off a chain reaction. Firm A fires one employee and hires a replacement from firm B. In turn, the employee who left B is replaced by an employee from firm C; and this process goes on. In academia, because of the near-absence of firings from the ranks of tenured faculty, this chain reaction is muted. Further, retirements do not start such a chain reaction since these – as explained earlier – often lead to replacements by tenure-track or adjunct appointments.

⁷ The average years of service in 1992 and 1998 by type of institutions were as follows: private research: 17.1 and 18.7; public doctoral: 16.9 and 19.0; private doctoral: 15.3 and 18.2; private liberal arts: 17.3 and 18.9; public two-year: 15.5 and 16.5.

rigidity but the second rigidity that concerns the faculty receives very little attention in debates about the pros and cons of tenure. Consider the costs of these rigidities in turn.

The first produces mismatches between the desirable and actual size and composition – across departments and ranks – of college faculty. Colleges offer a large number of programs and a far greater number of courses. Over time, enrolments in these programs and courses are likely to vary, rising in some and falling in others. Unlike corporations, however, colleges cannot respond adequately to the changing demand for its products. The inability to fire tenured professors in programs with declining enrolments reduces a college's ability to make new hires, and, therefore, expand faculty in programs with growing enrolments.⁸ Colleges handle these mismatches, as best they can, by capping enrolments in expanding programs; more often, they parcel out teaching in the expanding programs to poorly paid adjunct faculty and graduate students. It may be argued that these stop-gap hires may compromise the quality of teaching.

In public discourse, tenure is nearly always blamed for creating a pampered professorate. It is claimed that the professors slack off once they receive tenure, and some are even said to pass into the category of “deadwood”. The concerns over faculty productivity resulting from the job security afforded tenure are a bit exaggerated; but this is not an issue that we cover in this paper.⁹ This paper is concerned with a second source of disincentives that may affect faculty performance, one that receives no attention in the literature on tenure. Tenure not only removes the threat of being fired; barring the “stars”, it also greatly narrows – as we have shown above – the ability of the tenured faculty to move to another college and/or location. This loss of mobility is likely to dampen the motivation to maintain excellence in research and teaching. A strong interest in moving is likely to induce a professor to keep up her research productivity, change her research focus or develop new teaching interests in order to take advantage of changing market conditions. Understandably, these incentives vanish when opportunities for moving disappear for all but a small number of “star” faculty.

The virtual closure of active markets for tenured professors creates a second type of faculty mismatch. It would be easy to identify several sources of these mismatches: the termination or downsizing of an existing program as senior professors retire, changes in the direction of a program that may result from new hires, irreconcilable conflicts among professors in the same program, conflicts between faculty and college administration, decline in quality of students, changes in the professor's research interests, a divorce or marriage or changes in health that require moving to warmer / colder climates. The loss of a doctoral program can derail a professor's research projects that depend on the participation of doctoral students. Alternatively, the departure of one or more research collaborators may lead to the loss of

⁸ These mismatches may exist not only between departments, but also within departments as the demand for some fields rises while other fields go out of favor.

⁹ The concerns over the adverse impact of tenure on faculty incentives are a bit exaggerated. First, the security of tenure may encourage professors to take up long-term and high-risk projects with higher payoffs. Thus, while the number of publications – the conventional measure of re-search output – is likely to decline with tenure, this may be offset by higher quality. Second, negative sanctions might not be very important in academia where most professors are self-motivated and generally enjoy what they do. Third, college professors quite literally face an ongoing evaluation of their knowledge and teaching skills from their primary audience-the students. Though less frequently and more subtly, professors come under similar pressures from their colleagues. Fourthly, professors – especially in the stem fields – who may derive some part of their income from grants must continue to maintain an impressive research record or risk losing their grants. Finally, most colleges place their faculty under considerable pressure to perform by linking their annual raises to their teaching and/or research performance. The linking of teaching load to research output is also likely to have the same effect on research output.

research funding. Given the vanishingly small probability of moving to another college, the persistence of these mismatches can have an enduring adverse impact on faculty morale and the quantity and quality of research output.

Once conflicts emerge within academic departments, the low exit opportunities are likely to exacerbate them. When professors who cannot get along – whatever the reasons – are forced to compete for the same resources, their conflicts are likely to intensify and even become nasty. In such situations, professors have been known to spend inordinate amounts of their time on political activities aimed at harming their rivals; they may even recruit graduate students as these conflicts play out. Occasionally, these conflicts engulf a whole department, seriously undermining its teaching and research output, especially in the natural sciences where productivity may depend on team work amongst professors.

To sum up this discussion: the system of tenure leads to a virtual closure in the active markets for tenured professors. This creates two kinds of mismatches within a college: one burdens a college with professors it does not want; a second forces professors to retire on jobs they do not want. With the abolition of a mandatory retirement age for professors in 1994, these mismatches may have increased as some professors are choosing to stay longer on their jobs. These mismatches create rigidities that have adverse effects on faculty incentives and morale.

3. Trading professors

In the United States, the solutions to the problems of tenure that have been discussed or implemented have involved abolishing tenure or diluting it with post-tenure reviews.¹⁰ We propose mechanisms to alleviate the dual mismatches created by tenure without compromising the basic principle of tenure, viz. job security until retirement.

We have shown that inasmuch as academic tenure leads to a near-closure of markets for most tenured professors – and this in turn creates the two mismatches discussed above – we can overcome these mismatches by re-creating markets for tenured professors. In the simplest case, if the mismatches of two colleges are complementary, this opens up the *possibility* of a bilateral exchange of professors between the two colleges; this complementary will exist when a “surplus” professor at college A is wanted at another college B, and a “surplus” professor at college B is wanted at A.¹¹ In order for these trades to be effected, however, the professor at A must be willing to move to B, and vice versa. Since this dual complementarity between two colleges may be too restrictive, we will have to allow multilateral exchanges in order to increase the pool of feasible exchanges, with the proviso that a college effects exchanges only when they balance out year by year; but additional flexibility may be introduced by allowing accounts to balance over time. While the possibility of such exchanges is fairly obvious, we still have to identify mechanisms that can bring them about quickly and at low cost. Four such mechanisms are examined in this section.

Model I: Broadening the Locus of Tenure. Some fraction of faculty mismatches could be solved right at home by opening up the presently impermeable boundaries between

¹⁰ If post-tenure reviews are to have any teeth, they must allow for dismissal, and once these reviews admit dismissal as an outcome, this amounts to the replacement of tenure with renewable fixed-term contracts.

¹¹ Since bilateral exchanges may be restrictive, we will later examine ways in which the multilateral trading can occur.

departments to internal exchanges of professors. Under current practice, the movement of professors across departments is rare. This is unfortunate, since disciplines were supposed to serve as tentative systems for classifying and organizing knowledge, not to become barriers to mobility of faculty across disciplinary boundaries. There are different ways in which these barriers could be removed or made more permeable. One solution might be to appoint and tenure a professor to a block of related disciplines within some division / faculty of the college. Provided a professor consents to this and is given adequate time to prepare for it, a college may relocate *all or part* of a professor's teaching time to any discipline within the block in which she holds tenure.¹² If such a relocation does not work out, it may also be reversed. In order to facilitate faculty movements across disciplines within a defined block, research should receive the same weight in all the disciplines within a block; this will encourage faculty to engage in cross-disciplinary research and encourage them to study societal problems from more than one perspective. Alternatively, a college may allow or incentivize professors to relocate all or part of their teaching and/or research between departments within a division of the college or even across divisions within a college. Colleges may work out a set of minimal conditions that would have to be met before a professor may apply for such relocations.

This interdisciplinary mobility gives the college freedom to address the problem of mismatches by moving professors across disciplines. This also creates new degrees of freedom for professors who wish to change the direction of their pedagogical and research interests. This freedom may create new energy as professors at different stages in their careers prepare to move across disciplines or expand the scope of their scholarly interests. It will also encourage them to look across disciplinary boundaries within their own college to enter into collaborations that will make these transitions smoother.

Model II: Consortium of Colleges. The exchange of professors amongst a group of colleges could be also internalized if they formed a consortium and re-defined tenure in a specific discipline to be tenable, when trades become necessary and feasible, at any of the member colleges in the consortium. Alternatively, they could combine this with *Model I* and broaden the locus of tenure to include several interrelated disciplines. Understandably, the colleges that become part of such a consortium will seek to ensure that they have comparable standards for tenure and promotion. For such exchanges to be completed under existing tenure arrangements, the colleges could only work with professors who volunteer to be relocated; they could also offer inducements to professors they wanted to relocate. In the long run, however, the colleges can gain greater control over relocations by offering tenure contracts which stipulate that tenured professors could be transferred – with sufficient advance notice – to any member college in the consortium. This arrangement could also accommodate exchanges initiated by professors who prefer to relocate to a member institution provided she is wanted by the target institution.

Model III: Clearing House. In the absence of a consortium of colleges, exchanges may be organized by setting up a Clearing House. Every college prepares a list of professors, with their ranks, fields and sub-fields, who have agreed to be relocated together with information about their preferred destinations. In addition, each college prepares another list specifying the fields, subfields, and ranks in which it needs faculty. These lists are then forwarded to the Clearing House which processes the data to identify all the feasible matches or near-matches for professors on the roster. Once these matches have been identified, the Clearing House

¹² Alternatively, a tenure-track professor may initially be tied to one department within the block, and upon receiving tenure, she may be incentivized to take part or all of her teaching time to another department where there is a shortage of faculty.

sends each college (A) a list of colleges (say B, C, and D) that have professors who wish to relocate to college A. In other words, the Clearing House identifies for each college a set of colleges with which exchanges are feasible; these sets may turn out to be empty for some colleges. Once the colleges have this information, they can start negotiations for the exchanges to be completed. In order to lower transaction costs, the colleges would have to adopt a common set of procedures for negotiating these exchanges.

The exchanges do not have to balance bilaterally. Suppose there are three institutions (A, B and C) such that one professor moves from A to B, a second moves from B to C, a third moves from C to A. The bilateral exchange – exchange between any pair of the three colleges – does not balance. However, once the exchanges between all pairs have been completed, each college's exchange is in balance; it loses one professor and gains one. These exchanges may still fail to balance financially if the professors exchanged have unequal salaries. A college may well decide to undertake exchanges which involve additional outlays provided the long-term gains from this trade (academic and financial) are greater than the extra financial costs.

Model IV: Offering Subsidies. Next consider a proposal for mediating exchanges more directly, without the intermediation of a Clearing House. The existence of mismatches – as seen by colleges – implies that a mismatched faculty is worth less than what she costs to her host college. Suppose that a college wants to replace a tenured professor, X, with graduate students and adjunct professors; and this replacement, if it could be affected, would save 50 percent of the cost of X. However, the college cannot fire X because of tenure. In such a situation, the college could still be better off if it offered to pay anything less than 50 percent of X's salary, for some fixed number of years, to any college that would hire her. Since X now enters the market with some percentage (say, 30 percent) of her salary paid by her current college, this may open up a market for the "subsidized" tenured professor.¹³ Such an arrangement, under the current tenure contracts, can only work with the consent of the tenured professors.¹⁴

4. Trading players in professional sports

The exchange of professors proposed in this paper has some similarities with the trading of players in professional team sports in the United States. These similarities are examined with respect to baseball.

When the first professional baseball league was organized in 1876, the players were free agents; they could switch teams at any time, even in the middle of a playing season. This troubled the team owners since it gave each player the power to collect the entire price he commanded on the market. The team-owners organized into a cartel and turned the tables against the players with the introduction of the infamous "reserve clause" in the contracts signed by players. Under this clause, a team could renew its contract with any player simply by submitting a contract to the player on or before March 11; it did not matter if the player did

¹³ The subsidy and its duration would have to be negotiated; among other things, it would depend on the savings to the host college, the age of the professor, and the market conditions.

¹⁴ Such an arrangement may of course carry an odium; it may, incorrectly, cast aspersions on the academic competence of a professor. Mismatches, as explained above, may emerge for a variety of reasons unrelated to a professor's competence. Further, these exchanges could remain confidential, at least in the professor's original department.

not sign the contract. This meant that a player was bound for his playing career to the team with which he first signed a contract. A team could drop a player at the end of a playing season but the player could not quit his team for a new one. This system operated unchanged for nearly a hundred years. It was revised in 1976 to allow players with six years of major league service to enter into new contracts. The impact of this change would be marginal for most baseball players, since their careers in professional baseball did not normally last much longer than six years.¹⁵

Although they work differently, tenure and the reserve clause operate to limit the active market for professors and players respectively. While teams have the option to drop any player at the end of the playing season – a condition that college administrators might envy – this is not an option they want to exercise. If teams began to drop players, this would create a market for free agents, and as this market grew in size it would undermine the collective market power of the teams. The team-owners understood this, and made sure not to drop too many players from their teams. This means that team-owners are stuck with their players and must face up to the problem of mismatches faced by college administrators: they have players they want replaced by others. It appears, however, that team-owners have been more inventive than college administrators in finding a way out of their predicament. Since the earliest days of the reserve clause, they have overcome the problems of mismatches by trading their own players against players from another team, or selling them outright to another team. As Horowitz (1992: 499) writes,

“Major League Baseball is a cartel whose members can benefit by trading assets – ballplayer contracts. Each winter the cartel members and their GMs [general managers] meet, and effecting exchanges has always been a principal order of business. Some in-season trades are made from ‘waiver’ lists – baseball’s sales catalogues – that name the players a club wants or is willing to sell or trade.”

This is an option that college administrators have chosen not to explore.

5. Concluding remarks

Why hasn’t the option examined in this paper – establishing mechanisms for allowing and enabling trade in professors – been a part of the discourse on tenure?¹⁶

Perhaps, the problem lies with our semantic sensibilities. We don’t want to “traded”, to be thought of as commodities, although that is what we are when we enter the markets for labor; this language degrades our humanity. But the economic theory of labor markets also treats us as commodities – the same as cabbages or cars. However, if the semantics of “trading” is problematic, we can substitute this with “rotating”, “swapping”, or “mutually advantageous exchanges”. But I doubt if this is the chief impediment to a discourse on re-creating markets for tenured professors.

¹⁵ See Quirk and Fort (1992: chapter five) for a history of the reserve clause in baseball.

¹⁶ An earlier version of this paper was first posted on the website of Social Science Research Network on March 21, 2012. Alam, Mohammad Shahid, Tenure and Turnover: Re-Creating Markets for Tenured Faculty (May 9, 2015). Available at SSRN: <https://ssrn.com/abstract=2018902> or <http://dx.doi.org/10.2139/ssrn.2018902>

Is it the case that the trades we are proposing are not practical because the matching of professors to departments / colleges is highly idiosyncratic? In order to pass muster, these matches require several levels of approvals – by the department faculty, the dean of the division, and the college provost and president. While these idiosyncrasies certainly exist, this has not prevented departments / colleges from hiring *tenured* faculty when there is a demand for senior faculty. It is doubtful that the pool of computer-enabled matches – drawn from the entire pool of tenured faculty who are interested in relocation – would be smaller or less promising than applicant pools generated by advertisements and personal contacts. Once the potential candidates for trades have been identified by computers, there is no reason to suppose that the screening or vetting of candidates from *this* pool by any college or its subunits should be any different than it is for regular appointments.¹⁷ In doubtful cases, colleges may choose to engage in trades on a trial basis for a period of one, two or three years. If the interpersonal skills of these “traded” professors create problems, they would be free to go back to their original departments.

If professional sports teams can trade players, it may well be easier for colleges to trade professors. Arguably, the challenges involved in the matching of “traded” professors to departments-colleges are not nearly as great as the matching of “traded” players to teams. The success of a sports team depends as much on the individual skills of players as it does on how well one player’s skills and personality – that is, his temperament and interpersonal skills – complement those of other members in the team; this is because success in team sports – whether football, basketball, baseball or soccer – depend even more on the cooperation and the coordination of all the players in a team than on the skills of individual players. With a few exceptions, academic departments do not operate like teams in team sports. In their teaching duties, professors operate almost entirely as individuals; they may not always be able to teach their preferred courses but they *are* free to choose the way they teach these courses. When some professors work as teams in their research activities, more often than not the members of a research team do not belong to the same college. All things considered, then, it is unlikely that the idiosyncrasies of academia constitute an obstacle to trading professors.

More plausibly, it could be argued that the problem of faculty mismatches is not quite so serious. Colleges have been handling this problem with retirements, occasional resignations, and deaths; they can also increase departures by terminating tenure-track professors, and creating conditions for early retirement of senior faculty by offering incentives for early retirement or increasing their workload. More importantly, colleges have been addressing the problem of mismatches by limiting the ranks of tenured and tenure-track faculty, and instead steadily increasing the share of non-tenure track faculty who now are responsible for as much as sixty percent of the teaching in some of the top-tier colleges, and even higher percentages of the teaching in community colleges. It is important to note that this option is not available to professional sports teams; their players cannot be split into two or more groups that are somehow the equivalent of tenured professors, adjunct professors, and PhD students.

¹⁷ When making tenured appointments, the faculty does not have the benefit of long familiarity with the candidates that it does when granting tenure to its tenure-track faculty. But this could be partly remedied by inviting letters from the colleagues of outside candidates for tenured appointments; the letter-writers may be asked to speak to their colleague’s interpersonal skills and idiosyncrasies. On the other hand, we are well aware of a major risk of the tenuring decision: the risk of slacking off because of the job security created by tenure. One can nearly eliminate this risk in the case of traded tenured professor, since we also have a record of their scholarly and pedagogical achievements *after* the grant of tenure.

Another factor contributing to the absence of trades in academia might be the weaker competitive pressures among colleges compared to sports teams. Mostly, this is because professional sports teams are privately-owned, for-profit enterprises, while nearly all colleges are non-profit enterprises that generate significant portions of their revenues from state subsidies and private donors. In addition, competition among sports teams is much more intense because, unlike colleges, their performance is tested visibly and regularly – during the playing season – by losses and wins, which quickly translate into losses and gains in revenues. It is true that colleges also compete to maintain or improve their ranking – which in turn depends on multiple factors – and attract donations. But the reputation of colleges is built and lost slowly, and a slow slippage in reputation can scarcely generate the kind of pressures on the board of trustees that owners and managers feel when their teams begin to lose revenues and a fan base.

According to one survey in 2011, 69 percent of college presidents in four-year private colleges would prefer a majority of their faculty to work with annual or long-term contracts (Stripling: 2011). It is likely that the trustees at these colleges are even more strongly opposed to tenure, and the college presidents moderate their views since they have to deal with professors who strongly favor tenure. Given this preference for abolishing tenure among college administrators, it is perhaps understandable that they have not launched any initiatives to mitigate the rigidities that accompany tenure, since this would weaken their long-term agenda for abolishing tenure.

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SUGGESTED CITATION:

Alam, M. Shahid (2020) "Breaking the golden handcuffs: recreating markets for tenured faculty." *real-world economics review*, issue no. 91, 16 March, pp. 91-101, <http://www.paecon.net/PAEReview/issue91/Alam91.pdf>

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