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A Note from the Editors

Employment relations in the tertiary education sector has been through enormous and contentious reforms, particularly in the area of managing, codifying and measuring academic performance. This special issue endeavours to capture the debates and issues surrounding the reforms and to examine the impact such reforms have had on academe's unique employment relations experiences.

In the first article, Bruce Curtis, continues his overview of the changes under the Performance-Based Research Fund (PBRF). He critiques earlier articles on the impact of the PBRF and notes that: "... the new fund provides both opportunities and dilemmas to the management and academic staff of universities". The article by Leanne Morris, Pauline Stanton, and Suzanne Young examines performance management within the context of universities. They argue that although the use of performance management as a developmental or monitoring/control tool is not clear, increasingly universities are strategically linking performance management with organisational goals. Of concern to academic staff is that "...performance appraisals are being used to reward staff in areas that were traditionally considered as standard working rights and conditions".

In the third article, Rupert Tipples, Branka Krivokapic-Skoko, and Grant O'Neill note that Australasian academics' psychological contracts have been changing and argue that it is necessary to understand the formation and content of academics' psychological contracts in order to understand and manage the work performance of academics. The article by Stephen Weller and Bernadine Van Gramberg reports on the findings of a survey that explored staff perceptions of change management in Australian universities with a view to gauging the effectiveness of workplace change provisions in Higher Education enterprise agreements. Their findings show that there was a divergence in the perceptions of management and union representatives on workplace change and highlight the limitations of existing processes to meet the expectations and demands of these key sector participants.

Stella Ng and Keri Spooner argue in the final article that while the introduction of performance measures associated with accreditation have added more pressure to an already over-stretched academic workforce, but these measures can also have targeted benefits when used to improve curriculum. Their findings showed that the AACSB accreditation requirements have modified academic resistance to change and have also resulted in a more meaningful teaching and learning experience.

Felicity Lamm and Erling Rasmussen

Academic life: Commodification, continuity, collegiality, confusion and the Performance Based Research Fund

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Abstract

Duncan (2007) (after Lyotard, 1984) suggests the Performance Based Research Fund (PBRF) will intensify and commodify academic work in New Zealand. He –no doubt unintentionally- provides a semiotic inflection of what Burawoy (1979) explored as the myth of the despotic regime of production. This article draws differing conclusions to Duncan: it focuses on practices of the PBRF and its diverse impacts. The article draws on earlier work (Curtis & Matthewman, 2005) which suggested high levels of concern among New Zealand academics about the PBRF. However after two Quality Evaluations (2003 and 2006) that assessed the research performance of individuals and institutions in order to allocate the PBRF, it is apparent that the new fund provides both opportunities and dilemmas to the management and academic staff of universities. The PBRF delivers mixed messages to managers and academic alike and one result is that forms of collegiality, in particular those that benefit the professoriate, seem likely to endure for the foreseeable future.

Introduction

“The New Zealand government has enthusiastically embraced the utilitarian discourse of the knowledge economy and has applied it to its shaping of higher education institutions. The PBRF is a critical component of this overall financial-administrative model. The effects of this, viewed in terms of academic freedom, have been to undermine the professional autonomy of academic staff and the values of independent critical inquiry. There has been little resistance to this from the academic community, partly due to their concerns about securing funding, and partly due to personal anxieties about ‘performance’. Indeed, many academics now perform research ‘because of’ the new funding system – whereas funding used to exist as a prior condition for the conduct of research. In short, the PBRF has had a pernicious effect on academic life and intellectual independence, and university managers and academic staff have permitted, if not encouraged, these changes to occur.” (Duncan, 2007:1)

Duncan’s paper on the role of the Performance-Based Research Fund (PBRF) and academic freedom is a neat conceptual twinning of ‘performance’ in terms of the fund and of Lyotard’s performativity (Lyotard, 1984). Duncan, like Roberts (1998) previously, looks to Lyotard for explanation of the impact of neoliberal language games on higher education. Whereas Roberts saw possibilities for resistance by academics, Duncan sees

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collaboration. Duncan paints a grim picture in which academic professional power is displaced by a 'regime of performance management' and teaching and research is commodified. Indeed Duncan argues that the PBRF and the Tertiary Education Strategy breaches, at least in spirit, Section 161 of the Education Act guaranteeing academic freedom because of its stated intention to align university activities with Government goals (Ministry of Education, 2003, 2005).

Duncan is engaged in a polemic and while his concerns about the commodification of teaching and research, including the role of the PBRF, express a potential scholarly zeitgeist his lack of attention to institutional and sectoral contexts undermine his argument. Although Duncan identifies a sense of angst –verified at least among academics within the humanities and social sciences (Curtis, 2008; Curtis & Matthewman, 2005; Phibbs & Curtis, 2006) – this needs to be explored in more detail.

This article seeks to contextualize the concerns raised by Duncan and has the more modest aim of exploring issues of methodology. The focus is the practices of the PBRF and its associated Quality Evaluations, including institutionalized forms of gaming (Burawoy, 1979). Rather than a regime of performance management the practice of the PBRF is more messy and less unidirectional. While a commodification of academic life is stimulated this new development coexists with longstanding practices. Continuity, collegiality and confusion are revealed as important aspects of academic life in New Zealand

Commodification, Gaming and Market failure?

The PBRF was distributed to institutions of higher education on the basis of the results of Quality Evaluations (Tertiary Education Commission, 2004a). All New Zealand universities took part in both 2003 and 2006 evaluations. The methodology of the Quality Evaluations has been discussed elsewhere (Web Research, 2004) and only the essential elements need be recapped.

The Quality Evaluation involved three components. Institutional Quality Scores were used to distribute sixty percent of the PBRF. Individual staff were rated by expert multidisciplinary panels and received a Quality Score on their research output (for example, A = 10, B = 6, C = 1, R = 0). The exercise was compulsory for all eligible staff employed at the universities (and other institutions of higher education) that sought funding under the PBRF. Institutional Quality Scores are an overall rating calculated by the average grade of an institution's fulltime equivalent (FTE) staff. The balance of the PBRF was distributed by two other components. Research Degree Completions, worth twenty-five percent of the fund, is an institutional quantum of the numbers and types of finished graduate degrees. External Research Income, worth fifteen percent of the fund, is a similar measure of funding. These latter components are updated annually by institutional reporting to the Tertiary Education Commission (TEC). The individual and institutional Quality Score are completely supposed to be calculated on a six yearly cycle. However, the 2006 Quality Evaluation was a partial round in which TEC only required new staff and existing staff seeking an improvement to their 2006 Quality Score to

participate. Decisions about which existing staff might improve their rating was left to the senior management of universities. More than half of all eligible staff employed at the time of the evaluation received a Quality Score (in other words, the partial round was dominated by universities seeking re-grades for their staff).

In the months following the announcement of the results of the 2006 Quality Evaluation considerable media and academic attention was paid to the success of Otago University in its rating success (for example, Otago's Quality Score edged Auckland by 0.04) rather than the actual bulk-funding effects (for example, Otago secured \$48 million compared to Auckland \$69 million). Tables 1a and b shows the ranking of institutional Quality Scores for the eight New Zealand universities and compares the results of the 2003 and 2006 Quality Evaluations (Tertiary Education Commission, 2004b, 2007b).

TABLE 1a. Ranking of Universities for 2003

Rank	University	FTE-weighted Institutional Quality Score
2003		
1	University of Auckland	3.96
2	University of Canterbury	3.83
3	Victoria University of Wellington	3.39
4	University of Otago	3.23
5	University of Waikato	2.98
6	Lincoln University	2.56
7	Massey University	2.11
11*	Auckland University of Technology	0.77

(Source: Tertiary Education Commission, 2004a: 11)

*Three bible colleges were ranked 8th, 9th, 10th overall

TABLE 1b. Ranking of Universities for 2006

Rank	University	FTE-weighted Institutional Quality Score
2006		
1	University of Otago	4.23
2	University of Auckland	4.19
3	University of Canterbury	4.10
4	Victoria University of Wellington	3.83
5	University of Waikato	3.73
6	Massey University	3.06
7	Lincoln University	2.96
8	Auckland University of Technology	1.86

(Source: Tertiary Education Commission, 2007b: 53)

This emphasis on Quality Scores reflects one success of the PBRF (at least from the perspective of government and policymakers) in that the fund has displaced popular and academic perceptions about a crisis in funding of universities with more diffuse concerns about a crisis in research. The extent to which this shift owes more to PR than analysis is unclear. It is hoped that a follow-up survey to Curtis and Matthewman (2005) might provide some illumination.

In 2007 funding allocated by the three components in the 2006 Quality Evaluation was about \$230 million. The universities secured 97.43% of the PBRF; twenty-three other institutions the rest. The PBRF is estimated to now provide around one-fifth of government funding to universities (the bulk of the balance deriving from funding for equivalent fulltime students (EFTS)) (Scott & Scott, 2005). The PBRF has become a key component of university financing both in the sense of its bulk-funding arrangements and in terms of its reputational benefits and their putative multiplier effects. Table 2 shows the relative shares of the PBRF.

TABLE 2. Component shares of PBRF in 2003 and 2006

Institution	2003		2006	
	FTE Staff	Total PBRF	FTE Staff	Total PBRF
Auckland	19%	29%	18%	30%
Otago	16%	22%	14%	21%
Massey	16%	14%	14%	15%
Canterbury	8%	12%	8%	10%
Victoria	8%	9%	9%	9%
Waikato	7%	7%	6%	6%
Lincoln	3%	3%	3%	3%
AUT	8%	2%	5%	2%
Others	15%	2%	24%	2%

(Source: Tertiary Education Commission, 2004b: 71-74; 2007b: 73).

However, Duncan (2007) is spot on in his assessment that actions on the part of senior management at a number of universities have rendered pointless fine-grained comparisons of Quality Scores between the 2003 and 2006 Quality Evaluations. The capacity of senior managers to game the PBRF in terms of the eligibility of academic staff and by constituting the Nominated Academic Units (for example, Departments, Schools, Faculties) that are assessed as sub-divisions of each institute of higher education is discussed elsewhere (Curtis, 2008; Curtis & Matthewman, 2005).

Most significantly, in response to the 2003 Quality Evaluation considerable institutional effort went into removing existing R-rated (research inactive) staff from the Quality Evaluation of 2006. Vance, Alexander and Sandhu (2007) demonstrate the extent to which four of the eight universities (Massey, Otago, Waikato, AUT) gamed the PBRF by removing research inactive staff from eligibility (it would appear by rewriting their

employment contracts). In these cases the benefits accruing to the universities concerned from hiring new, research active, staff or through improvements in the Quality Score of existing staff were swamped by a factor of at least 2:1 by the benefits of making research inactive staff ineligible. This gaming around eligible staff accounted for all the changes in the ranking of institutional Quality Scores (see Table 1). An initial response on the part of the CEO of the Tertiary Education Commission (TEC) to the effect that this simply represented a correction to the census of staff undertaken in the 2003 Quality Evaluation (Curtis, notes 26/06/2007) must surely further throw into doubt the validity of the initial staff census approved by TEC (Curtis, 2008; Curtis & Matthewman, 2005, Web Research, 2005).

The PBRF remains –as it was formally designed- a central instrument for the bulk-funding of institutions of higher education, albeit to the advantage of universities (Curtis & Matthewman, 2005). It is worth noting that gaming in various forms is built into its methodology. Thus representatives from the polytechnic sector at a recent post-PBRF seminar confirmed that their institutions were prepared to suffer the compliance costs of participating in the Quality Evaluations because of the threat from TEC that other, non research, forms of funding were contingent on their involvement (Curtis, notes 26/06/2007). For universities –the primary beneficiaries of the PBRF- the new arrangements discriminate between funding generated by research activities from historic funding categories generated in effect by teaching (i.e., various EFTS based formulae). Funding generated by the measure and the comparison of research outputs is a new funding category in higher education. It, particularly the Quality Score, now informs any future bulk-funding arrangements including modifications to the EFTS based approach (Tertiary Education Commission, 2007a).

Clearly the PBRF signals a potential for the commodification of academic life insofar as it creates a new product market (the funding of research outputs) within which universities must now operate and compete. The most important component of this market is the Quality Score (which accrues sixty percent of the PBRF) and in so doing valorises individual staff for their research *qua* research. Nevertheless Duncan somewhat misses the point about utilitarian policies. To wit: New Zealand governments embraced ‘utilitarian discourses’ several decades ago and have unwaveringly pursued neoliberalism ever since (Kelsey 2002). In this context the PBRF and projected changes to EFTS-based funding constitute a second generation in neoliberal policy that both extends the fixation with markets as policy instruments and tries to address the accumulating market failures of the first (Easton, 2002). Peck & Tickell (2002) classify this second and putatively creative phase as at ‘roll-out’ neoliberalism.

The first moment of neoliberal policy dates to changes to funding in the late 1980s. These created the EFTS-based approach and heralded a quasi-market in higher education. Teaching became a product market. Universities and other institutions of higher education were encouraged to compete for students across this product market (Easton, 2002). The 1989 *Review of Post-Compulsory Education and Training* (the Hawke Report) was the main marker of the realignment of higher education with a market-led ethos (Hawke, 1988). Accordingly the Ministry of Education developed generic funding

categories for degree (postgraduate and undergraduate) and sub-degree programmes, plus high and low cost courses, and simultaneously relaxed longstanding restrictions on the curriculum of the non-university sector (Hodder, 2003).

The institutions of higher education were constituted by EFTS-based funding as partially interchangeable providers of educational products. Clearly there were obvious barriers to this inter-changeability; for example the location of Schools of Engineering and of Medicine in only two universities in New Zealand. But outside these professional schools EFTS-based funding unquestionably fostered competition and nowhere more so than in the social science and creative curricula. This rivalry had some negative consequences for providers and students. While the development of an EFTS-based product market in higher education undoubtedly stimulated competition for students it has since been argued that this form of funding has encouraged a negative isomorphism -particularly the proliferation of low quality programmes and courses by institutions in search of student enrolments (see Ministry of Education, 2004). Such has been the level of popular and policy concern about the proliferation of low quality courses and degrees that the EFTS-based approach is now regarded as overly competitive and, most damningly, insensitive to quality and not linked to government efforts at building a 'knowledge economy' (M.A. Peters, 2001). In contrast the *Tertiary Education Strategy: 2002-2007* emphasizes the synergistic benefits of an educational hierarchy, at least when expressed as collaboration between the institutions of higher education and the differentiation of these institutions in terms of quality and capacity (Ministry of Education, 2003, 2005).

The PBRF is then an important moment in a modification of an existing market-led approach. In attempting to ameliorate a race to the bottom scenario in which curricula and standards declined as universities competed for students (and simultaneously lowered academic thresholds) the PBRF further commodifies academic life by providing a new potential income stream to universities. For academics, research is valorised by government funding in the same way that teaching is by EFTS-based funding. But whereas the value of teaching to an institution is relatively easy to capture in terms of staff/student ratios, the value of research calculated as the institutional quantum of individuals' Quality Scores and more broadly by all three components of Quality Evaluations, is far more complex.

Duncan (2007) joins a host of writers bemoaning the commodification of academic life and the tailoring of academic research to best suit funding arrangements. A number of these graft a Bravemanian concern with an academic labour process (Wilmott, 1995), class (Harvie, 2000), work degradation (Bryson, 2004; Yates 2001) and intensification (Chandler, Barry & Clark, 2002; Ogbonna & Harris, 2004) onto a discussion of academic life. The argument for commodification is at times compelling but it is also an overstatement insofar as it describes the PBRF. This is because of the methodology of the PBRF. In this respect the most convincing countervailing element to a straight commodification thesis is the -non-market- ways in which Quality Scores are derived, that is by expert panels and peer review.

Continuity and Collegiality

The PBRF signals state oversight in funding allocations to the institutions of higher education on the basis of their research output (Tertiary Education Commission, 2004a, 2004b). This oversight is secured through the Quality Evaluation. At the same time the methodology of the PBRF reflects what an earlier generation of scholars called path dependency. The new research fund owes as much to the previous legislative arrangements as it does to any startling new vision of the future. Specifically, the PBRF expresses a longstanding statutory linkage of teaching and research activities in universities (Tertiary Education Commission, 2004a: 13). Hence, the Education Act (1989) [section 254] states that a degree ‘is taught mainly by people engaged in research’. Duncan overlooks this component but the requirement for research activity on the part of academic staff engaged in degree teaching was certainly influential in establishing and resourcing the PBRF (Boston, 2005; M.C. Peters, 2001a, 2001b). The new fund was established through a simple diversion from EFTS-based funding (some of the monies paid to institutions of higher education for students was used to create the PBRF). The amount diverted to the PBRF represented the annual top-up paid to institutions of higher education for students enrolled in degree courses *vis-à-vis* sub-degree courses.

The PBRF does not increase government funding (Mallard, 2005) or even reverse historic declines in government funding as a proportion of university revenue (Scott & Scott, 2005). Scott and Scott demonstrate a clear decline in terms of real funding per EFTS, funding as a percentage of university operating revenues, and the ratio of EFTS to full-time equivalent (FTE) staff (see Curtis, 2008). The PBRF does however require universities and other institutions of higher education, and individual academics to engage in new forms of audit and (self)representation. Putting aside the extent to which the PBRF represents old wine in new bottles in terms of funding, the new fund can hardly be accused of the straightforward commodification of academic life. It has among other things stimulated an *ex post* rationalisation for research in higher education that emphasizes the function of teaching, albeit with some slippage from the Education Act:

“The purpose of conducting research in the tertiary education sector is twofold: to advance knowledge and understanding across all fields of human endeavour; and to ensure that learning, and especially research training at the postgraduate level, occurs in an environment characterised by vigorous and high-quality research activity.” (Tertiary Education Commission, 2004b: 1)

This positioning of research and teaching seems a far cry from the anticipated splitting of teaching from research roles that was a concern for New Zealand academics going into the PBRF (Curtis & Matthewman, 2005) and is an underlying assumption of some Australian writers (for instance, Marginson, 2006). Rather, it could be argued that, the PBRF provides some shelter for academics insofar as it reiterates the linkage of teaching and research. An emphasis on PBRF sanctioned activities – particularly those of a process nature (for example, building peer esteem) – might even provide academics limited scope for gaming line management (Curtis, 2006). This is not to deny that the PBRF and similar forms of evaluation are part of managerial rhetoric around the

intensification of academic work but to highlight the importance of institutional contexts and complexity.

More broadly, the key issue is how academic collegiality fares in the face of new managerial practices, which attempt to couple a bureaucratic concern with surveillance with market-like policy instruments. Beyond New Zealand the twinning of declining state funding and increased oversight, and an associated new managerialism leading to the playing out of heightened concerns with efficiency and economy has given rise to a host of gloomy pronouncements about the decline of universities and traditional scholarship (Becher & Trowler, 2001). Halsey (1992) led the charge in bemoaning the decline of collegiality but it is a serious mistake to underplay the contradictory aspects of collegiality as a start-point for analysis.

Bearing in mind that academic collegiality is based on range of hierarchies that operate primarily to secure the professoriate as well as a range of secondary or peripheral labour markets (Connell & Wood, 2002), there are at least three elements at play in New Zealand. First, the designers of the PBRF were concerned with the need for transparency and the extent to which collegiality might undermine this imperative. For example, the back room 'dealing' considered rife in the UK RAE (M.C. Peters 2001a: 14). This concern -which is predicated on a neoliberal misrepresentation of markets as allocative devices (Pusey, 1993)- is cited as the main reason for compulsion and individual Quality Scores for all eligible staff (Boston, 2004, 2005).

Second, there was considerable support for the development of the PBRF from senior management and academic staff alike in universities in the lead up to the 2003 Quality Evaluation (Barnes, 2004; Roberts, 2006), as well as from the union representing academic and general staff in universities (Association of University Staff, 2002). This early enthusiasm expressed a collective judgment that any funding exercise which assessed the quality of research across the institutions of higher education would inevitably do so to the benefit of the university sector (Curtis & Matthewman, 2005; Roberts, 2006). The recent reservations expressed by the Association of University Staff about the PBRF coincide with drive on the part of union leaders to merge with the Association of Staff in Tertiary Education (which covers the polytechnic sector).

Third, while the designers of the PBRF strived for transparency the methodology they developed is absolutely dependent on the practices of peer review, the bedrock of academic collegiality. Thus twelve multi-disciplinary panels constituted by the Tertiary Education Commission did the ratings of individual staff in 2003 and 2006. Each panel involved around 20 academics comprised from the professoriate and including at least one senior academic employed outside New Zealand and one expert in Maori knowledge (Tertiary Education Commission 2004b: 245-249, 2007b: 260-266).

The panels then rated individual staff by their Evidence Portfolios. The rating was across three dimensions: Nominated Research Outputs (Crothers, 2006), Contribution to Research Environment and Peer Esteem. These dimensions were weighted seventy percent, fifteen percent and fifteen percent respectively in calculating a numeric grade out

of 700. Individual academics were then rated A (600-700), B (400-599), C (200-399) or R (less than 200) (as was also noted above, the ratings of individual staff as A, B, C, R were valued at 10, 6, 2 and 0 respectively in the calculation of an institutional Quality Score). The practices used by the multi-disciplinary panels in generating Quality Scores have not been codified. The chair of the moderating panel, Professor Paul Callaghan, suggested that the margin of error for specific ratings of staff might be as high as twenty percent in 2003 (author's notes from *PBRF Forum*, Royal Society of New Zealand, 21 May, 2004). Therefore some speculation is required in lieu of guidelines. A best guess of the minima for C-rating includes the following outputs for the six year review period: four 'quality assured' publications, supervision of a number of graduate students and / or some external funding, involvement in national disciplinary organisations and / or service to the community. Such a minima is putatively realisable for academic staff who enjoy a research component to their employment and extremely difficult for staff in teaching-only positions (that is the vast majority of 'eligible' staff outside the university sector).

Nevertheless a telling measure of the collegial character of this peer review is how well the professoriate did *vis a vis* other academic ranks. Smart (2005) conducted a regression analysis of the 2003 Quality Evaluation results (for evaluated staff of professor, associate professor, senior lecturer and lecturer ranks). This amounted to about 70 percent of evaluated PBRF-eligible staff.

TABLE 3. Dimensions of Quality Score by Academic Rank

	Research Outputs	Peer Esteem	Contribution to Research Environment	Quality Score
Professor	5.4 / 7	5.4 / 7	5.1 / 7	534.4 / 700
Associate Professor	4.7 / 7	4.4 / 7	4.2 / 7	458.5 / 700
Senior Lecturer	3.5 / 7	3.0 / 7	2.9 / 7	335.1 / 700
Lecturer	2.8 / 7	2.1 / 7	1.9 / 7	253.8 / 700

(Source: Smart, 2005: 43)

Comparisons of average quality scores by discipline and by multidisciplinary panel suggest that typical hierarchies of academic life are replicated in New Zealand and captured (and reproduced by the PBRF). Thus Philosophy, Earth Science, Biomedical and Physics topped the subject-area rankings while hapless Nursing (Phibbs & Curtis, 2006), Design, Education (Smith, 2005) and Sport and Exercise Science were bottom. However the across the board success of the professoriate also points to the collegiality of the PBRF insofar as the methodology of the Quality Evaluations gives priority to the things professors do best (for example, research entrepreneurialism, lead authorships and international networking and publication in international journals). While the PBRF is an undoubted threat to non-research active staff and a definite spur to new, junior and mid-

ranking or just plain ambitious academics, it is primarily a validation of the professoriate and arguably the traditional or collegial status quo.

The continuity with prior forms of collegiality reflects that the methodology of the PBRF was at base designed by professors and administered by professors. As such the PBRF also signals a shift in concentration of responsibility (as distinct to authority) from the situation in which professors acted as Academic Heads to the proliferation of academically mid-ranked Heads of Department. The powers of professors as Heads were reputedly those of grace and favour, essentially the unequal distribution of academic work and rewards to staff. The PBRF-based / EFTS-based budget holding HoD operates in a far more transparent environment in which inequities are more difficult to sanction. Add to this the situation in which university-based HR deals almost exclusively with general staff and the PBRF might be said to add considerably to the pressures facing HoDs as middle-managers as budget holders without the right to hire or fire.

Further the extension of collegiality into PBRF practice –peer review- seems absent from the utilitarian / Marxian formulations. In this respect it is worth reiterating the sour note expressed by the Minister of Finance in the aftermath of the 2003 Quality Evaluation:

“The recent analysis for the Performance-Based Research Fund showed that New Zealand academics are world-class in areas such as philosophy and criminology; but we need to ensure that we are world class in biotechnology and the other disciplines that, in the medium to long-term, will pay the bills. It is time to shift the balance of our tertiary system towards more of an explicit industry-led approach.” (Cullen, 2004)

In other words –and in contrast to Duncan (2007) – the PBRF is regarded as insufficiently utilitarian in aligning academic practice with government goals for higher education.

Confusion: mixed messages

The most significant change heralded by the PBRF is the surveillance of academic staff by their employers, the senior managers of universities. The ratings of individual staff are made available to each academic and to senior management within each institution. The extent to which these ratings are made available to line management (e.g. Head of Department, central HR) is determined at the institutional level. However the publication of results at the level of Nominated Academic Unit, and the disciplinary level, coupled with promotion rounds and rumour has ensured that most line managers and most academics know the rating (A, B, C or R) of their colleagues. It is tempting to suggest that the decision to individualise the PBRF speaks primarily to the desire of senior management in institutions of higher education to undertake surveillance and assessment of their staff. Such surveillance is undoubtedly attractive but the problem becomes what to do with the data?

The PBRF is a driver for changes in higher education in New Zealand analogous to those identified by Clark (1998), Marginson & Considine (2000), Slaughter & Leslie (1997) and Slaughter & Rhoades (2004) in particular, forms of commodification like the rise of the 'entrepreneurial university'. But the methodology developed for the PBRF (with the support of New Zealand Vice Chancellors and the active professoriate) has provided a surprisingly blunt instrument for university managers. Indeed the worrying comments from one Vice-Chancellor in the wake of the 2003 Quality Evaluation about the HR challenge and reworking academic life (Curtis & Matthewman, 2005; Walsh, 2004) now seem to be more bluster than strategic vision.

No clear set of policies or practices has yet emerged on how to manage academics in the context of the PBRF. Managerial theory seems to have outstripped practice. For example, Clark (1998) has long since identified the dimensions of successful, entrepreneurial universities which supposedly fuse academic values and new managerialism. These purportedly combine in an institutional culture that welcomes change and preserves the best elements of academic traditions. Putting aside the issue of management-speak and hyperbole that are typically associated with this sort of writing it seems reasonable to attribute at least some of the current managerial deficit or lag to the complexity of results produced by the methodology of the Quality Evaluation. This is precisely because the methodology of the PBRF follows a mixed model (M.C. Peters, 2001b), in which both institutions and individuals are assessed during rounds of Quality Evaluation.

The mixed model used by the PBRF has generated decidedly mixed messages: because institutional funding follows from rankings across three component scores –Quality Score, Research Degree Completions, External Research Income; and individual Quality Scores likewise - Nominated Research Outputs, Contribution to Research Environment and Peer Esteem. Universities are motivated to improve institutional rankings across each component and dimension which, in turn, produces conflicting demands on academic units and individuals. The inconsistencies in requiring individual staff and each Nominated Academic Unit to simultaneously improve their research outputs, secure more external funding, complete more PhDs and generate more EFTS (which because of the PBRF are now worth less per undergraduate student) should be obvious. While such 'contradictions' can be resolved by the simple intensification of academic work (Ogbonna & Harris, 2004), this sort of challenge to the prevailing professional ethos around academic life –which Marginson predicts- is also anticipated and resisted by staff (Curtis, 2008, Curtis & Matthewman, 2005).

Conclusion

The obvious error in Duncan's polemic is to assume the existence of a regime of performance management rather than to examine the practices of institutions that may indeed include managerialist efforts at the intensification of work. He effectively recycles arguments about the potential for a despotic regime of production (Burawoy, 1979) but drawn from Lyotard (1984). In contrast, allowing the possibility of counter-tendencies to commodification, most notably the resilience of a form of collegiality, provides a far

more nuanced account. It then becomes possible to understand the PBRF as both an important marker and a dilemma for university management. This is precisely the problem of mixed messages delivered by the PBRF and, in turn, the consequence of the mixed model used by the designers of the Quality Evaluation.

Indeed the clearest message the PBRF sends to managers is in all likelihood unintended; to game the entire process. That is, to creatively rewrite employment contracts so as to exclude R-rated (research inactive) staff from Quality Evaluation. The results of the 2006 Quality Evaluation confirm that this is the most significant development in the tertiary sector resulting from the creation of the Performance Based Research Fund (Vance, Alexander and Sandhu, 2007). This is no doubt of considerable embarrassment to the Tertiary Education Commission (and it will be of interest to see if / how the government agency fixes the loopholes before the scheduled Quality Evaluation in 2012).

Nevertheless, the mixed messages provided by Quality Evaluations and the subsequent gaming by some managers, is not the entire story of the PBRF. It should also be stressed that the professoriate played a role in designing the methodology of the Quality Evaluations. Therefore it is hardly surprising that the resulting approach simultaneously extends peer review into the allocation of the new fund to institutions and rewards the professoriate *vis a vis* other academic ranks. In short the hierarchical arrangement of academic collegiality are in no way undone -and are in practice secured- by Quality Evaluation and the PBRF. The PBRF does not provide a major break with tradition (Duncan, 2007) rather it owes more to the continuation of longstanding hierarchical arrangements involving academic rank, and also the disciplinary and institutional location of academic life.

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Performance Management in Higher Education – Development versus Control

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Abstract

Since the late 1980s higher education in Australia has been the focus of major restructure and reform in a search for greater efficiency, effectiveness and accountability. A key component has been performance management of academic staff with performance appraisals being the main process used. This paper examines enterprise bargaining agreements of universities to explore the status of performance management. It asks a number of questions such as: What do performance management systems look like? Are they linked to strategic goals? What feedback mechanisms are used? Do they have a developmental or monitoring/ control focus? It concludes that universities express a strategic link to performance management with the result that individual academic performance is increasingly being linked to organisational goals. However the use of performance management as a developmental or monitoring/control tool is less clear. This is apparent as performance appraisals are being used to reward staff in areas that were traditionally considered as standard working rights and conditions.

Introduction

Since the late 1980s higher education in Australia has been the focus of major restructure and reform in a search for greater efficiency, effectiveness and accountability. Policies have been introduced designed to increase efficiency and reduce costs through amalgamations, downsizing and changes in delivery and accountability. A key component of higher education reform both in Australia and overseas has been the search for improved quality assurance and management and within that context a focus on academic accountability. Universities in Australia introduced the concept of measuring academic performance in 1988 and formally introduced performance appraisal for developmental purposes in 1991 (Lonsdale 1998). Since that time a number of reviews and audits have highlighted the central role of performance management of staff in achieving good quality outcomes.

From the late 1980s, the neo-liberal agenda has been the driver of managerialism and New Public Management policies which successive governments have adopted and used internationally and in Australia to alter funding, structures and work practices across the whole public sector (Young 2004). Running parallel with these policy and management

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changes in higher education were changes in the industrial relations arena which have encouraged an emphasis on efficiency and productivity through decentralisation and bargaining at the enterprise level. More recently industrial relations has become a vehicle of change in the higher education sector (Barnes 2006) as government industrial relations policy has included a greater focus on the individual and individual agreement making (O'Brien Valadkhani, Waring and Dennis 2007).

These parallel changes in the Australian university environment have major implications for the work of academics yet it is surprising that since the early 1990s there is a paucity of research on the performance management (PM) of academics within universities. This article explores the status of performance management by examining the current Enterprise Bargaining Agreements (EBAs) of 37 Australian universities. First, the article examines the literature incorporating performance management and its use in Australian universities. Second, using the literature and recommendations from the Hoare Report (1995) as an analytical framework, the article analyses the key components of the EBAs. And finally conclusions are drawn incorporating further areas for research.

Background

Performance appraisal (PA), once associated with a basic process involving an annual report on a subordinate's position has now become a general term for a range of activities that organisations now undertake to assess employees, develop their competence and distribute rewards (Fletcher 2001). In many cases performance appraisal has evolved to become part of a wider approach to integrating human resource management strategies, known as performance management (Fletcher 2001). In this regard Connell and Nolan (2004) define performance management (PM) as a strategic approach to integrating human resource activities and business policies. Notwithstanding this, in practice performance management can have three different foci or objectives: to manage organisational performance; to manage employee performance; or as a system for integrating the management of organisational and employee performance (Fletcher 2001). Hence, critical success factors for an holistic and integrated performance management system includes its alignment with the organisation's strategic goals, its credibility within the organisation and its integration with other HRM functions such as reward systems, learning and development, and career progression and promotion (ANAO 2004-5 p14).

Performance management consistently emerges as one of the key components in the research into high performance and high commitment work places (Zacharatos, Barling and Iverson 2005) and there is evidence that effective PM is linked to improved financial performance (McDonald and Smith 1995; Rheem 1996). However, recent research and anecdotal evidence suggests that despite its promise many managers, practitioners and employees in a wide range of industries are dissatisfied with and cynical about performance management processes (Nankervis and Compton 2006). Their dissatisfaction often focuses on the application of the performance appraisal tool and the often judgemental process of performance review (Parker, 2003). In particular the perception of "procedural justice" - the equity and transparency of the process and "distributive justice" - the fairness and appropriateness of reward and recognition are often a source of discontent (Gabris and Ihrke 2000). The lack of managerial skills and abilities in the performance review process is also often problematic (Lawler 1994). While the inability of performance appraisal to motivate staff was identified in early research (Meyer,

Kay and French, 1965, Pearce and Porter 1986) more recent research by Fletcher (2001) has shown that most UK organisations express dissatisfaction with their performance appraisal system, due to its failure to deliver valid performance ratings and its failure to develop and motivate people.

Accordingly, the PA tool can be viewed positively as a developmental experience if linked to career progression and training and development, or negatively as an exercise in monitoring and control. In examining these two approaches, Simmons (2001) questions whether organisations can accommodate these potentially opposing aims. And this dichotomy has particular implications for the higher education sector in reconciling organisational desire for control and compliance with employee expectations of development and support (Hendry et al. 2000). Commentators such as Townley (1990), Henson (1994), Holley and Oliver (2000), Barry, Chandler and Clark (2001), and Simmons (2002) advocate a developmental approach to performance appraisal in universities. They argue that the traditional emphasis on 'control' is inappropriate, unworkable and unacceptable in knowledge-based organisations such as universities. Performance appraisals with a developmental focus are more appropriate, allowing academics to determine which aspects of their roles require development and support. Applying a performance appraisal system which best befits an organisation based on hierarchical authority and direction (Simmons 2002) is inappropriate for those organisations which are knowledge based, have flatter hierarchies and use employee flexibility to compete effectively (Fletcher 2001).

Whilst while performance management might arguably benefit both organisations and employees (Nankervis and Compton, 2006) it is suggested that if those responsible for managing the performance of academics want to maximise the contribution and commitment of their academic staff, then they will need to implement a performance appraisal system for academics that uses criteria that are relevant, valid and developmental (Simmons 2002, p 98).

Performance Management in Australian Universities

Performance management was introduced in Australian Universities within the domestic and international context of a New Public Management and managerialist paradigm. The discourse centred on introducing efficiency, cost reduction, responsiveness and accountability across the public sector (Dunford, Bramble and Littler 1998, p.386). Funding cut backs, amalgamation of instrumentalities and services, including universities, deregulation and decentralisation were tools of this approach. Universities had to operate within this ideology and adapt to the changing foci of government in areas including ideology, fiscal and industrial relations environments (Young 2004).

Performance appraisal was originally introduced into Australian universities in 1988 under an Industrial Award of the Australian Industrial Relations Commission (AIRC). Considerable debate ensued as to its underlying purpose and whether the aim was the development of academic staff or greater monitoring and control of academic staff (Ryan 1991). As Lonsdale (1990, p.101) suggested, "Much needs to be done to ensure that their application in the higher education context occurs in a manner which is sensitive to the unique characteristics of the academic enterprise". In 1990 it was decided by the AIRC that an amendment to the Award should be made which saw performance appraisals, designed for developmental purposes, incorporated into the University Industrial Award. This was implemented in 1991. However,

despite this developmental focus Ryan (1991, p.91) noted, "...the term developmental appears in the rhetoric and methods advocated by managerialists and developmentalists alike often obscures the different ideologies and intentions guiding the two approaches".

Lonsdale (1998) argued that the development of performance appraisals and performance management in universities internationally occurred through successive generations. The **first generation** reflected a narrow performance appraisal approach which involved formal assessment by supervisors and feedback provided to subordinates. This approach was usually authoritarian in nature, individualistic, non-aligned to strategic goals and reflected a monitoring and control oriented approach to staff management. He suggested however, that the approach surrounding the introduction of performance appraisal into higher education in Australia was a '**second generation**' approach with two clear characteristics. The first was that the key objective of staff appraisal was for developmental purposes, and second, that appraisal schemes needed to be consistent with the values of the scholarly purposes of the university, a view that emerged from the National Steering Committee on Staff Appraisal in 1995.

Clearly a more strategic approach to managing performance was beginning to occur at this time. However, this approach was underpinned by some assumptions: first, that staff appraisal is the appropriate mechanism for identifying the needs of academic staff and is effective in doing so; second, that the identification of developmental needs leads to successful development activity by academic staff; and third, that staff development activity leads in turn to improved performance (Lonsdale 1998, p.305). From the results of a two year national study on the outcomes of performance appraisals in Australian universities, Lonsdale (1998, p.305) concluded that, "staff appraisal for 'developmental purposes' turned out to be unsuccessful". He suggested that the failure of performance appraisals to deliver the expected performance improvements and subsequent organisational outcomes compelled universities to re-consider their previous approach to managing performance. The findings of the Higher Education Management Review Committee (Hoare 1995) and the Review of Higher Education Financing and Policy (West 1998) suggested that given the increasingly competitive and commercial environment in which universities operated they needed a more strategic focus in the way they nurtured and managed staff. Since that time there has been increasing evidence that universities have attempted to do so by enhancing staff productivity and organisational effectiveness through changes to their performance management system via their enterprise agreements (Lonsdale 1998). This resulted in what Lonsdale terms his "third generation" approach where Australian universities sought to introduce more holistic performance management systems.

Lonsdale (1998) suggested that this "third generation" approach is reflected in a central recommendation in the Hoare Report which stated that the aims of any performance management system should not only be "based on agreed performance and developmental objectives for the individual" but also should be based on key principles. These principles include:

- the need to have a clear relationship between the performance of an individual staff member and the strategic direction of the department, school or faculty, or the university.

- to inform and provide feedback to staff on the level of their performance and skill development. This feedback could include comment from supervisors, colleagues, staff, students or other appropriate persons.
- to identify areas of future development for staff and formulate action plans for career development; and
- to generate data for making decisions on matters such as probation, increments, tenure contract renewal, and the management of diminished or unsatisfactory performance.

This review was commissioned by the then Minister for Employment Education and Training to examine the higher education system with “the objective of developing excellence in management and accountability for the resources available to the sector” (Hoare 1995, p1). The Hoare Report addressed a range of specific issues including employment and personnel practices and recommended, as part of workplace reform, that all universities should phase in a comprehensive approach to performance management based on agreed performance and developmental objectives for the individual. As far as possible, it was suggested that the consideration of these matters, currently undertaken in a disparate manner, should be brought together” (Hoare 1995 cited in Lonsdale 1998, p.307). Clearly the stated purpose here moved from a narrow focus on performance appraisal to recognition for the need to develop performance management systems in universities that were strategic, developmental and administrative and were also aligned, integrated and credible within the organisation.

In developing such a system Enterprise Bargaining has provided a mechanism for individual universities to do so in a way that suits their own needs. University Enterprise Bargaining Agreements (EBAs) have been negotiated collectively at the local level by the National Tertiary Education Union (NTEU) since 1994. Since that time the academic sector has had four bargaining rounds in which academic performance has been a key component. This industrial environment has given universities an opportunity to determine their own form of performance management. Despite the fact that it has been the covert policy of the NTEU to engage in pattern bargaining and if possible have similar clauses in agreements across universities, it is possible that these systems can vary considerably between universities.

A number of questions concerning the current status of performance management in Australian universities emerge. These include, what do performance management systems look like in Australian universities today? Are they linked to strategic goals if so how and what kind of feedback mechanisms do they include? Do they have a developmental focus or they more concerned with monitoring and control? Are they becoming more integrated and streamlined with other HRM policies? Importantly are there different types of performance systems emerging in universities with different foci? One way to begin to answer these questions is to explore the role and status of performance management in Enterprise Bargaining Agreements. As EBAs are legally binding documents the inclusion of performance management clauses and how and where they are expressed can give valuable insight into the importance that the university places on PM systems and the approach that the university takes to the performance management of its staff. This paper examines the Enterprise Bargaining Agreements of Australian universities to identify similarities and differences in the approach that Australian universities are taking in the performance of their academic staff.

Methodology

This research involves examining university documentation and is part of a larger study of performance management of academics in Australian universities. In Australia the universities' priorities in regard to PM can be uncovered from examining EBAs and university HR policies and procedures. The limitations to the approach used in this article is that the research only examines the priorities of universities in regard to PM and the content of PM systems as articulated in EBAs. Other limitations of the analysis were that the mechanisms EBAs used to glean any of the information were not examined nor were university policies or performance management systems. This will form part of the next stage of the research.

For this research 37 EBAs were accessed directly through the university websites. As EBAs are public documents the agreements were readily accessible. Using content analysis the documents were analysed by identifying the section headed "Performance Management" or the most similar nomenclature. It needs to be noted that several universities chose to separate or spread elements often regarded as coming under the umbrella of performance management across the EBA. It did not always appear as a discreet section, however, where possible the information was gleaned from the introduction to the section in general and/or the section related to performance management. Two universities chose to write only one and two lines respectively on performance management in the EBA, and in doing so refer the reader to relevant university policies for more detail. Those policies were not accessed for this analysis.

The clauses on performance management were analysed using a key recommendation from the Higher Education Management Review 1995 (now referred to as the Hoare Report) as the framework. These four recommendations are stated earlier in the article.

Considering each in turn, first, to identify the link between strategic objectives and staff performance, the EBAs were examined to see if there was a stated relationship between the work of the individual and the organisation's strategic focus and to explore the nature of that relationship. Second, the provision of effective feedback mechanisms was explored by ascertaining if the EBAs stipulated any element of feedback and if so, was it to occur at the level of performance and/or skill development. Third, to identify areas of future development for staff and formulate action plans for career development the EBAs were examined using two criteria; did the EBA include future development of staff and if so, did it include action plans or mechanisms to facilitate this development? Finally, generation of data which can be used for other matters was explored by ascertaining if, in their purpose or introduction the EBAs identified any of the following five areas: probation, increments, tenure, contract renewal and the management of underperformance. In addition the EBAs were examined to see if there were other uses identified for the data. Finally integration and linkages between key areas were examined.

Findings

Identifying the link between strategic objectives and staff performance

An examination of the thirty seven EBAs was undertaken to see if they identified the link between the performance management of staff and the strategic direction of the university and is displayed numerically in Table 1. This was done by identifying statements such as:

“...The Performance Development Framework supports staff to develop to their full potential to achieve personal and professional goals congruent with the strategic and operational objectives of the university.”

“...ensure that the professional development policy and practice within the University is directly linked to organisational development and the realisation of the University's vision, mission and goals; and give strategic guidance to providers of professional development activities.”

TABLE 1: Link between performance management and strategic direction

	Yes	%	No	%
Strategic Relationship	27	73	10	27

Seventy-two percent (27) universities could be said to link individual performance with organisational performance in the sense that their EBAs had a clear statement with this intent. However, twenty-seven percent (10) of university EBAs made no mention of strategic links. The second part of this analysis examined the nature of the relationship and whether the relationship between the employer and the academic could be loosely described as ‘developmental’ or ‘monitoring/control’, the results of which are shown in Table 2. Examples that we considered ‘developmental’ included:

“A performance development and review program encourages the development and maintenance of a culture of continual improvement within a productive, positive and harmonious work environment where staff and supervisors work in partnership to achieve personal and professional goals aligned with the university’s strategic and operational objectives”;

and;

“The university’s development as an innovative scholarly and global university meeting the needs of the 21st century is inextricably linked to the development of all of the university staff.”

And,

“Both the university and academic staff members accept the responsibility for performance enhancement and career development.”

‘Monitoring/control’ responses included:

“All staff members are requested to participate in performance planning and monitoring as required in the university’s policy”;
and

“All academic staff employed on a full-time or part-time basis...will be required to undertake a performance review on an annual basis”; and

“The Career and Performance Development Scheme ... is the formal and periodic setting of that staff members performance objectives and the assessment of performance and development needs.”

Other similar statements included “The university will continue to use the performance appraisal scheme as one mechanism for individuals to contribute to organisational productivity and performance.”

TABLE 2: Nature of relationship between employer and employee exhibited by the performance management system

Nature of Relationship	Number	%
Developmental	21	57
Monitoring/control	16	43

Using these categories, of the thirty seven universities analysed fifty-seven percent (21) were categorised as having a developmental focus and forty-three percent (16) as having a monitoring/control approach.

Of the twenty one universities which were categorised as having a developmental focus, twenty of them also identified a strategic link between organisational directions and staff performance. Of the twenty seven universities which had a clear statement of strategic links, twenty also had a developmental focus. There were nine universities which had neither a strategic nor developmental focus identified in their EBA. Of the ten universities with no statement of strategic link to performance management nine of these also were categorised as having a monitoring/control approach. This information is summarised in Table 3.

TABLE 3: Matrix identifying links between performance management and strategic direction and relationship between employer and employee

	Strategic link	No strategic Link	Total
Developmental	20	1	21
Monitoring/control	7	9	16
Total	27	10	37

Provision of effective feedback mechanisms:

As Table 4 shows staff feedback mechanisms were identified in the performance management systems of seventy-eight percent of university EBAs (29 out of 37). Since staff feedback is a key component of performance management this is hardly surprising, but whether it is

effective is not able to be ascertained. Of these twenty nine EBAs, two provided feedback only on performance with no mention made of any skill development.

TABLE 4: Performance management's provision of feedback

	Yes	%	No	%
Provide feedback	29	78	8	22

Identify areas of future development for staff and formulate action plans for career development:

Of all four items in the Hoare report's recommendations this section was the most strongly reported as displayed in Table 5. Sixty-eight percent (25) of universities identified the need to identify future development for staff in their EBAs. However, only twenty-two percent (8/25) of that group mentioned, in the broadest interpretation possible, any form of action plan to put this into operation. Although one university specifically identified that the development of staff should be in the teaching area.

TABLE 5: Performance management system used to identify future development needs and action plans to do so

	Yes	%	No	%
Identify future development	25	67.5	12	44.5
Mention action plans	8	22		

Data for making decisions on other matters including, probation, increments, tenure, contract renewal and management of diminished or unsatisfactory performance and integration of policies:

An examination of the EBAs revealed that universities used the data collected from performance management systems for a variety of uses including five key criteria identified in the Hoare Report. Table 6 shows these.

TABLE 6: Major uses of performance management data

USES FOR DATA	YES	%
Probation	7	19
Increments	10	27
Tenure	4	11
Contract renewal	2	5
Management of diminished or unsatisfactory performance	17	46

The most popular usage of the data was management of diminished or unsatisfactory performance (46%). Other uses of the data were for increments in salary (27%), review of probation (19%), awarding of tenure (11%) and renewal of contract (5%). Interestingly, not one university included all five of these criteria but two universities included four out of the

five listed above. Also twelve universities had none of the five criteria and six universities only had one of the five listed. Two universities specifically stated that performance management data was not to be used for the management of poor performance or for disciplinary reasons.

Some universities offered several other uses for the data other than those listed in the Hoare report. These included: promotion (12), rewards (13), including bonuses and loadings (3), performance-related pay (1) and unspecified rewards (9); Outside Study Program and study leave (4), conference attendance (2), conference travel (1), secondment (2), leave without pay for developmental purposes (2) and research grants (2); and fellowships (1), special studies (1), work priorities (1), scholarship (1), internal recognition (1) staff exchange (1), job rotation (1), job evaluation (1), VC Awards (1). Some EBAs include both academic and general staff so it is likely that some uses relate specifically to general staff and some to academic staff.

Discussion

The findings from this study clearly show that the majority of Enterprise Bargaining Agreements in Australian universities express a strategic link to performance management, with the result being that individual academic performance is increasingly being linked to organisational goals. What we do not know is how well this sits with a workforce that traditionally guards its right to practice its “academic freedom” that is, to seek and find new knowledge in many different directions, which is not necessarily linked to university strategy.

It is also clear that although most universities appear to have a developmental approach to performance management there are a number that have a narrower focus with an emphasis on monitoring and control. We have not explored the reason for this. In this regard questions for further research arise: Is it due to the ideology of the university or council? Does it represent the weakness of the NTEU in the bargaining process? What cannot be ignored is the managerialist focus of successive governments in the federal arena and their increasing control over universities alongside what we could call “negative” pronouncements on academic work, research and freedom. This is likely to be even more significant due to the direct involvement of government into industrial relations in higher education through the Higher Education Workplace Relations Requirements (HEWRR) placing restrictions on the content of Enterprise Agreements and university policies in order to access a funding pool of \$260 million (Barnes 2006). How this influences the performance management approaches stated in the EBA clauses in the future is worth further exploration.

Reward is a contentious area in education and over ten years ago the Karpin Report (1995) suggested management schools should manage the performance of staff by the use of key performance indicators, 360 degree feedback and developmental plans for academics. This would then be linked to an incentive scheme and performance bonuses. This was supported also by the Review of Higher Education Financing and Policy discussion paper (West 1998, p 36) which stated, “The most direct incentives for good teaching are to pay gifted teachers more or provide them with other benefits in the form of enhanced conditions of employment”. However, despite the move to enterprise bargaining which ostensibly gave universities the freedom to introduce performance related pay systems little appears to have been done formally. More recently the Hon Julie Bishop MP Federal Minister for Education, Science

and Training has argued the case for the benefits of pay-for-performance for teachers. In March 2007 at an address to the Australian Higher Education Industrial Association (AHEIA) she prodded university management to take up opportunities presented to them by government in saying “The HEWRRs provide universities with an increased ability to attract, retain and reward high quality staff by allowing for performance-based agreements and working arrangements tailored to individuals” (Bishop 2007). Universities failure to systematically use the enterprise bargaining process to push pay-for-performance could be due to the strength of the academic union which in principle opposes the use of performance related pay (PRP) (Heneman 1992) and supports existing formal salary structures in universities as a means to limit administrative discretion and perceived favouritism. This desire for similar treatment is often articulated as an attempt to preserve worker unity, maintain good morale and a cooperative workplace (Lazear 1989). Or it could be that the financial restrictions and constraints that universities work within, including restrictions on fees and student places, make pay restructuring and the uncertainty that accompanies it undesirable and risky. In a similar vein it may be due to the fact that the rhetoric by the federal government has not been matched by any increases in overall funding and the zero sum nature of government funding of the sector means that any movement to such a system simply means reallocating wages from base pay to variable pay.

Instead of an overhaul of the payment structures in academia, what we might be witnessing is management seeking greater discretion over a range of rewards, some of which are linked to salary, in an attempt to improve productivity and to motivate academics. Grant (1998) argued that many Canadian universities have merit plans as part of their formal salary structure including things such as conditions and criteria for tenure and promotion, market supplements, equity funds to remedy salary anomalies, and non-salary benefits. While it might not be possible (or may be possible but universities may be unwilling) for Australian universities at this point in time to introduce merit pay, it might be possible through the use of these ‘other’ uses of performance data to achieve the same end. It appears that Australian universities are endeavouring to reward staff through a range of measures, albeit that in the past these measures such as conference attendance, conference travel and outside study programs were considered as rights of academics.

Conclusion

The framework used in this paper has summarised performance management approaches in four ways and raised questions centred on the linking of the performance management system to strategic goals, the types of feedback mechanisms used, the contrast between its use as a developmental or monitoring and control tool, and the integration with other HRM policies. This paper has used an examination of universities EBAs to explore such questions and uncover the importance that the university places on PM systems and the approach that the university takes to the performance management of its staff.

Although strategic objectives are clearly stated in the majority of performance management statements, the contrast between the use of performance management as a developmental or control tool is less clear. The introduction of performance management systems per se can be regarded as an outcome of managerialism with its emphasis on efficiency and control, and individual appraisals at the expense of collective negotiation. In this vein, the linking of performance management to what has been considered ‘normal’ work practices such as

increments and study leave can be considered as part of managerialism attempts to control, even though motherhood statements in relation to strategy and developmental approaches may be also be made.

Whilst the majority of performance management systems stipulate feedback as a tool this is hardly surprising but whether it is effective is yet to be ascertained. What is interesting is how performance is judged and by whom, and what type of skill development is seen to be applicable for academics? Similarly, the development of staff is a clear priority of the majority of performance management systems. This raises questions as to how it is to be funded, and who judges the development needed and in what areas?

The next stage of the research project is to revisit ANOA's (2004) assertion of the importance of alignment, integration and credibility to performance management techniques. Alignment has been broadly explored in the relationship between EBA clauses and statements of strategic intent and this has been found to be quite favourable. However, further research is warranted in how these EBA clauses are implemented in universities. A statement of strategic intent in itself may simply be rhetoric. The questions that require addressing are: how are performance goals linked to strategic objectives and what objectives are they linked to? This is important in addressing Hoare's (1995) assertion that appraisal schemes needed to be consistent with the values of the scholarly purposes of the university. The appraisal process and the performance objectives are clear indicators of such values.

The importance of process is linked to credibility. Again this needs further research. Questions in this regard that come to mind are: Is the system accepted by academics? Are the individual goals negotiated and accepted by staff? Is the ranking of performance performed objectively? In regard to integration, the research can be expanded to examine performance appraisal's links to human resource planning, recruitment and selection, and succession planning.

Through an examination of Australian universities EBAs we can see the different views of and approaches to performance management. The increasing use of the performance management system to reward academic staff in ways that were traditionally considered standard working rights and conditions has been an important point uncovered in this research. Even though universities in general state that they link performance management to strategic objectives, and that performance management is developmental, and involves feedback on performance and skill development, the next stage of the research will attempt to match such pronouncements to practice through examining policy and process.

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University Academics' Psychological Contracts in Australia and New Zealand

RUPERT TIPPLES*, BRANKA KRIVOKAPIC-SKOKO** AND GRANT O'NEILL**

Abstract

This paper reviews Australasian academics' psychological contracts and how they are changing. While research has demonstrated that psychological contracts have considerable impact upon workplace relations and employee performance, research into the formation, content and effects of psychological contracts between academics and their employers has been limited. In response to this relative gap in knowledge, the paper addresses: the development of psychological contract research; the formation and content of psychological contracts by New Zealand and Australian academics; the effects, and potential management utility, of psychological contracts; and, implications for current employment relations. Examples are taken from the authors' Australian and New Zealand research in the university sector. Data were gathered through surveys, analysis of critical incidents and focus groups. There has been continuous change and uncertainty in the sector. We argue that understanding the formation and content of academics' psychological contracts is crucial to understanding and managing the work performance of academics.

Introduction: Changing Universities

As universities in New Zealand and Australian continue to change, it seems timely to reflect upon academics' psychological contracts and their effects upon university workplace relations and performance. Changes and pressures associated with marketisation and creeping managerialism (see, for example: Curtis and Mathewman, 2005; Marginson and Considine, 2000), are having powerful effects upon individual academics and their universities, and such changes powerfully impact the formation, content and experience of academics' psychological contracts.

Since the 1990s, Universities in New Zealand and Australia not only followed the managerialist and market-oriented revolution so evident in the public sector, they have

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become increasingly responsive to government and public service demands. Through increased audit and performance management practices, universities and individual academics are ever more accountable for outcomes that they have less ability to determine. Government funding comes with ever more strings attached, and university managers now commonly apply conditions and controls as they allocate funds internally. More rigorous benchmarking, auditing, and administrative compliance, are often experienced negatively as managerialist imperatives rather than means to support pursuit of quality research and teaching outcomes. The Performance Based Research Fund (PBRF) in New Zealand, and the introduction of the Research Quality Framework (RQF) in Australia are, for example, strongly indicative of the growing audit of, and control over, the direction and outcomes of universities and their academics. The associated compulsion to increase 'quality' research publications in a context of ongoing academic work intensification is adding greatly to the pressure academics feel. However, despite this increased responsiveness and accountability, universities, and academics, are regularly criticised for being out-of-touch with, or unresponsive to, the needs of industry and clients.

Many of the changes and problems that New Zealand and Australian universities and academics have experienced have also been experienced by UK universities and academics. As in the UK (see Jarvis 2001), New Zealand and Australian academics are working longer hours, experiencing greater stress, and have declining morale. Governments and industry see universities as a resource to be utilised in the service of the economic needs of the nation. Once alien to universities, we now see greater strategic planning, cost reduction, application of user pays and 'client' orientation principles. University priorities and practices that were often linked to government policies of growth and access in higher education are rapidly shifting to support strategic reorientations that emphasise diversification and differentiation. A truly worrying paradox at the heart of much of the change has been the decline in government funding of higher education at a time when knowledge and learning are deemed to be more central to work and life ever before (Jarvis, 2001).

Such changes reflect, and have contributed to the emergence of, the increasingly dominant view of university education as a matter of private investment rather than a public good (Jarvis, 2001). Further, Australian research (Winter and Sarros, 2000) has indicated that many academics perceive that the important cultural and ethical contributions that universities make to society (Coady, 2000) are being undermined. The PBRF and RQF are, arguably, indicative of the further demotion of teaching and learning relative to a more narrowly focused research agenda. Staff/student ratios are at all time highs in many universities and value conflict between principles and practices associated with marketisation and managerialism and those traditionally associated with a commitment to teaching, learning and scholarship has become a well noted problem experienced by academics (see, for example: Winter and Sarros, 2000; Marginson and Considine, 2000; Jarvis, 2001).

Evident in innumerable management and leadership initiatives, and growing top down control, universities are less collegiate and more bureaucratic and corporate. Lewis, Marginson and Snyder (2005: 62) note the emergence of "a university climate increasingly dominated by accountability and performance-oriented decrees from the university executive". Collegial governance and academic autonomy continue the decline that was noted as a matter of great concern in 2000 (Marginson and Considine, 2000). The language and practice of business has become the language and practice of university leaders and managers,

further adding to the ongoing erosion of professional control within universities (Curtis and Mathewman, 2005). More powerful administrators and managers are holding faculties, departments and individual academics more accountable for outcomes.

As universities have become more reliant upon private sources of income, commercialisation and competition for funds and students continues to grow (Abbott, 2006). 'Elite' universities are busy pursuing strategic benefits from marshalling their considerable resources in a competitive market for research and teaching funds, and funded and fee-paying students, while some universities face a very uncertain future. Add to this industrial relations environments that have seen many university workplace conditions and protections stripped away, and increasingly rigorous performance management of academics may see greater numbers of relative 'poor performers' facing redundancy.

It is in the context of such change and uncertainty within New Zealand and Australian universities that the following paper addresses the formation, content and effects of academics' psychological contracts. We argue that in this era of diminished funding, greater competition, and heightened hierarchy and accountability, the content and effects of psychological contracts are critically important for academics and universities. We initially address key conceptualisations and prior studies of the psychological contract, before focusing more specifically upon empirical research into psychological contracts within academia. Through exploration of the formation, content and effects of the psychological contracts of academics at Lincoln University, New Zealand and Charles Sturt University, Australia, the potential of the psychological contract as a means of understanding, and managing, contemporary academic workplace relations and performance will be established.

Psychological Contracts

The employment relationship can be conceived of as having two components: the legal contract of service, which covers the legal relations between the employer and the employee; and the psychological contract, which covers the behavioural relations between the parties (Tipples, 1996). The legal obligations of this relationship are observable and quantifiable outcomes, while the psychological expectations are invisible, but nonetheless real.

There have been a variety of definitions of the psychological contract since the term was first used by Chris Argyris in 1960 (Conway and Briner, 2005) with a central area of debate being to do with whether a psychological contract should be understood as a mutual agreement between two parties' perceptions of their mutual obligations (Herriot et al. 1997) or whether it can be more rightly understood as a subjective construct based on an individual employee's perceptions of an actual agreement (Robinson and Rousseau, 1994). It was based on social contract and social exchange theories, and the idea of reciprocity (Roehling, 1997). Levinson et al. (1963, p. 21) defined it as follows:

“The psychological contract is a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nonetheless govern their relationship to each other.”

Research on psychological contracts has been largely survey based, with the use of increasingly sophisticated designs and quantitative analysis techniques, particularly researchers following the lead provided in America by Denise Rousseau and colleagues, or based on scenario methodologies, critical incidents, diary studies, interviews or case studies (Conway and Briner, 2005). From the earliest research there has been a focus on the multi-faceted advantages of the construct.

Levinson et al. (1963) distinguished managers' roles as preventive agents, diagnostic agents, remedial agents, and iatrogenic agents (a medical term which refers to symptoms or illnesses caused by the physician himself in the course of his treatment of the patient) and promoted the psychological contract as a helpful managerial tool. Later Lorsch advocated the psychological contract construct and highlighted its diagnostic and therapeutic uses for managers. (Lorsch, 1979). By September 2006 some 2680 publications on psychological contracts were listed in a search of the term on Google Scholar. From an overview of those papers Tipples and Verry (2006) recently suggested that useful guidance for managers is offered by some of the earlier research on the subject (e.g. by Levinson et al., 1963), as we seek to understand employment relationships. Such research focuses more on expectations than current researchers' fixation on the more transactional aspects of contracts, obligations and what the employee alone believes. It picks up on the more need focused facets of psychological contracts, originally highlighted by Levinson et al. (1963), more recently re-emphasised by Meckler, Drake and Levinson (2003), and specifically distinguished from Rousseau's position by Conway and Briner (2005).

Psychological contract research was slow to get underway in New Zealand and Australia with few mentions of the construct in papers before 1995. Since then, up to five percent of papers mentioning the construct have also included the terms Australia or New Zealand. Psychological contracts are particularly important in shedding light on the effects of many modern management policies using a more transactional approach to contract such as forced redundancies, performance management systems, the increasing use of temporary workers and because of the decreasing power of unions and the greater diversity of the workplace (Guest, 1998).

Various typologies have been developed in order to categorise the vast range of contract elements listed and measured in the literature (Thomas and Anderson, 1998; Kickul and Lester, 2001; Guest and Conway, 2002; Thompson and Bunderson, 2003). One such typology that has dominated the literature on the psychological contracts is the transactional-relational distinction. Transactional contracts involve highly specific exchanges describing perceptions that employment obligations are more short-term, work content based and less relational (Rousseau, 1990; 1995). Relational contracts, on the other hand, are concerned with ongoing relationship, and so lead to the creation of less defined, socioemotional obligations, which may be characterised by attributes such as trust and commitment (Shore and Tetrick, 1994).

Another typology discussed by Bunderson (2001) is particularly pertinent to this research. Bunderson suggested that the psychological contract between a professional and his/her employing organisation is shaped by professional and administrative work ideologies. In this ideologically pluralistic work setting, the obligations of the

administrative psychological contract bump up against the ideologies of professional work. The administrative role of the organisation is to be a coordinated and efficient bureaucratic system organised to pursue common goals as well as a competitive business with market legitimacy and presence. The role of the organisation as a professional body is to be a collegial society to further the profession and to apply such professional expertise for the benefit of the community and wider society (Bunderson, 2001). Those contrasting ideologies describe much of the academic work in a university.

Other research which has shed some light on the murkier conceptual areas of the psychological contract include Sutton and Griffin's (2004) longitudinal study of new entrants to the professional group of occupational therapists. They sought to clarify the conceptual distinctions between several key concepts, distinguishing between pre-entry expectations, post-entry experiences and psychological contract violations. They found met expectations, as measured by the interactions between pre-entry expectations and post-entry experiences, were not a predictor of violations of the psychological contract. Nor were they a predictor of levels of job satisfaction, when psychological contract violations were taken into account. The met-expectations hypothesis (Wanous *et al.*, 1992), that unmet expectations result in job dissatisfaction and consequently turnover of staff was not supported. Guest (1998) had argued that the distinction between psychological contract violation as shown in unmet obligations and unmet expectations was unclear and perhaps more of a matter of degree reflecting the seriousness of the break and the strength of the reactions to it.

Recent research indicates that elaboration of the psychological contract construct has not developed much (Conway and Briner, 2005; Cullinane and Dundon, 2006). There was not much empirical research in earlier years (1960-1988), for which reasons are not difficult to suggest. The psychological contract is dynamic - it is continuously changing, as Herriot put it:

“At any one point in time we can take a snapshot of the contract, but that's merely a fix on a moving target. Organisations' expectations change and so do individuals' - which is why a contract that meets some of both today may meet few of either in a year or two's time” (Herriot 1992: 7).

Also, an individual may have a number of psychological contracts at the same time, perhaps as many as the social roles he/she occupies and may have different psychological contracts with various agents of the employing organisation. Further, those individual psychological contracts may be mutually incompatible and unclear (Guest, 1998). Consequently researchers have found focusing on in-depth empirical investigation is both time consuming and difficult.

Researching Psychological Contracts within Academia

Empirical research on psychological contracts has developed significantly during the past decade (Coyle-Shapiro and Conway, 2005; Freese and Schalk, 1996; Cavannaugh and Noe, 1999; Turnley and Feldman 1999). However, the empirical research on

psychological contracts within academia has been very limited. It is represented by the studies of Dabos and Rousseau (2004), Newton (2002), and the work at Australasian universities initiated in the middle 1990s (Tipples and Krivokapic-Skoko, 1997; Tipples and Jones, 1998) and recently renewed by O'Neill, Krivokapic-Skoko, Foundling (2007).

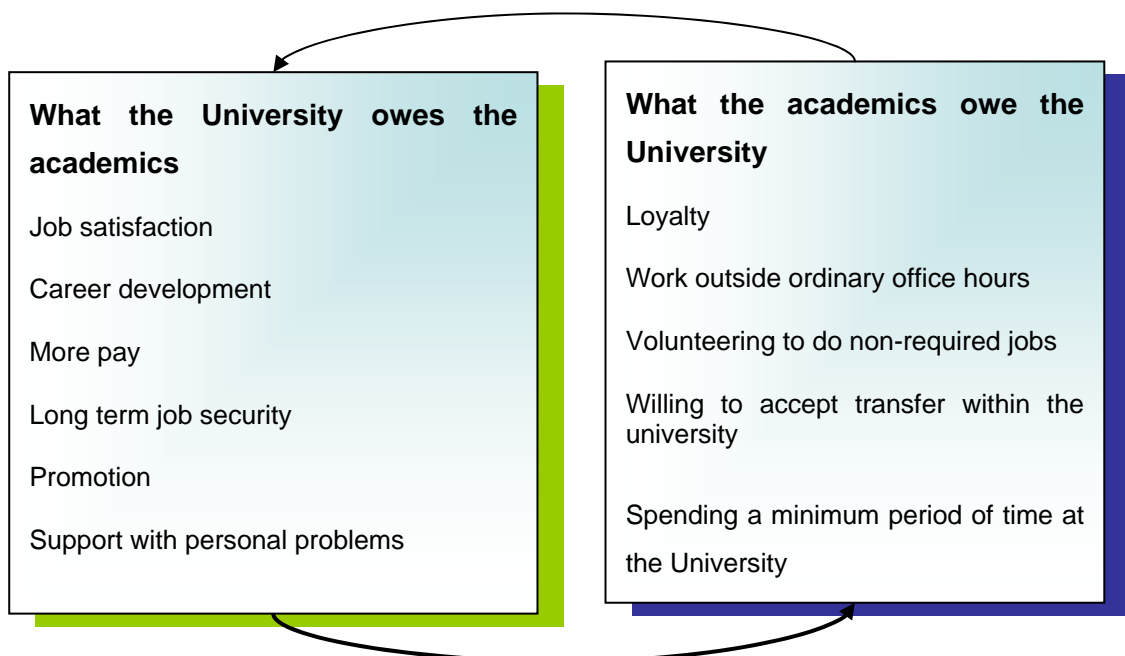
Dabos and Rousseau (2004) examined mutuality and reciprocity in psychological contracts by surveying the academics employed by a leading research-oriented school of bioscience in Latin America. Employees and their employers demonstrated convergence in their perception regarding the terms of their psychological contracts. This mutual understanding of the obligations resulted in positive outcomes for both researchers (career advancement and promotion) and the employers (increased research productivity). This is only one of the few empirical studies on psychological contracts which tried to expand beyond the research focusing on the downside of psychological contracts (such as violations, low morale, high turnover) to investigate the positive side of mutually beneficial contracts. In a slightly different context Newton (2002) used the concept of psychological contracts to discuss collegiality, professional accountability, reciprocity and mutual trust at a UK college of higher education. Based on in-depth empirical research, the author argued that a lack of reward and recognition for academic work as perceived by staff, can be explained also by not taking into account the existence of psychological contracts. At the same time, knowledge about the contents and dynamics of the academics' psychological contracts may be very instrumental in maintaining staff morale and commitment.

Similarly, the empirical research done by Tipples and Krivokapic-Skoko (1996; 1997) at Lincoln University, New Zealand, indicated that the psychological contracts at that institution were in a very poor state. In terms of the empirical assessment the authors used a number of different approaches to explore the individual psychological contracts at the University. Besides qualitative interviews and the use of documentary sources, the authors conducted a questionnaire survey of academic colleagues to explore the staff members' beliefs and expectations about their relations with the University.

While analyzing only the employee's side - academics at the University – the research identified low morale and disappointment amongst the academics. Generally, Lincoln academics were not satisfied with the extent to which the University had met what were perceived as its promised obligations. That dissatisfaction was consequently associated with a low level of job satisfaction. As shown in Figure 1 academics believed that the University owed them above all else "Job Satisfaction". "Loyalty" and "Work outside ordinary Office hours" were the most important factors academics believed they owed to the University. Apart from low job satisfaction, the academics identified career development, payment, long term job security and promotion as common areas for violation of the psychological contract. More specifically, the University respondents noted matters relating to promotions (26.0%), research and resources (17.0%), and weak management support (19.0%) in which the issues of confidentiality and honesty were singled out.

In terms of the obligations facing employees, the content of psychological contracts appeared to be concerned with the traditional issues of quantity and quality of work done, time applied to that work and loyalty to the employer. Obligations of the employer to employees centred around providing a suitable work environment, supportive management, appropriate recognition for special achievements, adequate consultation, fairness and job security. Employer/managers and employees had different views on the most salient features of psychological contracts. The differences between the University employer/manager group and the employee group in terms of their perceptions of the mutual obligations, promises, and expectations forming the reciprocal exchanges of psychological contracts was a continued cause for concern for both groups, with a lack of match causing unstable psychological contracts and employment relationships.

FIGURE 1. Academic psychological contacts at a New Zealand University



Source: Tipples & Krivokapic-Skoko (1997: 110)

In terms of how psychological contracts were evolving, more than a half of the respondents believed that their relationship with the University had changed over the last ten years and seventy four percent believed it would change significantly over the next ten years. Administrative issues were the major concern, followed by the greater demands on academic staff with decreased resources and rewards, which also included promotion related issues. Another theme which was also apparent, as a result of violation, was the increase of auditing type arrangements, and the development of a ‘them/us’ antagonistic culture, which referred to an increased administrative workload and relation with the bureaucracy at the University (Tipples and Krivokapic-Skoko, 1997).

Later, the content of Lincoln academics psychological contracts were explored by a different method which better reflected the two sides of the employment relationship in universities. The alternative research method was based on critical incidents (Herriot *et al.*, 1997; Tipples

and Jones, 1998). Then examination of the content of academics' psychological contracts in a new and totally fresh way was possible. Comparison of the results with those obtained formerly in 1996 with Rousseau et al.'s methods was then also possible (Tipples and Krivokapic-Skoko, 1997; Tipples and Jones, 1998). There was a degree of consistency between the results. In 1996 academic employees believed that the University owed them above all else "Job Satisfaction". In 1997 the major component of the psychological contract was imputed as being concerned with the Work Environment. The Rousseau measure did not differentiate between the components of Job Satisfaction, but data were also collected from each respondent for the Job Descriptive Index (JDI) (Smith, Kendall and Hulin, 1969). One of those JDI elements related to Satisfaction with Work, which was significantly lower than the Satisfaction with Work of an equivalent group of US academics (Ormsby and Watts, 1991). Further, 94 percent of the incidents cited, which were classified in the Work Environment class, were concerned with the University treating its employees in a way that was below that expected. So the two sets of results seemed consistent in that respect.

"Loyalty" and "Work outside ordinary Office hours" were the most important factors academics believed they owed to the University in 1996. Hours and Loyalty were the second and third major components of individual's psychological contracts derived from critical incidents cited by the employee group studied and first and third of those cited by employers. The weakness of Rousseau et al.'s research appeared to be its failure to identify the quality and quantity of employees' work as major components of individuals' psychological contracts. Rousseau et al. developed their questions from talking to a group of Human Resource and Personnel managers. Apparently they did not consult real employees and have appeared to leave out the obvious, causing doubt as to whether Rousseau et al.'s questions were really as adequate as they were thought to be for elucidating the content of individuals' psychological contracts.

Herriot, Manning and Kidd's critical incident approach provided a way to assess the content of psychological contracts *de novo*. Utilisation of Rousseau's questions was not appropriate without substantial pre-testing to discover if they were applicable to the New Zealand academic situation, and then only after appropriate modification. In terms of the obligations facing employees, the content of psychological contracts appears to be concerned with the traditional issues of quantity and quality of work done, time applied to that work and loyalty to the employer. Obligations of the employer centred around providing a suitable work environment, supportive management, appropriate recognition for special achievements, adequate consultation, fairness and job security. Employer/managers and employees had different views on the most salient features of psychological contracts, but there was no consistency to these differences. In 1998 the differences between the University employer/manager group and the employee group in terms of their perceptions of the mutual obligations, promises, and expectations forming the reciprocal exchanges of psychological contracts were a continued cause for concern for both groups. There was a lack of match causing unstable psychological contracts and employment relationships. For both parties this was undesirable and a concern for future job performance.

One decade after the results of the Lincoln University study were published, another study explored psychological contracts established by academics at an Australian University (O'Neill, Krivokapic-Skoko, & Foundling, 2007). Using a focus group technique the authors tried to elicit insights and subjective interpretations of the psychological contracts and the

consequences of perceived breach^{*}. It is one of the few empirical studies which has used a focus group approach to understand how academics interpret the psychological contract. As the literature suggests (Turnley and Feldman, 1999; Freese and Schalk, 1996; Guzzo and Noonan, 1994) the greater use of idiographic methods to assess individuals' psychological contracts would be appropriate in order to access and understand the varied individual experience of the psychological contract. The focus group questions, along with probes when appropriate, encouraged the academics to discuss: (a) what they feel they bring to their work that is not explicitly stated in the employment contract; (b) what they expect or believe their employer has promised in return; (c) an identification of how the University has fulfilled or exceeded these expectations; (d) how the University has failed to fulfill these promises, and (e) the responses to the psychological contract violation.

In terms of the empirical results the academics cited a range of personal qualities as a defining aspect of what they bring to the University, consistently commenting that their work involves their whole person, their creativity, integrity, values and experience. Some of the categories of contractual elements presented in earlier studies (Thomas and Anderson, 1998; Kickul and Lester, 2001; Guest and Conway, 2002; Thompson and Bunderson, 2003) failed to encompass the breadth of elements the academics named because the academics view their work responsibilities in a much wider context than their immediate institutional environment.

The empirical research identified four key foci of academic responsibility that greatly influenced the formation and effects of their psychological contracts and these were: the university, the discipline, society, and students (Figure 2).

Academics join the university with a strong work ethic and this is evidenced by many comments relating to a willingness to work outside 'normal' working hours, and be flexible in taking on various roles and to engage emotionally with their work:

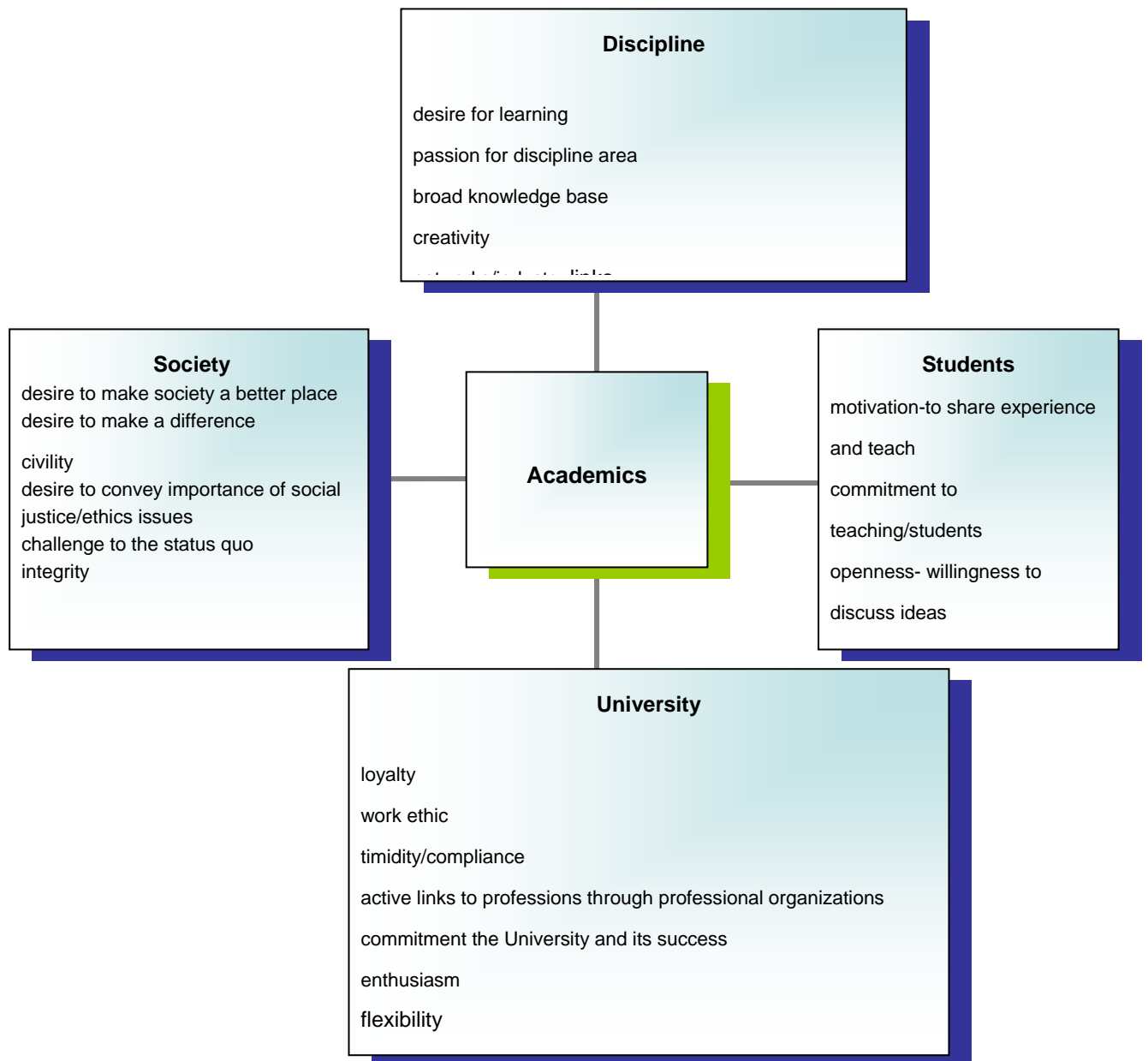
'... there's this attitude amongst a lot of staff I find that, a willingness to put a huge amount of work into what they're doing and to take it very seriously.'

'... a willingness to work beyond the stated hours and a willingness to take on Faculty and University roles that are not sustained in one's duty statement and that aren't remunerated.'

The academics feel that the breath of knowledge they bring to their work is an important contribution to the University. It was consistently stated that disciplinary knowledge, teaching and industry knowledge and experience, and industry contacts and networks, are highly valuable, but are not equally recognised by management:.

The empirical data as presented in (O'Neill et al. 2007) were generated through three focus groups with academics employed by the Faculty of Business, Charles Sturt University, Australia in May 2006. Twenty six academics (excluding the researchers) participated across the three focus groups. The focus groups were of the ideal size, being comprised of six to ten academics. While a limitation of focus groups can be the tendency for participants to deviate from their usual thinking and behaviour in order to 'fit-in' with focus group norms (Kenyon, 2004), those three focus groups of academics were relatively homogenous in terms of group of participants who regularly work with each other, and thereby minimising the effects of this tendency.

FIGURE 2. Academics' beliefs about what they bring to the University: A case study of an Australian University



Source: (O'Neill *et al.*, 2007)

Conscience, personal ethics, integrity and a desire to make society a better place were strong motivators for staff and represented commonly discussed aspects of personal qualities that staff felt they were bringing to their academic work. Motivation and enthusiasm were frequently discussed in terms of 'making a difference', 'making society a better place', and generally expressing a desire to advance social justice and ethics.

'There's an ideological underpinning of what some of us are all about. I'm a person who believes in working towards a fairer society that we live in and .. you're doing something that's worthwhile to society as whole.'

Similar sentiments to those noted above were expressed in relation to facilitating and enhancing student learning through academics giving of themselves personally, sharing their wealth of experience to stimulate and encourage students:

'What the students like is that you are actually sharing a part of yourself with them'.

These responses demonstrate that it would be limiting to attempt to understand the formation of the psychological contract only in terms of what the academic feels they owe the university. The commitment and concerns of academics are often directed more toward the students and society with the institution providing a means of serving those higher goals. If they are frustrated with unmet expectations and promises, it is likely that these frustrations will occur in areas that impinge upon their ability to fulfil their personal mission of attaining these higher goals.

Building upon perceived promises of mutual exchange the academics spoke at length regarding what they were expecting of the University in return for what they bring to their job. A common theme that emerged from the statements made regarding employer responsibilities is that academics want to be recognised and treated as professionals. Much of the discussion centred around the expectations of leadership, fairness and transparency in promotion and recognition of one's personal commitment to the profession, the university and the students. The key themes that emerged from discussion of what the academics expected from the university were (Figure 3):

Beyond the more tangible benefits that would normally be associated with employer responsibilities, employees expect good leadership and sound management skills, for example:

'What I expect of [the university] in return, I expect the senior executive of [the university] to all have qualifications in management or they can't take on a position at the senior levels of the university'.

Issues related to leadership such as trust, clear and honest communication, transparency, advocacy, individual consideration and respect were prominent throughout the conversations. Generally, there was a realistic acceptance of the constraints within which management must make decisions, and that such constraints can lead to broken promises and failure to meet expectations from staff. What was not accepted, and this raised considerable emotion, was failure to address such situations in an honest manner and communicate outcomes effectively:

'Part of the transparency is the explanation for decisions that are made, clear justification and reasons why the decision was made rather than 'this is the decision' and nothing else.'

Commitment to teaching and the desire to contribute to society provide powerful motivators for academic staff and the need for academic freedom and job discretion were linked to these motivations. Staff expressed a strong expectation of autonomy, job discretion and inclusion in decision making and this was related to their professional identity:

'There's an expectation that our professionalism will be respected, that we're not going to be treated as if we've got nothing to add and that we're just automatons in the machine'

'Fairness in all things' was an expectation consistently expressed by the academics, which included: equitable pay, impartiality, fairness in promotion, consistency in applying rules, acceptance of union involvement, reciprocity, and an expectation that family and outside commitments should not cause disadvantage.

The expectation of recognition for effort and achievement was another important theme. This goes beyond the desire for a fair promotion and remuneration system, and addresses a basic need to be affirmed, appreciated and acknowledged by others:

'Recognition and acknowledgement particularly when you go beyond ...the normal call of duty which I think we do frequently'.

Academics felt the institution was obligated to provide opportunities for development by way of training, provision of teaching and administrative opportunities, support for continuing education, and promotion. The connection between what is given to one's work and what is expected back is evident from the frequency of responses regarding the expectation of flexibility from the university. Allowance for a healthy work-life balance, and the provision of a pleasant social, physical and emotional work environment were other factors listed.

There was not a lot of discussion about pay but any mention of payments and security was with regard to issues of fairness and career development:

'... [we expect] a competitive salary structure that's flexible again with regard to the recognition of experience and knowledge gained prior to the University.'

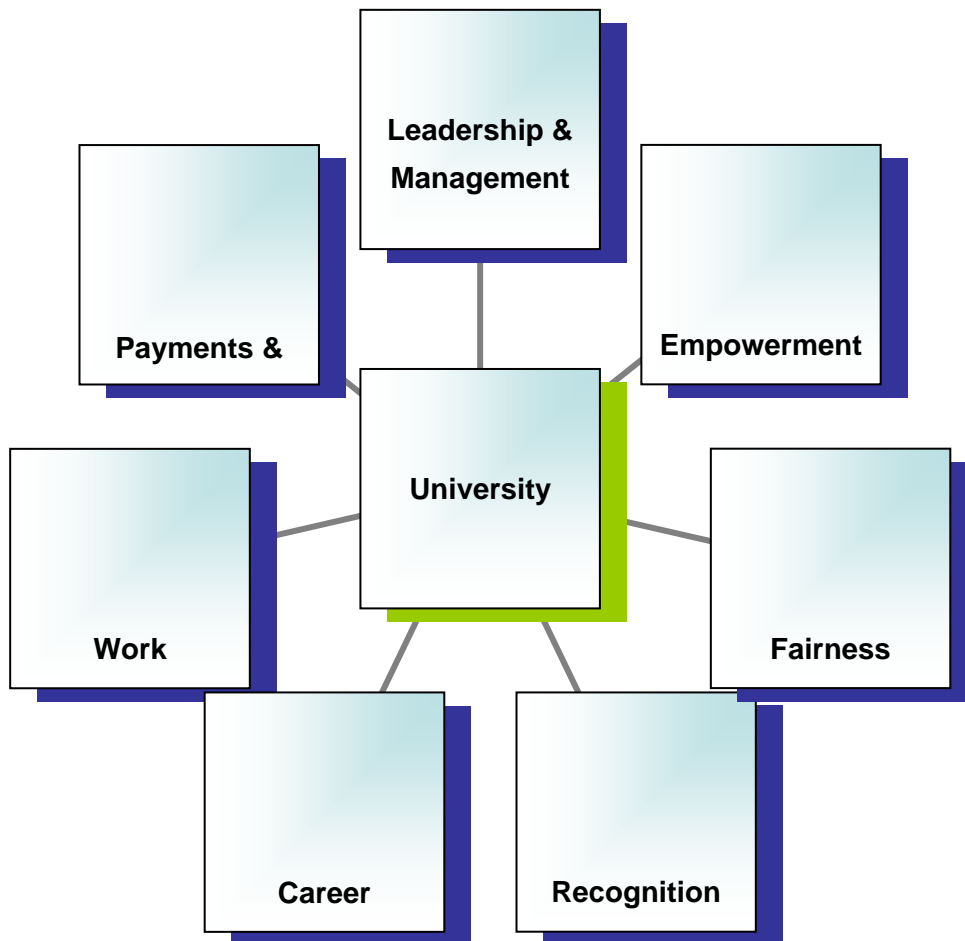
Key areas where the University was considered to have fulfilled or exceeded its implicit promises of employment included support in such areas as research, outside activities, training and development and with regard to personal and emotional issues. While the support was appreciated, staff recognised that it was a reciprocal relationship:

'I think it's a recognition that they are willing to do something for you to help you out, that you will pay them back [agreement from group] tenfold down the track . . . it makes it sound like an exchange relationship but still I think it is more than just that '

Flexibility was another highly valued feature of working at the university:

'[Flexibility in working hours] is a further degree of freedom beyond just the academic freedom'

FIGURE 3: Academic's beliefs about what the University owes them: A case study of an Australian University



Source: (O'Neill *et al.*, 2007)

This flexibility was valued in practice and as an indication of trust:

'There's an awful lot of trust there . . . as long as [the head of school] knows that he can contact me and I'm always logged on with my emails etc there seems to be a real sense of trust there that he knows that if I'm not physically there in my office, that doesn't necessarily mean that I'm not getting the work done so I feel really really lucky to have so much flexibility because my kids are very young at the moment.'

Flexibility and trust are associated with academic freedom and so are valued as recognition of the professional status of the employees. The belief in freedom and autonomy was further highlighted by the sorts of work conditions most highly valued by the academics:

'I think everybody does [appreciate the low levels of surveillance], I think there is a degree of trust and obviously there are limits and boundaries and having set those the university is very relaxed about it'

Although many examples of where the university had fulfilled or exceeded expectations were reported, it was obvious that this was not the complete picture. Even the groups who spoke more positively about their psychological contracts had much that they wanted to speak about with regard to when these contracts had been violated.

Different groups had different emphases but the most striking consistency was the unprompted repetition of the phrase ‘changing the goalposts’ at each of the focus groups. The final stages of the focus group discussions explored perceived sources and implications of contract violations. There were many references to dysfunctional aspects of the organisational culture such as: competitiveness, bureaucratic centralised control, short-term focus, and lack of customer (i.e. student) focus.

‘We have talked about who are our customers and who we are building relationships with. I have seen [the university] do this and once again I expect it happens at other institutions that the student are not the main focus and I think it’s a pity.’

‘Its part of the whole thing about being a teaching university or research university . . . And that teaching university is about the students and research is about government policy research funds. . . and students are at the far end of the stakeholders.’

Some felt that the need for greater research output did not necessarily have such a negative impact on teaching, and that the formulation of clearer strategy, supported by fair and equitable rewards for staff, could do a great deal to reconcile these seemingly competing forces. Further, while so many spoke of a need for change, an observation was made that academics can, in some respects, be unintentionally complicit in sustaining the culture and priorities they criticise because of their broader commitment to the discipline and the students.

Another important area of psychological contract violation was when the expectation of being treated as a professional was met with the seemingly bureaucratic requirements of the University’s administrative system:

‘You’re expecting that you bring in a certain amount of professionalism but it’s shoved in your face to a certain extent because of the bureaucracy. . . . They are trying to treat us as an homogenous group who maybe are not capable of doing something from an administrative perspective.’

Administrative rules and regulations constituted one of the two key issues that were at the heart of most of the reports of psychological contract violation. Many academics perceived an encroachment of administrative systems stressing compliance, conformity, rationality and efficiency upon their practice as academic professionals who require flexibility, personal discretion and autonomy. For some, a bureaucratic juggernaut was deemed to be a threat to the core competence of the University in teaching excellence and customer focus.

Academics’ responses to the violation of their psychological contracts corresponded very closely to the EVLN (Exit, Voice, Loyalty, Neglect) framework as developed by Turnley and Feldman (1999). Consistent with Turnley and Feldman’s (1999) findings, empirical research done by (O’Neil *et al.*, 2006) suggested that situational factors strongly moderated the relationship between psychological contract violations and exit. For example, many

academics expressed feelings of being trapped in their work situation due to geographical factors and limited job mobility. Further, many academics expressed feelings of goodwill towards, and commitment to, immediate supervisors. In the context of contract violations, they were making separations between the University and particular agents of its authority. An important finding was that the academics possessed a strong continuance commitment (Allen and Meyer, 1990) which is not solely explained by the costs of resigning. This means that some of the ill-effects of poor psychological contracts could, in effect, be masked in the short term because the exit response to psychological contract violation is not strongly evident.

More broadly, the negative effects of the psychological contract violation were shown to be mediated by the nature of the academic work that involved a commitment to the students even when frustration with the institution was high:

'there is that third dimension which plays a huge part in [the] psychological contract with the students. . . our responsibility and caring for the students that locks us into that contract ...'

The most frequently cited responses to psychological contract violation were loss of loyalty and neglect behaviours. Some said that the decreased loyalty was resulting in their 'giving up' and feeling helpless. Others referred to behaviour that saw them less likely to engage in extra-role behaviour:

'You concentrate more on your own interests instead of the broader interests than you have in the past.'

'You lose commitment and you withdraw.'

Increased neglect, particularly decreased attention to teaching quality, was a prominent topic of discussion:

'It goes back to equity theory of motivation . . . You'll do one of two things. You'll either withdraw your labour totally . . . or you will slow down ...'

However, for some academics the violation event gave them impetus to adapt to the new system and even enjoyment of the opportunities it offered. These adaptations to the new priorities and demands of the University support Herriot & Pemberton's (1996) observation that internal and external catalysts during an organisational restructure lead to renegotiations in which the contract evolves. The adaptation response was also related to the professionalism of the academic in that when loyalty to the institution was slipping, loyalty to the discipline and the commitment to students seems to take effect:

' . . . very few academics slacken off because of their commitment to the students and because of their professionalism [agreement from group] so it doesn't matter how badly they're treated, they will still perform close to their optimal level and if they can't do this they then leave.'

Whatever the reaction to contract violation, there is no doubt that the emotional experience can be extreme. Many academics gave considerable emphasis to their deep regret and pain over violations that can be masked by the variety responses taken by employees:

‘. . .there has been, on the part of the University, some fairly egregious departures from equity in the promotion process . . . It has wreaked havoc with the morale of a lot people here some of whom I know have moved on as a result and those who have stayed on and coped with it because of their professionalism or had no where else to go.’

The academics further articulated how they perceive the sources and implications of the contract violation. There were many references to dysfunctional aspects of the organisational culture such as: competitiveness; bureaucratic centralized control; short-term focus; and, lack of customer (i.e. student) focus.

‘[The University] has a culture where it does not give itself time to think, they are so pushed for making money that they don’t give themselves time to think about what they are doing or what direction they are taking, how they are doing it and the impact it is having on people.’

Conclusions

As noted earlier, changes in the context and conditions of academic work in Australasia (Curtis and Matthewman, 2005) have resulted from increased pressures associated with managerialism, greater external and internal accountability, tighter funding and a higher level of scrutiny by funding bodies. The challenges faced by university leaders and managers have increased considerably and academics are experiencing flow-on effects.

Building upon the empirical evidence gathered from these two studies, this paper has revealed the content and key elements of the psychological contracts formed by academics within Australasian universities. Our empirical research has shown that the professional aspects of commitment to making a contribution to society, their discipline, and student learning frequently play a prominent part in the development, and moderation of, the academics’ psychological contracts. The academics very strongly indicated that they have a professional responsibility and spoke to a significant social role which effectively extends beyond the boundaries of the psychological contracts they establish with the university, which in New Zealand is even enshrined in legislation, where academics are to be the critic and conscience of society (Education Act 1989, Bridgman, 2007).

It is critical for the university and the academics to be sensitive to possible differences in expectations, since unrealised expectations may result in de-motivation, decreased commitment, increased turnover, and loss of trust in the organisation. As Turnley and Feldman (1999) found, our empirical research suggests that situational factors strongly moderate the relationship between psychological contract violations and exit, but not the relationship between the violation and voice, neglect behaviour and decreased levels of loyalty to the university. That noted, the academics possessed strong continuance commitment (Allen and Meyer, 1990) and this is not solely explained by the costs of resigning.

Indeed, our survey and focus group research indicated that the commitment of academics to their students and society moderated the effects of many psychological contract violations. Perceived loss of professional autonomy and control, and work intensification, noted by the academics did not result in withdrawal of labour. Clearly, this offers opportunities to university managers as they seek to effect more change, however, our research also points to the dangers of academics being pushed too hard and too far. Violations of the psychological contract always come at a cost, and while for now it seems that it is the academics who are paying most, the potential costs of further violations to students, universities, and wider society need to be considered in the rush by universities to “do more with less”.

In conclusion, it is evident that academics both at Lincoln University and Charles Sturt University deemed their psychological contracts to be in a poor state. They faced similar problems and expressed similar concerns. While low morale and distress were key issues, many discussants expressed hope, and a degree of optimism, that the situation could be improved. After ten years of restructurings at Lincoln University it is not certain that academics there would support that view. Dabos and Rousseau (2004) found that mutual understanding of reciprocal obligations resulted in positive outcomes for employees and the employers. This research indicates that many of the detrimental effects of psychological contract violation could be ameliorated, and even avoided, by ensuring that the mutual expectations or perceptions of ‘obligations’ of the universities and academics match (Tipples, 1996).

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Attitudes towards Workplace Change in the Australian Higher Education Sector: a tale of divergence and a case for reform

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Abstract

This paper reports on the findings of a survey that explored staff perceptions of change management in Australian universities with a view to gauging the effectiveness of workplace change provisions in Higher Education enterprise agreements. The survey examined academic and general staff perceptions of the effectiveness of change management methods, the effectiveness of employee involvement in workplace change and the fairness of workplace change. The findings of the research demonstrate a clear divergence in the perceptions of management and union representatives on workplace change and highlight the limitations of existing processes to meet the expectations and demands of these key sector participants. The paper concludes that the desire by management for a greater ability to facilitate workplace change and by unions to foster a greater sense of employee involvement demonstrate the need for reform of the workplace change provisions within the Australian Higher Education Sector.

Introduction

This paper explores staff attitudes to three aspects of the change management process in Australian universities. Through an attitudinal survey of 580 staff from the 37 public universities in Australia, the paper reports on the extent to which respondents believe that change is managed effectively; that employees are involved in the change process; and that the change process is perceived to be fair. The underlying themes explored in this paper through a review of Australian industrial relations scholarship, are: the need for active involvement of employees within processes relating to the management of workplace change (Davis and Lansbury, 1989) and the maintenance of workplace justice (Cobb, Folger, & Wooten, 1995).

The research presented is undertaken in the Australian Higher Education sector and forms part of a doctoral thesis undertaken at Victoria University, Melbourne, Australia. It explores the relationship between employee involvement and the management of workplace change within an organisational justice context in the Australian Higher Education sector. This paper builds on an earlier longitudinal study of the provisions for employee involvement within the change management clauses of workplace enterprise bargaining agreements (EBAs) across three cycles of negotiations covering a period of approximately 10 years from 1996-2006 (Weller and Van Gramberg, 2006). In that study the change management clauses of all 37 EBAs were

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examined. It was found that there had been a decline in the (espoused) degree of employee involvement in the management of workplace change and also a shift in the form of employee involvement from a primarily bi-partite approach (management and union) to an increasingly tri-partite approach (management, staff and union) reflecting the increased participation of non-unionised employees. The findings suggested that change management in the Australian Higher Education sector appeared to be becoming more managerially driven over the 10 year span and less likely to involve close participation of employees.

As the previous study restricted itself to observations made of workplace policy provisions, it could only surmise the possible shifts in actual employee involvement in workplace change arising from the introduction of the Higher Education Workplace Reform Requirements (HEWRR) in 2005 by the Commonwealth Government. These reforms have, amongst other things, required universities to ensure that EBAs make provision for management and staff interaction (as opposed to management and union interaction) as an alternative to staff electing to have their interests represented by their union (DEST, 2005). This paper moves the study from workplace provisions to workplace perceptions of actual practice in three key areas: the perceived effectiveness of the change process, the perceived extent of employee involvement and the perceived fairness of the change.

First, effectiveness of change can be measured through: the ability to present reasons for the change; the ability to argue that the change is necessary; the ability to describe the nature of the change; the ability to document the change process; the ability to achieve the goals of the change; the ability to actually implement the change itself; the ability to review the change process; and lastly the ability to build consensus around the change (Victor & Franckeiss, 2002). Second, successful organisational change is often associated with the involvement of employees in the change process (Palmer & Dunford 2002). This paper focuses on the measurement of the degree of employee involvement in the process. The survey adopted the scale of employee involvement developed by the International Research Group (IDE, 1976). This scale, which has since been utilised across a number of international research projects, provides a seven point measure of employee involvement comprising: no involvement; provision of information; provision of information before a final decision; the right to comment; obligatory consultation; joint decision making; and complete involvement. Finally, fairness has been long considered an important dimension of successful change management (Cobb, Folger, & Wooten, 1995). Fairness can be examined according to the principles of organisational justice (procedural, distributive and interactional). These measures of organisational fairness are considered further below.

Change management and employment involvement

The notion of seeking effective change management through the use of employee involvement is well reported in the international literature of the last 50 years (Coch and French, 1948; Beer and Nohira, 2000). Similarly, the issue of employee involvement and the forms it takes represents a diverse field of study and commentators have debated the spectrum of employee involvement from participative management through to industrial democracy (Teicher, 1992; Black and Gregerson, 1997). In other words, there is an accepted theory that the extent to which employees are offered meaningful participation is directly linked with the success of the organisational change program (Dunphy & Stace 1988).

The focus of this paper is to explore the perceptions of participants of the workplace change processes within the Australian Higher Education Sector and the extent to which this contrasts with the provisions articulated in the EBAs. Underpinning perceptions of fairness are the behaviours relating to whether an action is fair or not. For instance, Greenberg (1990, 399), a key organisational justice theorist commented:

“In view of the widespread recognition of the importance of fairness as an issue in organisations, it is understandable that theories of [organisational] justice have been applied to understanding behaviours in organisations”.

Similarly, Hosmer and Kiewitz (2005:67) described the relationship between justice and fairness as being one where:

“Organisational justice is a behavioural concept that refers to the perception of fairness of the past treatment of the employees within an organisation held by the employees of that organisation”.

Organisational justice has a number of dimensions that include distributive justice, or the perceived fairness of the outcome; procedural justice, or the perceived fairness of the process; and interactional justice, or the nature of the interactions of the decision makers during a process (Cobb, Folger, & Wooten, 1995). In considering whether distributive justice is reflected in a workplace decision (such as a type of workplace change) employees weigh up a range of factors in order to construct a judgement on whether the outcome was fair. These factors include whether the final outcome was based on merit; whether the decision impacted equally on all participants within the organisation; whether the needs of the organisation were considered in the process; whether the needs of the participants were considered in the process; and whether compensation was provided in regards to adverse decisions (Cobb, Folger, & Wooten, 1995).

Employees' sense of fairness is also a function of being afforded procedural justice. Here, the perceived fairness of the procedures used in the decision making process can encompass factors such as: whether decisions were made consistently; whether the decision making processes were impartial; whether decisions were made on accurate information; whether there were opportunities provided to employees to have input into the decision making process; whether there was compatibility of the decision making process with organisational ethics and values; and whether there were appropriate mechanisms to appeal the decision (Paterson, Green, & Carey, 2002).

Finally, employees also judge the extent to which they have been afforded interactional justice as a component of fairness. The fairness of the interpersonal treatment experienced by participants in a decision making process entails factors such as: whether participants felt there was honesty in the process; whether staff were treated courteously during the process; whether staff had their rights respected in the process; whether the process was devoid of prejudice; whether decisions were appropriately justified; and whether decisions were communicated transparently (Paterson, Green, & Carey, 2002).

The earlier longitudinal study found that there were provisions for employee involvement in the management of workplace change in all the agreements (Weller and Van Gramberg, 2006). Further it re-enforced the underlying philosophy of the sector that the involvement of

those affected by change was a requirement in facilitating effective change. The responses to this attitudinal survey will allow for an assessment of the extent to which the participants in workplace change believe that the change management processes facilitate either effective workplace change or foster effective employee involvement.

Research methodology and survey population

The research methodology consisted of an attitudinal survey administered to management and union representatives (academic and general staff) within Australian publicly funded universities. The survey was administered in September 2006 to a sample group of 580 staff across the 37 public universities. The sample group was made up of two sub-samples: 228 staff employed as senior executives within the universities and 352 staff employed as union branch executive members within the universities. The contact details for the sample were obtained from the websites of the Australian Vice-Chancellor's Committee in the case of the management group and the National Tertiary Education Union (NTEU) for the union group. Both these websites list University Executive and Branch Executive members publicly.

The attitudinal survey was seen as providing the most effective way of obtaining an overview of the perceptions of those in working in the sector, and in particular, those most likely to be involved in the change management process. It is however accepted that they are, in turn, not entirely representative of line managers or operational staff. The next stage of this research will be to undertake focus group interviews to obtain illustrative details of the change management process and the nature of employee involvement.

The questionnaire was developed using a combination of existing scales across three key areas: change management (Victor and Franckeiss, 2002), employee involvement (International Research Group, 1976) and organisational justice (Cobb, Folger and Wooten, 1995 and Paterson, Green and Carey, 2002). Following a pilot of the survey senior executives and union branch executive members from Victoria University some minor changes were made and the survey was dispatched via mail using a hardcopy survey with a reply-paid envelope. A supporting letter was included, signed by both the Vice-Chancellor and NTEU President of Victoria University encouraging recipients to complete and respond to the survey. This bipartite approach was undertaken in order to demonstrate that the research was primarily concerned in findings that would be of assistance to both management and union representatives.

Following the dispatch by mail a total of 134 surveys (23%) were returned within four weeks. An email reminder was sent encouraging the return of the survey and indicating the initial response rate received. The benefits of this 'multi-modal' approach to survey distribution, that is a combination of mail and email, is supported by Woong Yun and Trumbo (2000) who conclude their findings "...we believe that the differences detected in the response groups indicate that using multi-mode survey techniques improve the representativeness of the sample, without biasing other results". Finally, 170 responses were received representing a response rate of 29%. This comprised a total of 55 management responses (from 228 sent out) representing a response rate of 24% and a total of 115 union responses (from 352) representing a response rate of 33%. The response rate by employment type was similar with 58% academic and 42% general staff responding across the total sample. In the case of

management respondents this was 56% academic compared to 44% general and in the case of union respondents this was 58% academic compared to 42% general.

Response rates were broken down into university groupings operating within the Australian Higher Education Sector. The Group of Eight features the eight oldest universities in Australia established before the 1950s and with a research intensive focus. The Innovative Research Universities are the seven universities that were established during the 1960s and 1970s and have a targeted research focus to their activities. The Australian Technology Network features five universities that were established during the 1980s that had come out of backgrounds as institutes of technology. The New generation Universities features ten universities that were established during the 1990s and generally were the product of amalgamations of former colleges of advanced education. The Regional Universities feature seven universities that were established between the 1950s and the 1990s and are based in regional or rural centres (Australian Education Network, 2007).

The response by sector type ranged from 27% for the Group of Eight Universities to 34% for the Regional Universities. Correspondingly, the lowest response rate from union representatives came from within the Group of Eight Universities (25%) and the highest from the Regional Universities (44%). Conversely, responses from management representatives was highest from the Group of Eight Universities (29%) compared to the Regional Universities with the lowest response rate (18%).

The 55 management respondents allowed for broad comparison of their attitudes towards change to be compared to union respondents. However, meaningful comparisons across role types within sector type could not be done as the sub samples were small. Similarly, given the total number of union responses was more than double those of management, the ability to compare academic and general responses, without breaking these categories down into management and union role type was problematic. As such, and for the purposes of further analysis, the remaining sections of the survey are analysed here with regard to the attitudinal differences between management and union responses as well as attitudinal differences between sector types with an emphasis on identifying where there is convergence or divergence of opinion in regards to issues of the effectiveness of change management, the provisions of employee involvement, and perceptions of organisational justice.

In the subsequent analysis and findings, we make comments regarding apparent convergence and divergence between management and union attitudes. It is acknowledged that these observations are made at a fixed point in time, namely when the survey was conducted, and may not be replicated beyond the timeframe for the survey.

Analysis and findings

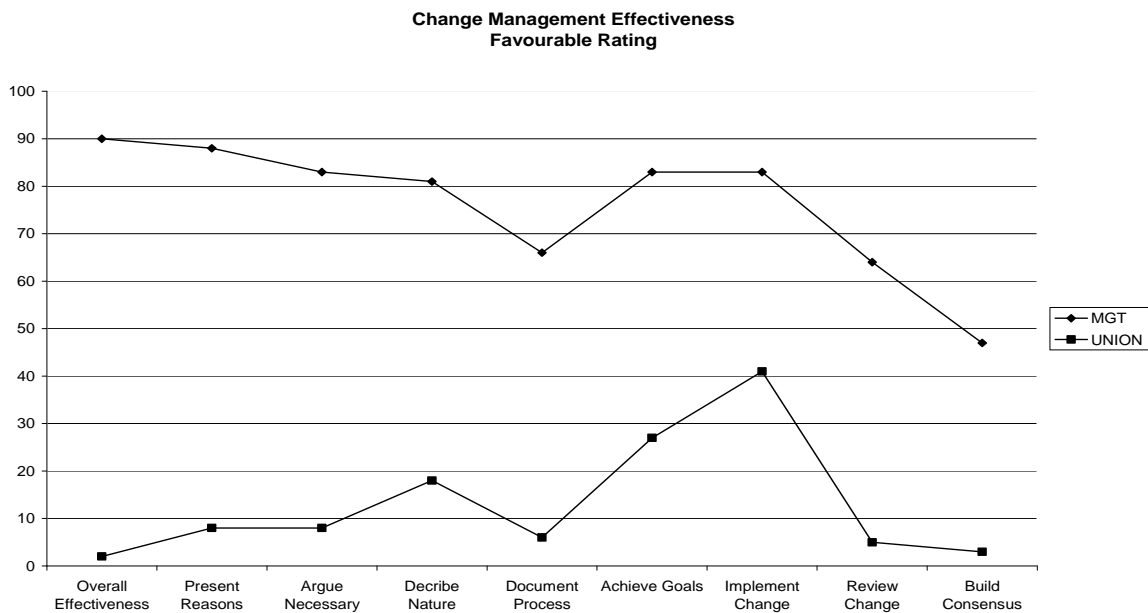
Section Two of the Attitudinal Survey focussed on perceptions towards the effectiveness of change management provisions in relation to the objective of the institution to facilitate organisational efficiency. In particular, Question 12 examined the issue of effectiveness of change with respondents asked to rate the effectiveness of the change processes within their organisation.

The responses to this question in turn used a scale developed by Victor and Franckeiss, 2002 which identified eight key dimensions to measure the effectiveness of change management processes. The survey adopted these measures in relation to the effectiveness of the university to:

1. Present reasons for the change
2. Argue that the change was necessary
3. Describe the nature of the change
4. Document the change process
5. Achieve the goals of the change
6. Implement the change process
7. Review the change process
8. Build consensus around the change

For the purposes of comparison, very high and high responses have been combined to provide a 'favourable' measure of effectiveness. In terms of overall effectiveness of the change management processes, management respondents were 90% favourable compared to union respondents who were 2% favourable. This indicates a significant divergence between management and union respondents in relation to change management provisions. Figure 1 illustrates the degree of convergence and divergence between management and union in regards to the overall effectiveness of change management processes as well as indicating the individual dimensions of effectiveness of change management.

FIGURE 1: Change Management Effectiveness: Favourable Rating



Although there is some convergence, or agreement around the dimensions of the 'capacity to implement change' (as perceived by unions) and the 'capacity to build consensus' (as perceived by management) these findings suggest that there is considerable work to be done if there is to be greater consensus between management and unions in implementing effective change.

Despite the positive overall rating of effectiveness of the change process noted by management representatives, less favourable ratings were given to the ability to 'document the change process', 'review the change process' and 'build consensus around the change process'. On the other hand, union representatives responded more favourably to their institution's ability to 'describe the nature of the change', 'achieve the goals of the change', and 'implement the change' than the overall rating of effectiveness for change management. These areas of critical evaluation by management and unions of the change process points to some scope to explore better practices to enhance the effectiveness of change management processes in relation to these specific dimensions.

In considering the effectiveness of change management processes in facilitating organisational efficiency, we found that whilst there were no marked differences between the responses of academic and general staff, an assessment of sector type revealed that Group of Eight respondents were consistently more favourable compared to the overall sector. By way of contrast, respondents from the Regional Universities were consistently less favourable when compared to the overall sector. While these responses represented the two ends of the spectrum, the responses from New Generation Universities reflected the overall survey group results. This was also the case for the Australian Technology Network except for their more favourable response in relation to the ability of their institutions to achieve the goals of change and implement the change process when compared to the sector overall. Conversely, the Innovative Research Universities, whose responses were relatively consistent with the overall survey population, were less favourable to the ability of their institutions to achieve the goals of change and implement the change process.

Section Three of the Attitudinal Survey focussed on perceptions towards the effectiveness of change management provisions in relation to the objective of fostering employee involvement. The Attitudinal Survey included reference to an extract from the original award provisions of the Australian Higher Education Sector: "It is acknowledged that sound management of workplace change requires the involvement of those who will be directly affected by the change".

In response to the question of whether the management of workplace change requires the involvement of those staff directly affected, management respondents were 90% favourable compared to union respondents who were 92% favourable. This indicates a significant convergence between management and union respondents in relation to the philosophical question of fostering employee involvement in the management of workplace change. However, when asked whether the processes for managing workplace change provide for employee involvement, management respondents were 92% favourable compared to only 30% of union respondents. This divergence between management and union respondents points to the difference between rhetoric and reality in implementing change in this sector.

In response to the question of what should be the major focus in the management of workplace change, namely organisational efficiency or employee involvement, management and union respondents were consistent in their majority response of a 'combination of involvement and efficiency' (71% for both management and union). Again, on this philosophical point, this indicates a significant convergence between management and union respondents. Further, the views on these three questions were universally shared with no significant differences across employment type or sector type compared to the overall response.

The Attitudinal Survey then explored three further questions regarding employee involvement in the management of workplace change. The first of these questions asked respondents to rate their answer along a seven point scale for measuring the degree of employee involvement as developed by the International Research Group (1976):

1. There was no employee involvement
2. Employees were provided with information on the change
3. Employees were provided with information before a final decision was made
4. Employees had the right to comment on the change
5. Employee consultation was an obligatory part of the change process
6. Employees were joint decision makers in the change management process
7. Employees had complete involvement in the change management process

Question 17 examined the degree of employee involvement in the management of workplace change.

“Which of the following [statements] best describes the degree of employee involvement in the [change] process?”

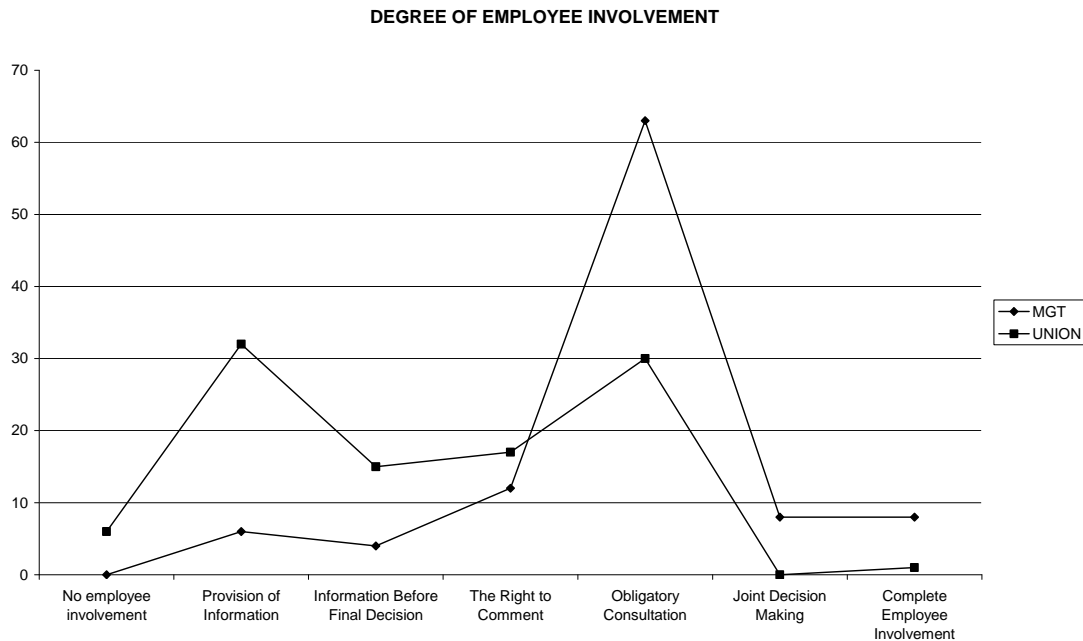
The results of the Attitudinal Survey indicated a divergence between management and union respondents in relation to the perceived degree of employee involvement in the management of workplace change. Most management representatives indicated that the degree of employee involvement ranked fifth, Obligatory Consultation (63%). Unions on the other hand ranked it second, Provision of Information (32%) as well as Obligatory Consultation (30%) indicating perhaps the different involvement practices across Australian universities.

There was less divergence between management and union respondents in relation to the form of employee involvement. Here, the majority response for both management (53%) and union (38%) was that that employee involvement occurs on a tripartite basis (between management, staff and union representatives).

In the case of each of the questions there were no significant differences across the categories of employment type (academic or general) or sector type compared to the overall response. However, whilst the responses to overall effectiveness of the change management processes in fostering employee involvement indicate no significant differences in opinion between academic and general staff, there were some differences in responses by sector type. The overall sector total of responses is relatively consistently matched by the responses from the Innovative Research Universities, the Australian Technology Network and the New Generation Universities. The Group of Eight Universities however reported a considerably

lower level of responses at the ‘low effectiveness’ end of the scale while conversely the Regional Universities reported a considerably lower level of responses at the ‘high effectiveness’ end of the scale. In other words, it appears that Group of Eight Universities were more positive that change management processes had fostered employee involvement than the Regional Universities.

FIGURE 2: Employee Involvement: Degree of Employee Involvement



The fourth section of the Attitudinal Survey focussed on perceptions of fairness in the management of workplace change. The survey explored an organisational justice context with a focus on perceptions of fairness of the decision-making process and its outcomes. Organisational justice in turn was defined as consisting of three aspects; distributive, procedural and interactional justice. Question 20 examined the issue of distributive justice, or the perceived fairness of the outcomes. The responses to this question featured a scale developed by Cobb, Folger and Wooten (1995) in relation to the dimensions of distributive justice:

1. The final decision was based on merit
2. The decision impacted equally on all participants
3. The needs of the organisation were considered
4. The needs of the participants were considered
5. Appropriate compensation was provided for adverse decisions

As with previous questions, responses indicating ‘very high’ and ‘high’ were combined to provide a ‘favourable’ measure of effectiveness. In terms of overall perceptions of the fairness of the outcomes of the change decision making processes, 78% of management respondents were favourable compared to only 4% of union respondents. This indicates a considerable divergence between management and union respondents in relation to distributive justice, again pointing to different perceptions between management and union representatives. There were no significant differences between the responses of academic and general staff.

FIGURE 3: Distributive Justice Dimensions: Favourable Rating

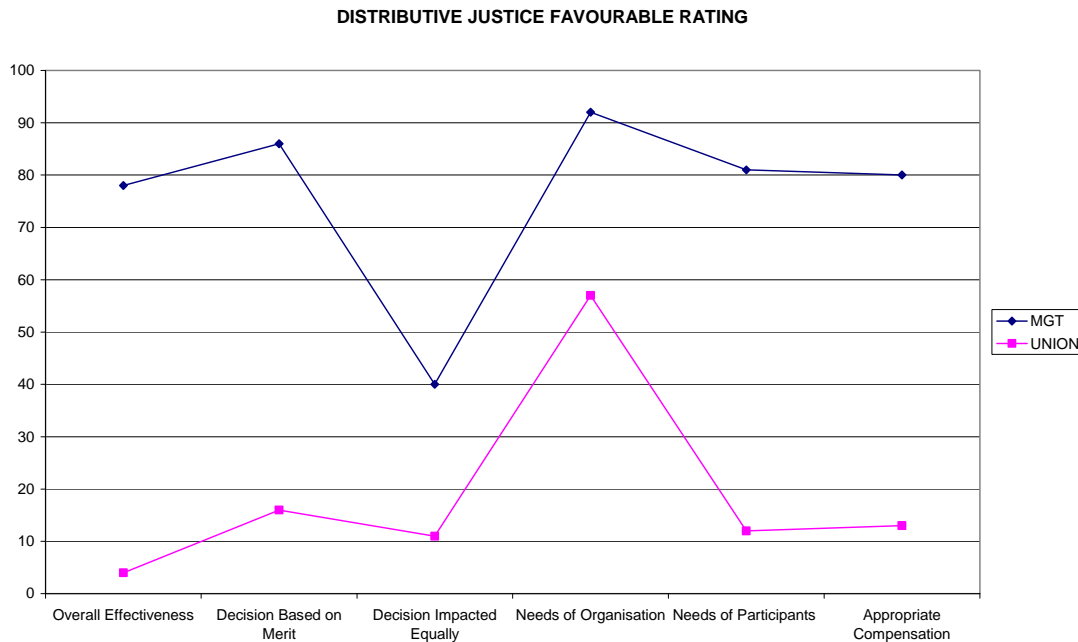
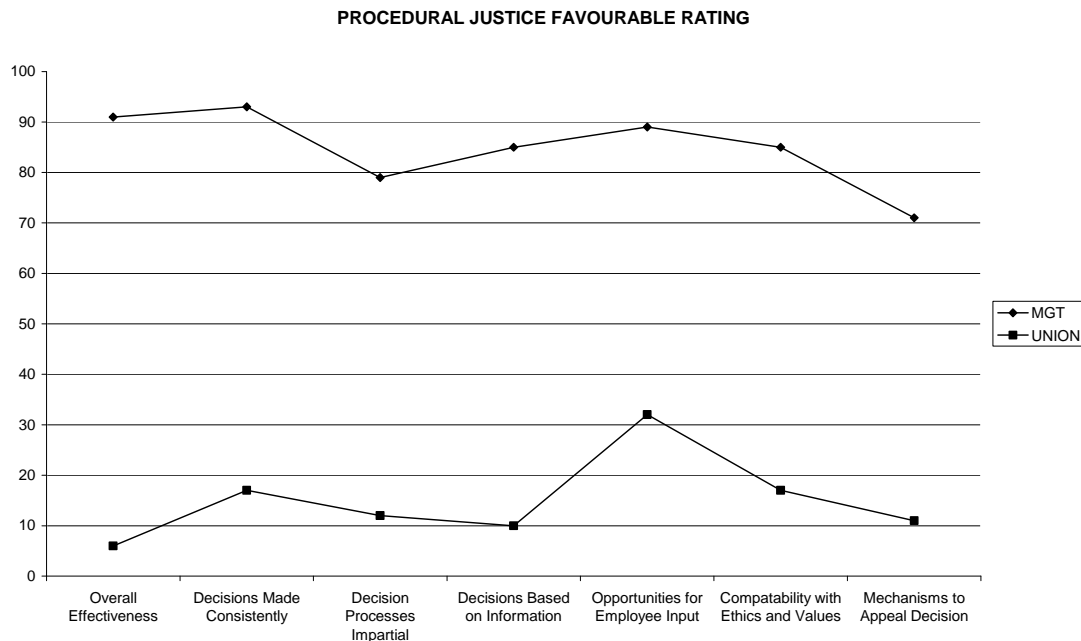


Figure 3 illustrates the considerable divergence in the responses of management and union respondents in relation to the overall provisions for distributive justice. The degree of greatest divergence (>70%) occurs between management and union in relation to the dimension of ‘the decision was based on merit’. On the other hand, both management and union respondents indicated that change was undertaken more according to the needs of the organisation than its employees.

An assessment by sector type indicated some variations between ratings with the Group of Eight universities responding more favourably overall and particularly in regards to the extent to which the decision impacted equally on all participants and the provision of appropriate compensation. The Regional Universities again occupied the other end of the spectrum with respondents generally rating less favourably on these two measures. The findings suggest that change overall is perceived as being more fairly implemented in the Group of Eight universities than the Regionals.

Question 22 examined the issue of procedural justice, or the perceived fairness of the procedures. The responses to this question featured a scale developed by Paterson, Green and Carey (2002) in relation to the dimensions of procedural justice:

1. Decisions were made consistently
2. Decision making processes were impartial
3. Decisions were based on accurate information
4. Opportunities were provided to employees to have input
5. Compatibility of the process with organisational ethics and values
6. Appropriate mechanisms to appeal the decision

FIGURE 4: Procedural Justice Dimensions: Favourable Rating

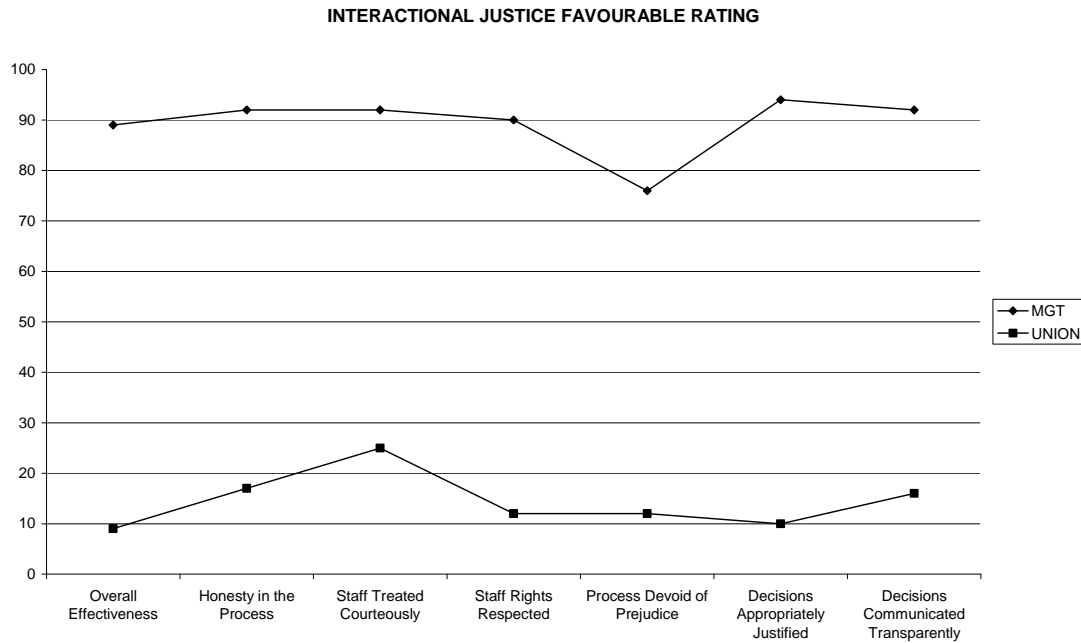
In terms of overall perceptions of the fairness of the process of the change decision making processes, 91% of management respondents were favourable compared to only 6% of union respondents as depicted in Figure 4. This significant divergence again, suggests the operation of a different set of expectations in relation to distributive justice. There were no significant differences in the responses of academic and general staff.

The degree of greatest divergence (>70%) occurs between management and union in relation to the dimensions of 'decisions were made consistently' and 'decisions were based on accurate information'. An assessment by sector type indicated some variations between ratings with the Group of Eight universities again responding more favourably overall and particularly to the extent to which decisions were made consistently and that there were opportunities for employee input. Again, the Regional Universities responded less favourably overall and particularly in regards to these same two dimensions on which the Group of Eight Universities were more favourable, suggesting a considerable degree of sectoral divergence.

Question 24 examined the issue of interactional justice, or the perceived fairness of the interpersonal treatment experienced by participants in a decision making process. The responses to this question featured a scale developed by Paterson, Green and Carey (2002) in relation to the dimensions of interactional justice:

1. There was honesty in the decision making process
2. Staff were treated courteously during the process
3. Staff had their rights respected during the process
4. The decision making process was devoid of prejudice
5. Decisions that were made were appropriately justified
6. Decisions that were made were communicated transparently

FIGURE 5: Interactional Justice Dimensions: Favourable Rating



Again, for the purposes of ease of comparison, ‘very high’ and ‘high’ responses were combined to provide a ‘favourable’ measure of effectiveness. The findings indicate that overall, 89% of management respondents were favourable compared to only 9% of union representatives. This is illustrated in Figure 5. The degree of greatest divergence (>70%) occurs between management and union in relation to the dimensions of ‘there was honesty in the decision making process’, ‘staff had their rights respected during the process’, ‘decisions that were made were appropriately justified’, and ‘decisions that were made were communicated transparently’.

There were some small variations between academic and general staff in relation to interactional justice. General Staff were more inclined than academic staff to believe that staff were treated not courteously during the process and that the decision making process was prejudiced. This seems to suggest that general staff experienced change more harshly than did academic staff.

An assessment by sector type indicated that the Group of Eight universities responded more favourably overall and particularly with regard to the extent to which staff were treated courteously and staff had their rights respected. Again, the Regional Universities responded less favourably overall and particularly in regards to these same two dimensions on which the Group of Eight Universities were more favourable, illustrating the sectoral divergence of the change management experience.

Discussion

It is apparent from the analysis of the Attitudinal Survey that there is a great deal of difference between the perceptions of management and union representatives, regardless of whether they are academic or general staff. A level of divergence, or disagreement, was found to be present across all the key areas of effectiveness in facilitating organisational efficiency, effectiveness in fostering employment involvement and each of the three dimensions of organisational justice. This might be argued to be a predictable result – the polarisation of responses from a predominantly management and union biased set of respondents. But this is too simplistic as change affects both management and union protagonists in the university sector. Further, change is generally designed to improve efficiency and productivity and this requires the cooperation and good will of employees. What the findings do reveal is that there are gradations of disagreement and agreement attached to the sector types and that overall, management respondents are overwhelmingly supportive and positive about the change. As change is instigated by management, this suggests that university management may be out of touch with the level of disenchantment experienced by their employees.

The results show that the change experience is certainly not homogenous across the sector. It is apparent that at the extremes, there is less divergence between respondents within the Group of Eight Universities but more divergence between respondents within the Regional Universities. Group of Eight Universities demonstrate the greatest level of agreement between management and union representatives that change is effective and fair. The Regional Universities demonstrate the least agreement between management and union representatives that change is effective and fair. The other sector groupings arrange themselves somewhere between, all with a degree of divergence in the change experience which would suggest that most require increased effort be put into meaningful employee involvement in their change processes. This is not to say that respondents in the Group of Eight actually consider change to *be* effective and fair but only that the degree of difference between them is smaller than that found in other sector types. Nevertheless, there may be lessons to be learned from the way change is managed in these older established institutions.

From these findings, we would argue that the management of workplace change in the Australian Higher Education Sector is in need of reform and that a focus on those dimensions of organisational justice where there is greatest convergence may provide an avenue in which to consider such reform. The results of the survey show that across the 17 dimensions of organisational justice tested, it is possible to identify seven upon which there is relative convergence between management and union on these principles:

1. The extent to which final decisions are based on merit
2. The extent to which decisions were made consistently
3. The extent to which decisions were based on accurate information
4. The extent to which there was honesty in the decision making process
5. The extent to which staff had their rights respected during the process
6. The extent to which decisions that were made were appropriately justified
7. The extent to which decisions that were made were communicated transparently

Of these seven dimensions one relates to distributive justice, two relate to procedural justice, and four to interactional justice. A tentative conclusion from this would be that the greatest degree of convergence between management and union in relation to the dimensions of organisational justice occurs in respect of interactional justice. In other words, fairness of change is perceived strongly and more positively when people are treated with respect and dignity in the process and their needs are taken into account by the decision makers. It should be noted from the survey that both management and union respondents considered that change took into account the needs of the organisation more strongly than it did the needs of the employees. A change management program addressing this issue could focus more positively on how the change will address employee needs.

By considering in greater detail the perceptions of participants within each of these seven dimensions it may be possible to identify those areas where practices can be reformed and the degree of divergence can be reduced. Thus, it may be possible to bridge the overall divide between management and union representatives in the Australian Higher Education Sector in relation to the management of workplace change. This will be the aim of the next stage of this research will involve undertaking focus group interviews with a sub-sample of the respondents to the Attitudinal Survey to gauge a deeper understanding of the institutional practices in relation to the identified organisational justice dimensions where management and union convergence is greatest.

Conclusion

This paper explored the perceptions of the effectiveness of change, the effectiveness of employee involvement and perceptions of the fairness of workplace change by university executives and union representatives as measured through an organisational justice context. The findings suggest that there is significant divergence between management and union respondents in their experience of the change process. Whilst this divergence might be argued as somewhat predictable, it suggests that action is required so that management and unions can better understand and appreciate their respective goals in workplace change. Despite the differences, there are areas of agreement in terms of the principles of organisational justice. The identification of these specific dimensions of organisational justice provides a starting point to consider a change process which facilitates fairer organisational change. Given that change management is now firmly a feature of this important Australian industry, these results point to the need for enhanced provisions for employee involvement in the management of workplace change and reform of workplace change management practices that can facilitate organisational efficiency whilst at the same time foster employee involvement.

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From IR to HRM: Thank God for AACSB!

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Abstract

Efforts to achieve accreditation with the Association to Advance Collegiate Schools of Business (AACSB) by the Faculty of Business at UTS began in 2001 and corresponded with an increased pressure upon academics in the industrial relations (IR) and employment relations (ER) area at UTS to adopt a stronger and more overt focus on teaching HRM. AACSB requirements exerted a profound influence on the movement from an IR/ER to HRM focus in teaching and not only acted to reduce academic resistance to the movement but moreover resulted in what has been assessed to be a more meaningful teaching and learning experience.

Introduction

Academics in the fields of industrial relations (IR), personnel management (PM), employment relations (ER) and human resource management (HRM) are very much aware of the impact which global, national and local shifts in ideology have exerted upon their disciplines (Kelly 2003). In the 1970s for instance, many students clamoured to study industrial relations and many academics had focussed their careers in this field. At this time, PM was viewed as a separate study from that of IR and as having a more administrative and less academic focus. Throughout the 1980s and 1990's, a fundamental shift occurred in the dynamics of tertiary education and in the nature of the courses sought by students (Airini *et al* 2006; Ziguras 2003; Biggs & Davis 2002; Brand 1999). Reforms to Australian higher education beginning with Dawkins (1987, 1988) and intensified under the 1996 Federal government budget cuts, moved the higher education sector more towards a market of competing institutions (Marginson 1997).

In the process of reform, new processes of government and management were put in place, including "new systems of competitive bidding, performance management and quality assessment (which) have all been used to steer academic work and to install a process of continuous self-transformation along modern neo-liberal lines" (Marginson 1997:63). Universities were required to change from government funded bodies in which academics could pursue the subjects that they thought important and relevant, to bodies which were required to respond to market forces.

"The society we want cannot be achieved without a strong economic base...Our industry is increasingly faced with rapidly changing international markets in which success depends on, among other things, the conceptual, creative and technical skills of the labour force, the ability to innovate and be entrepreneurial." (Dawkins 1988:6)

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“Human capital investment came to be seen as instrumental to economic reform.” (Harman 2003:3)

The needs of business came to dominate the national educational agenda supported by government and this pressure was mainly accepted by university hierarchies with apparently little resistance. Demand for subjects in HRM increased, while those focussed on industrial relations, labour studies and other ‘less relevant’ fields waned or at least stagnated (Kelly 2003; Westcott *et al* 2003). The Australian experience was common to that of many industrialised countries (Dunn 1990; Kelly 2003; Kochan *et al* 1986). Industrial relations in the United States of America, for instance, “suffered a significant decline in intellectual and organizational vitality in the 1980s including a shift in students from IR courses to HR courses” (Kaufman 1993:157).

Academics at the University of Technology, Sydney (UTS) were traditionally accustomed to delivering courses which recognised the interests of employers, employees and unions. During the 1980s and into the 1990s, for example, the university offered post-graduate programs in ‘Industrial Relations and Personnel Management’ and a typical cohort of students would include individuals from small to large private sector organisations, not-for-profit bodies and trade unions. A variety of socio-economic backgrounds and current work experiences was evident among the students, although women were certainly under-represented and the tide of international students had not then arrived. Both academics and students within the School of Business and Public Administration, now the Faculty of Business, at UTS and its predecessor the NSW Institute of Technology¹, somewhat naturally focussed their attention upon the issues of the day which were greatly influenced by the then high levels of unionisation and collectivism evident in Australian workplaces.

As the level of unionisation fell, so also did demand for courses in IR. Although the figures vary, ILO figures indicate a 29.6% decline in union density in Australia between 1985 and 1995 to 35.2%, with New Zealand experiencing an amazing 55.1% decline during the same period to a 24.3% unionisation rate (ILO 1997). Kelly sees the ‘sharp shock’ to IR academics as occurring around 1990 when “the influences on academic IR came from the sometimes anti-intellectual and overtly managerialist claims of HRM” (2003: 151). Accurate data concerning the fate of IR teaching is difficult to obtain. The titles of university departments, courses and subjects may not provide an accurate indication of the subject matter taught nor are actual numbers of student enrolments for units of study or courses in industrial relations readily available. However, a study conducted by Westcott *et al* (2003) analysed the results of two different surveys conducted in 1990 and 2001 concerning the relative position of IR courses and programs at Australian universities. Although the authors note that ‘the surveys are not directly comparable’, they found that

“...although there has been a substantial increase in the teaching of HRM, IR as a discipline has not been completely eroded and in places has proved to be resilient and adaptable to the challenge posed by HRM, in many instances incorporating and accommodating HRM into IR programs” (Westcott *et al* 2003: 179).

¹ NSWIT became UTS in 1987

They also noted that “a number of the subjects and programs in IR identified in the 1990 survey have disappeared” (Westcott et al, 2003: 181). Although IR as a discipline taught in universities may ‘not been completely eroded’ by 2003, more accurate and contemporary data would surely evidence its significant decline as an area of teaching and learning. In recent years the Department of Industrial Relations at Sydney University, the site of the first Chair of Industrial Relations in Australia, has been renamed the Department of Work and Organisational Studies and the once world recognised Department of Industrial Relations at the University of New South Wales has been renamed the Department of Industrial Relations and Organisational Behaviour.

When the pressure mounted during the 1990s to provide courses more attuned to the changing market, post-graduate courses at UTS assumed the nomenclature of ‘Employment Relations’ (ER). These programs focussed upon what is now known as HR but included a substantial treatment of IR issues. Throughout the 1990s, there was a continuing pressure to shift the focus of programs to HRM. By moving from a focus upon IR and PM to that of ER, academics at UTS were able to thwart the pressure for an HRM focus for some time. The resistance to moving to a HRM focus was based upon academic as well as ideological concerns. The subject matter of HRM was viewed as being less academic, more descriptive and a less encompassing study of the employment relationship than offered by subjects in IR and/or ER. There was concern that the teaching of HRM would require a shift from a pluralist to a unitarist perspective. Many of these concerns were expressed in the conference on ‘Ethical Issues in Contemporary Human Resource Management’ held at Imperial College Management School in April 1996 which was jointly sponsored by the British Universities Industrial Relations Association and the European Business Ethics Network, UK (Winstanley, Woodall & Heery 1996). “Running through many of the papers and much of the discussion at the conference was a conviction that key developments in contemporary HRM were threatening employment standards” (Winstanley, Woodall & Heery 1996: 5).

By the turn of the new millennium, it was clear that academic attachments to IR and/or ER for teaching or researching purposes in the context of the Faculty of Business at UTS were a prescription for obsolescence. A senior member of the Faculty floated the concept that there were millions of Indian females who wanted to study HRM and that their preferred country of study was Australia. During the period 2002-3, the pressure to shift the focus of core units and course offerings at the postgraduate level to HRM became irresistible. At the same time, the Faculty commenced the process of achieving accreditation with the Advance Collegiate School of Business (AACSB) and this was to have a significant and beneficial impact upon the focus and content of the HRM subjects taught at UTS². AACSB provided a rationale and a depth for these studies which had not been earlier envisaged. HRM could be taught from the perspective of how it might contribute to good corporate governance with in depth consideration of associated ethical issues.

In this paper, the nature and implications of AACSB accreditation upon the teaching of HRM are examined. The paper begins with an examination of the role of the

² Initial accreditation by the AACSB was granted in December 2006.

AACSB and a discussion as to why its accreditation was pursued by UTS. The assignment of a key learning goal (KLG) to the core HRM post-graduate subject focussed upon good corporate governance is discussed in terms of its implications for teaching and assessment. The implications of this change in focus for how students and staff experienced the teaching and learning of this subject are considered in terms of various quality indicators. The conclusion reached is that although aspects of the quality assurance process were viewed as problematic by many staff, the relevance of the core HRM unit for students and their overall satisfaction with the subject has increased considerably.

What is the AACSB?

The Advance Collegiate School of Business (AACSB) International is a not-for-profit corporation of educational institutions, corporations and other organizations devoted to the promotion and improvement of higher education in business administration and management (Hedin, Barnes & Chen 2005).

AACSB International was founded in 1916 and its aims are to support and encourage excellence in management education worldwide. AACSB International is the premier accrediting agency for bachelor, master and doctoral degree programs in business administration and accounting and it began its accreditation function with the adoption of the first standards in 1919. Its founding members include Columbia University, Cornell University, Dartmouth College, Harvard University, New York University, University of California at Berkeley and Yale University (www.aacsb.edu). In 1980, additional standards were adopted for accounting programs. Ten years later, AACSB International members approved mission-linked accreditation standards and the peer review process based on the Porter and McKibbin finding (Herdin, Barnes & Chen 2005). In 2003, members approved a revised set of standards that would emphasise 'assurance of learning' (Black & Duhon 2003) which were considered to be relevant and applicable to all business programs globally (Herdin, Barnes & Chen 2005). In addition to its accreditation function, AACSB International also conducts various development programs for faculty and administrators; engages in research and survey projects on topics specific to the field of management education; maintains relationships with disciplinary associations and other groups; interacts with the corporate community on a variety of projects and initiatives; and produces a wide variety of publications and special reports on trends and issues within management education. Furthermore, AACSB International maintains close relationships with its counterpart associations worldwide (www.aacsb.edu).

Reasons for UTS to obtain AACSB accreditation and the process

The higher education sector has become increasingly complex over the course of the past twenty years. Universities are faced with a wide range of new challenges, including demands for higher level of accountability of outputs, a shift in the relative numbers of local and international students, increasing competition for external funding, and an increase in expectation on the part of students. These new expectations create a challenge for universities in that they need to develop strategies to meet them, and to satisfy a diverse group of stakeholders that include business, local community, students, faculty and accrediting bodies (Black & Duhon 2003). The

quest to develop and redefine Master of Business Administration (MBA) degree programs to better fit the needs of business and students is well documented (Simpson, Sturges, Woods & Altman 2005; Emiliani 2004).

As the higher education sector becomes more complex and competitive, many universities are working to refocus their efforts towards meeting these challenges, especially by way of continuous quality improvement and accreditation to internationally recognised standards. The role of the accrediting body is to assure that an institution meets some minimum standards of performance and maintains an acceptable academic program (Harman & Meek 2000).

In response to the challenges already mentioned, the Faculty of Business at UTS began to explore methods to improve its business and education processes. It sought to acquire a world-class accreditation to attract overseas students who have the belief that formal accreditation is an indicator of high standard and high quality programs. AACSB International accreditation assures stakeholders that accredited business schools:

- Manage resources to achieve a vibrant and relevant mission.
- Advance business and management knowledge through faculty scholarship.
- Provide high-calibre teaching of quality and current curricula.
- Cultivate meaningful interaction between students and a qualified faculty.
- Produce graduates who have achieved specified learning goals (www.aacsb.edu/accreditation).

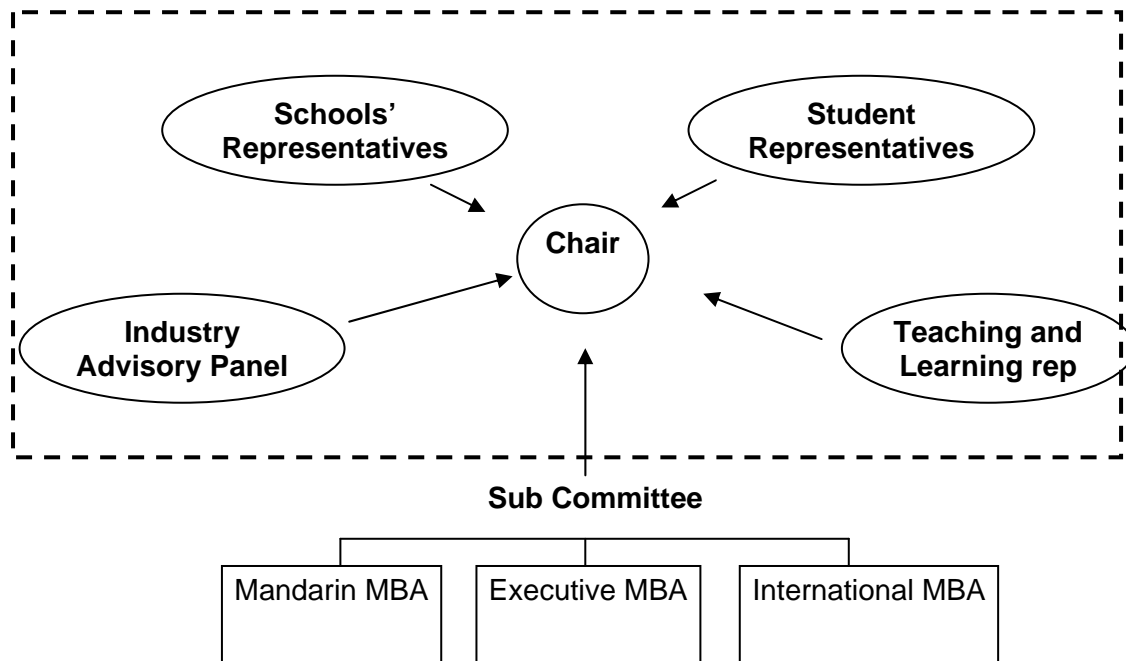
The process of AACSB accreditation begins with the hopeful institution advising the AACSB of their desire to be accredited. The AACSB appoints a Peer Committee of representatives of accredited institutions. Once the committee is assigned and accepted, the institution begins a process of self-evaluation. Over the course of a one year period, data is collected and assembled to demonstrate adherence to a list of twenty-one standards (see Appendix A), and a report is prepared documenting the collection process and the measured outcomes. The Peer Committee then visits the institution to examine the prepared documentation and to interview a number of academic staff, administrative staff and currently enrolled students. Finally, the Committee prepares a report of their findings that will include a recommendation that the institution be granted accreditation or a series of recommendations for improvement necessary for accreditation within an agreed timeline.

In July 2001, the Faculty of Business at UTS was admitted to the AACSB pre-candidacy and a mentor was appointed by the AACSB. However, due to a number of factors, including a new set of standards and procedures being instituted by AACSB, in early 2003 the Faculty re-submitted its eligibility application and was approved under the new system with a new mentor. The Faculty began its involvement in the AACSB accreditation process by conducting a 'self-evaluation report' to assess its readiness to acquire the accreditation and the initial focus at postgraduate level was upon the Faculty's Master of Business Administration (MBA).

Development and assigning of KLGs for core MBA subjects

Diagram 1 shows the structure of the review committee established by the Faculty. The review committee was composed of two representatives from each school, two student representatives, two industry advisors, a representative from and Teaching and Learning Unit and three sub-committees (Mandarin MBA, Executive MBA and International MBA).

DIAGRAM 1: Structure of the AACSB Accreditation Review Committee

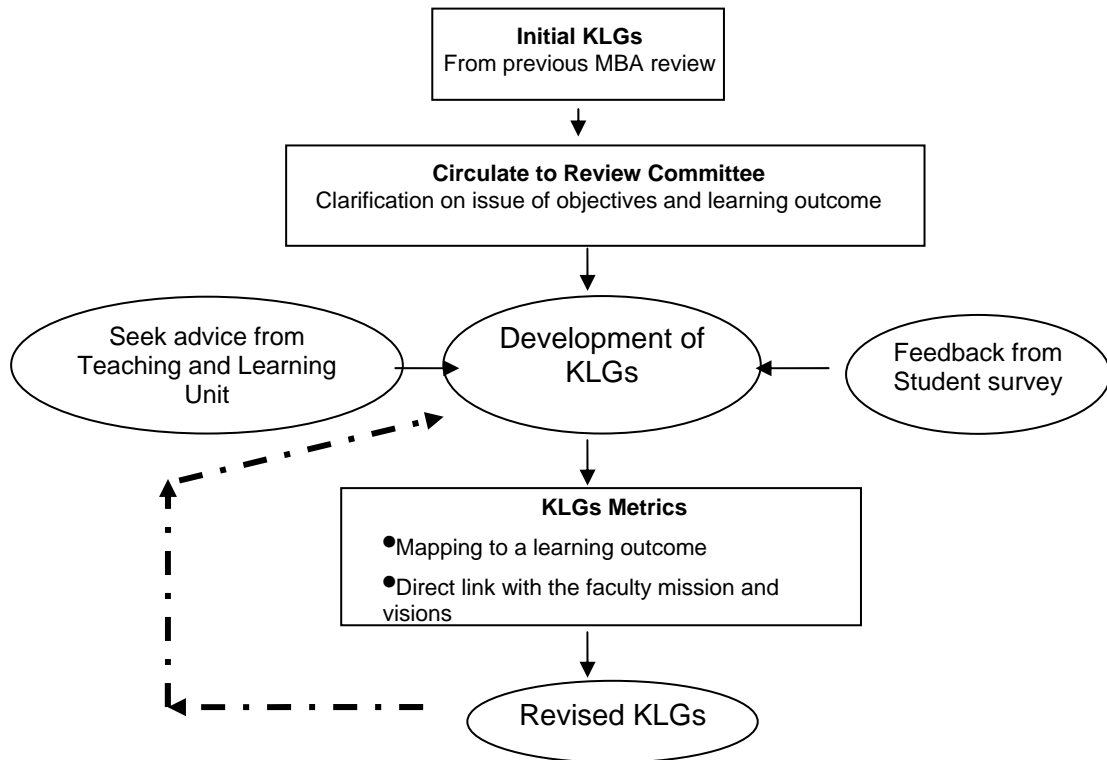


An extended process of compiling detailed documentation of all MBA subjects and examination of key learning goals was conducted at UTS as shown in Diagram 2.

The MBA program is comprised of 96 credit points made up of eight compulsory core subjects and eight elective subjects, all of six credit point value. Electives can be taken to achieve a major, two sub-majors, or a sub-major plus four discrete electives. A core subject in the MBA is HRM and students may undertake a series of subjects to achieve a HRM major or sub-major. One of the agreed key requirements for the UTS MBA program is the delivery of an ‘integrating experience’ across the program. A series of consultative meetings with key academic staff, MBA-core subject coordinators and administrative staff led to the compilation of a set of consistent and complimentary learning goals for the entire program, consistent with the mission statement of the Faculty of Business:

“A vibrant, city-based Faculty in a culturally diverse University. We create and disseminate leading-edge knowledge and deliver industry-relevant courses which produce *forward-thinking, work-ready graduates*. We provide higher education, professional services and research in ways that engage with, and strengthen our constituent communities.”

DIAGRAM 2: Development of Key Learning Goals Flowchart



As shown in Table 1, nine MBA Learning Goals were identified and subject coordinators identified the specific core subjects best suited to the attainment of particular goals, each seen to contribute to a tenth and integrating KLG based upon the Faculty’s mission to produce students who are forward thinking and work-ready.

TABLE 1: Assessment of Learning Goals		
	Learning Goal	Assessed in
1	To apply core business skills to problem analysis and decision-making.	21715 Strategic Management
2	To enhance work-ready expertise in a selected area of specialisation.	Specialised majors and sub-majors
3	To be able to communicate in a variety of forms across culturally diverse business environments.	24734 Marketing Management (and 24746*)
4	To develop strategic responses to current and future issues facing Australian and global business environments.	21715 Strategic Management
5	To be able to use information and business support systems to monitor issues, problems and opportunities affecting business.	22747 Accounting for Managerial Decisions (and 22784*)
6	To be able to reflectively apply leading-edge business theory to practical problem solving options and strategies	21718 Organisation Analysis and Design (and 21865*)
7	To develop an awareness of the principles of ethics and corporate governance in a variety of settings.	21720 Human Resource Management (and 21866*)

8	To develop the capacity to take a leadership role in business situations.	21813 Managing People (and 21867*)
9	To access and critically interpret business statistics and apply them in changing business environments.	25706 Economics for Management (and 25745*)

*MBA students with limited work experience (LWE) are required to undertake LWE versions of each of the core MBA subjects.

ER to HRM: “Thank God for AACSB”

In contemporary times, few fields of academic endeavour have experienced the extent of relentless attack witnessed by those in the fields of IR. Through an historical perspective, it may be surmised that the study of IR will be seen as an area of academic inquiry dependent upon the existence of a critical mass of unionism, beginning with the seminal work of Dunlop (1958) and declining with the birth of economic rationalism in about the 1980s and dying but not dead by the turn of the new millennium. Although Kelly (2003) provides considerable insights to the impact of the rising star of HRM upon the teaching of IR, the nature of the battle, pressures for the change, implications for not only what was taught and learnt but moreover for the role of academic institutions and their relationship with key stakeholders have not been fully documented. The salient fact is that a focus on IR has been replaced by a focus on HRM in most Australian and New Zealand educational institutions.

At UTS, and at many other academic institutions, the pressure to move from an IR focus to one which more adequately recognised the importance of HRM was resisted for a multiplicity of reasons. ‘Self-interest’ has been often cited within university contexts as a major cause of the resistance to change and it is somewhat self-evident that individuals who have invested their academic careers in a particular field will be reluctant to see it abolished. Academic self-interest, however, cannot alone explain this resistance because IR is a multi-disciplinary field of study and, has in fact been demonstrated, IR academics may move fairly easily into other areas including organisational studies and HRM; (eg Tipples *et al*, 2005) and their important work concerning Dairy Farm Employment in New Zealand. The resistance by IR academics was, of course, their contribution to a battle which they could see was being waged between the forces of collectivism versus individualism, between the recognition of workers’ rights and the needs of the organisation, between a pluralistic versus unitarist view of the working world and, ultimately, between a role of the university as an institution for the generation and promotion of knowledge *vis a vis* one focused upon producing managers for industry.

Academic research interests were a further reason for resistance to change in teaching commitments. Academics generally teach and research within the same field and certainly academic promotion requires research output which is within the same disciplinary area as that taught. Although Hattie and Marsh (1996) argue, on the basis of their research, that the relationship between research and teaching in universities is zero, most research active academics are in fact focussed upon issues relevant to those their general teaching commitments although research may often be upon particular issues not specifically taught in classes. It is generally viewed that research should inform teaching and that, indeed, such a relationship is an important characteristic of a university. For industrial relations academics, a requirement to focus their teaching on

HRM, represented an additional threat in the form of the implications for their research.

The pressure to move from the teaching of IR to HRM subjects arose during the 1980's and 1990's, was expressed within multiple layers of university administration and culminated at UTS, and many other institutions, in the adoption an employment relations (ER) nomenclature and focus. ER was essentially a half-way house, with its increased focus on HRM aspects and a reduced focus on what was traditionally seen as IR subjects, although many academics argued that it was indeed more than this, being a focus on what was actually occurring at the workplace level through a multi-disciplinary perspective (Spooner & Haidar 2006; Mortimer & Leece 2002). Whether a legitimate new academic area inquiry or not, ER at UTS would not survive for long. It simply did not satisfy the market requirements for courses in HRM. Growing numbers of international students had no interest in learning about antiquated Australian models of industrial relations and this was clearly where the future UTS market lay. The percentage of local students actually working in business was declining and even among these, interest in IR was quickly waning. Surveys of students demonstrated clearly that they sought subjects which would equip them to obtain jobs in organisations and that they saw subjects in HRM as being relevant to their needs.

It was difficult, no doubt, for dinosaurs to recognise that the environment could no longer support them. Their resistance to change was mirrored at many levels of Australian and New Zealand society. As the unemployed became underemployed, as workers became sole traders, as the working class assumed the identity of middle class with credit card debts, as the café latté society grew, as 'can do' and 'no problems' came to replace dissidence and opposition, IR and ER fell into the detestable trough of yesterday's conflict and dissidence (consider Hamilton & Maddison, 2007). Out of the ashes arose HRM, the study of how business can best manage human beings to achieve the greatest efficiency and profit from them, and, even more strategic in its focus and purpose, the study of Strategic HRM.

Through an historical perspective, it may be difficult to imagine why academics in the field of IR/ER would resist the enticements of the new HRM paradigm, but they did. Self-interest aside, there was considerable concern among UTS academics, and many others, that the shift to teaching HRM subjects would result in their acting as clones of businesses, that they would be required to sacrifice their theoretical knowledge and focus on administrative aspects of 'how to do' HRM. Notwithstanding the focus on 'strategic' HRM, it was difficult for many academics of the IR/ER persuasion, with their backgrounds often deeply rooted in law, sociology and history, to see HRM as much more than a crudely constructed and rather simplistic study of how business should manage the human beings that work for them.

It was in this context that IR/ER academics in the Faculty Business at UTS found themselves by 2001 confronted with the imperative to move to an HRM paradigm in teaching postgraduate subjects. Then, along came AACSB. The first ray of light suggesting that the teaching of HRM might have depth and real meaning beyond that of a captured tool of business interests came at the meeting of subject co-ordinators focused upon the KLGs set out in Table 1 above. At that meeting, the postgraduate HRM subject achieved the KLG: To develop an awareness of the principles of ethics

and corporate governance in a variety of settings. The adoption of this KLG was immediately and enthusiastically embraced because of its potential to lift the teaching of HRM from a managerial, unitarist frame of reference to one which considered pluralist interests in the context of ethics and good corporate governance.

Quality assurance requirements for the teaching and learning of HRM

Once the learning goals were defined and assigned to specific core subjects, academic co-ordinators were required to develop or modify subject content including particular assessment items which, when completed by students, demonstrated their attainment of the goals. The importance of ethics, as a curriculum topic, is widely recognised and a study by Schoenfeldt, McDonald and Youngblood (1991) found that even then, ethics received significant coverage at over 90 percent of the institutions surveyed. Although ethical considerations had formed a part of the content of IR/ER/HRM subjects taught at UTS, they had not previously been a central focus of the subject.

In developing the revised HRM core subject, it was found that although a number of internationally recognised texts did provide some treatment of the subject from an ethics and corporate governance perspective, none provided an integrated and thorough study. It was decided that although an HRM text would be used, the actual teaching of the subject would commence with a consideration of the Australian Stock Exchange (ASX) Principles of Good Corporate Governance and Best Practice Recommendations (www.asx.com.au) and that students would be challenged to consider each aspect of the functioning of HRM in terms of these principles. Further guidance in the development of required readings was obtained from a variety of sources including the review of published sources by Trezise (1996).

In practice, this resulted in the teaching of HRM along the lines set out by the major prescribed texts (Dessler 2004; Stone 2005) with the injection of 'ethical' and 'good corporate governance' considerations at every stage. In the first lecture, students were required to consider the range of ethical dilemmas and time was spent in exploring these. The purpose, of course, was to lay the foundations for an understanding of the role of HRM within a dynamic multiple stakeholder context with responsibilities to the whole of society. 'Strategic HRM' is presented within the Beer et al (1984) model and students are invited to consider the varying interests of different stakeholders, to consider the different possible methods for achieving outcomes. When considering, for instance, recruitment, students are required to identify the ethical dilemmas. For example, is it ethical to advertise a position externally when it is known that the person specification is designed for someone already within the organisation? Similarly, is it ethical to spend huge amounts of money advertising a position externally, attracting individuals from outside organisations, when the organisation has a favoured candidate? Such ethical considerations and dilemmas are introduced to each as element of the teaching and learning of HRM and, upon discussion, are rarely found to present a clear 'correct' answer. The purpose is to expose students to the complexity of decision making within the HRM paradigm and to assist them in developing their analytical skills and awareness of ethical concerns.

Students are also exposed to the importance of the role of HRM for ‘good corporate governance’. Each step of HRM practice is explored in these terms. For instance, students are required to consider the role of job descriptions, remuneration policy and performance management processes in contributing to good corporate governance. Thus, a strong focus of attention in the teaching and learning of all aspects of HRM is upon the ethical issues associated with policies, processes and their implementation as well as the role which each element of HRM can play in supporting good corporate governance.

Subject curriculum was developed which provided that the attainment of this KLG would be assessed through a report worth 40% of the total grade for the subject: “Students are required to individually develop and submit a strategic HR plan for an organisation. The plan must outline the key HRM objectives and how they will contribute to the overall business plan. Critical awareness of the ethical implications of the plan must be evident as well as a clear understanding of how the plan will contribute to improve corporate governance. Relevant literature should be used and cited.”

Two specific quality assurance measurements were developed to assess both the overall effectiveness of the teaching and learning experience as well as the assurance of KLGs. First, a Student Feedback Survey (SFS) provides the basis for a system of teaching evaluation and is viewed as a key quantitative quality measurement instrument at UTS. A SFS is conducted toward the end of each teaching semester. Secondly, subject coordinators are required to report to the Faculty the results achieved by all students in the assessment task aimed at testing their achievement of the subject’s KLG. Hence, in addition to reporting students’ results for a subject overall, a separate report detailing the results of the KLG assessment task is required.

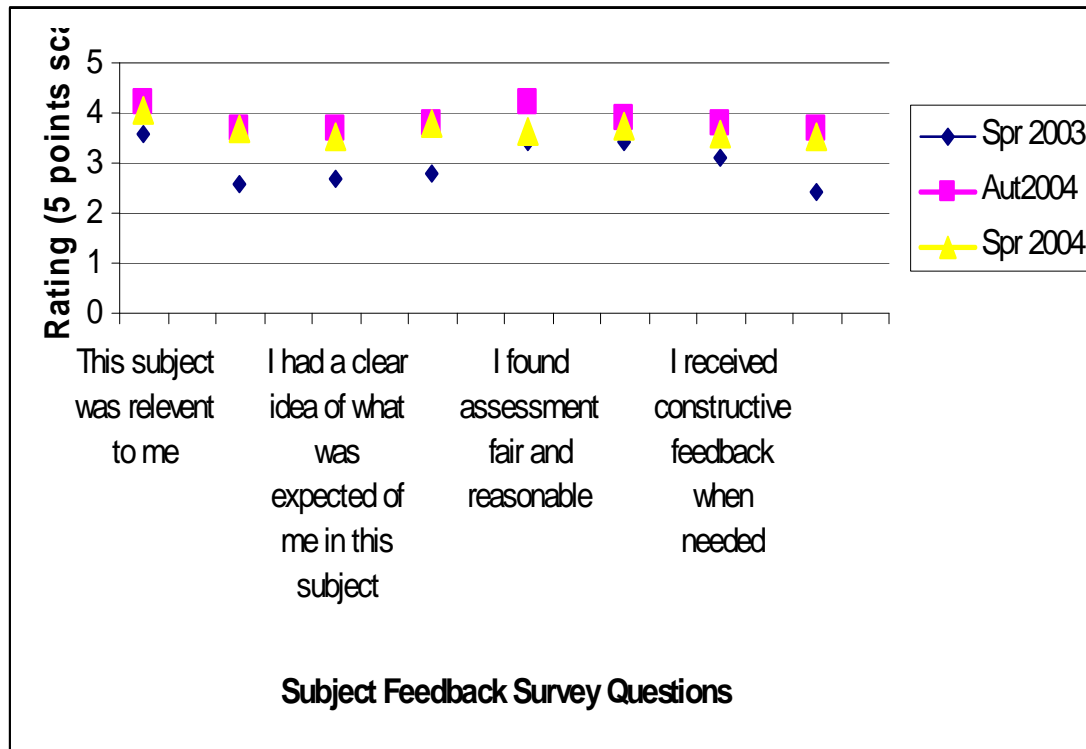
Evaluating the implications of AACSB for the teaching and learning of HRM

Although the process of seeking AACSB accreditation began in 2001, the new MBA KLGs were first integrated into the subject content offered to students in 2004. There are three sources of data used in this paper to evaluate the implications of these changes for teaching and learning in the core HRM unit of the MBA. First, student feedback through the subject evaluations conducted through the SFS for 2003-5 are compared. Secondly, HRM teaching staff were asked to evaluate the impact of the KLG upon their teaching experience in HRM. Thirdly, the co-ordinators of core MBA subjects and associated administrators were asked for their views regarding the quality assurance process.

First, the results of Student Feedback Surveys conducted by the Faculty 2003-5 demonstrate a significant improvement in student perceptions of the quality of the core HRM subject. The SFS questionnaire requires students to indicate their agreement on a five point Likert scale. Student agreement on all quality assurance measures rose between Spring semesters 2003-4 including, as illustrated in Figure 1, those assessing the relevance of the subject to the student, clarity of expectations, fairness of assessment and the receiving of constructive feedback. According to the results of the Spring 2005 SFS, HRM was rated one of the top two MBA classic core subjects as assessed by the question: “Overall, I am satisfied with the quality of this

subject”. The results indicate a significant improvement in student satisfaction with the core HRM subject during the period in which the subject material was refocused to address the ethical dimensions of HRM and the role of HRM in assuring good corporate governance.

FIGURE 1: HRM Subject Feedback Survey results 2003-4



Secondly, in Spring 2005 all postgraduate HRM teaching staff were asked to evaluate the impact of the KLG upon their teaching experience in HRM. A focus group was formed consisting of the six lecturers engaged in the teaching of postgraduate HRM core units (21720 and 21866) and the group was asked to respond to a single open-ended question “what is your experience of teaching in the core HRM unit?” Each of the lecturers had more than five years lecturing experience in postgraduate HRM subjects at UTS, as well as lecturing experience at other universities, and were therefore well placed to provide useful insights to the implications of the changes made to the subject. Their responses were overwhelmingly positive in terms of how they personally experienced teaching in the subject. One respondent summed up quite well the views expressed by others:

“I am very comfortable teaching HRM through an ethics and corporate governance perspective. I really think that it provides the subject with a depth that would otherwise be difficult to find. By adopting this focus in the teaching of all key aspects of HRM, it is possible to teach HRM through a pluralist perspective and not relegate the subject to a coaching of management administrative tools.”

However, members of the focus group were generally more sceptical about the implications for students’ learning, as summarised by one member:

“I think students are enjoying the subject more and believe it is more relevant because we are citing ASX Principles... basically, they are predominantly international students wanting visas and focused on accounting qualifications... they are not really interested in HRM but at least now they think that it might help them.”

Further, all members of the focus group were sceptical regarding the longer term and expressed views along the lines of :

“Ethics and corporate governance are important. So was ‘being internationally focused’, the ‘trade mark’ of the Faculty a few years ago, which was followed by ‘being strategic’, now its ethics and corporate governance. What will be next?”

Thirdly, an interview survey was conducted in Spring 2006 with a sample population comprised of half of the core MBA subject coordinators (N=4) and two members of administrative staff. The interviews were conducted informally with a single open-ended question “what is your experience on the reporting process of assurance of learning goals in relation to your workload”. Interviewees were encouraged to elaborate and extend on any issues or ideas so as to bring forward their own perspectives. The interviews provided useful insights to staff perceptions of their experiences in dealing with the reporting requirements, rather than concrete conclusions. While several respondents questioned the wisdom of the Faculty seeking AACSB accreditation, it was clear from the responses that there was a strong sense of the importance of continuous quality improvement among the core MBA subject coordinators:

“It re-clarifies the teaching objectives in this subject, even though they were known before. Maybe it is one of the reasons that this subject has become more popular.”

Although there was strong support for the adoption of a sharper focus to subjects through the integration of KLGs in subject material, there was also a view that the actual reporting process was tedious and a waste of academic time:

“My experience is that the process is largely an administrative chore - filling out forms that have little to do with the actual running of the subject. It is not really a difficult thing to do but does not add any education value to the subject itself.”

“My view is that the people who decide on what the metrics are should fill in the reports! Often co-ordinators have no information as to how the objectives set for their courses fit with the overall MBA and the AACSB, and on reflection the comments are probably not selling the course, the MBA or the school effectively. I think overall more information should be given by the MBA team.”

“Compiling the forms should be easy but it isn’t because part-time lecturers persist in submitting results in a form which does not facilitate copying,

pasting and compilation. If admin could deliver the final 'Student Result' forms a few weeks earlier in semester, the whole thing would be much easier to deal with. By the time we receive the final listing, lecturers have already developed their own reporting forms. Compiling these into one document is a real pain!"

Similarly, one member of the administrative staff expressed a view that was generally shared:

"Here it goes again another academic task without system support and it eventually ends up on my desk."

Summary and Conclusions

In this paper, we have outlined the key implications of seeking AACSB accreditation for the core subjects in the UTS MBA program and demonstrated the benefit of using the implication of the AACBS quality assurance to improve one of the core-MBA subjects, that being the HRM subject.

The teaching of HRM at a postgraduate level at UTS was profoundly influenced by the AACSB accreditation process as it occurred at the very time that academic staff were required to shift from an IR/ER to HRM focus. Although AACSB accreditation may be beneficial for UTS, it is not at all apparent at the level of teaching HRM at the actual accreditation makes any difference. However, it is very clear that the process of seeking AACSB accreditation had a profound and positive influence on the teaching and learning of HRM. Deeply held academic staff concerns regarding this change and its implications for the depth, breadth and meaningfulness of subject content were significantly alleviated by the adoption of an appropriate KLG. The fear of teaching HRM through a unitarist perspective, ignoring the interests of multiple stakeholders and focusing upon the 'strategic' role of HRM as a tool for business interests was replaced by the opportunity to focus instead upon the ethical issues confronting HRM in every aspect of its functions and genuinely exploring the challenges to HRM flowing from its multiple constituency and the requirement that it contributes meaningfully, consistently and ethically to the achievement of good corporate governance.

Although it is not possible from this study to state that the AACSB accreditation process resulted in an improved postgraduate HRM subject, the results of student evaluations and staff feedback certainly suggests that this was the case. Whether such improvements might have occurred in the absence of the AACSB accreditation process cannot be known. Student evaluations from 2003-5 clearly illustrate an improvement in quality assurance measures and staff feedback indicates a significant improvement in staff teaching satisfaction.

It would also seem, however, that the additional administrative responsibilities associated with reporting quality assurance measures have not been well received by academic or administrative staff. There was a continuous pressure from senior management to compile and to follow the newly implemented procedural process as part of AACSB accreditation, which has not been accompanied by a shared

commitment among academic staff. This was understandable when some academics perceived it as an administrative task rather than an academic responsibility. A perception that the AACSB was merely the 'Flavour of the Month', was also evident in staff interviews. Some members of academic staff considered that the choice of accreditation was inappropriate and some complained that there was a lack of consultation.

One of the obvious sources of conflict and frustration by academic and administrative staff was the lack of additional administrative and IT support in the new process. A breakdown in understanding between academic and administrative units created an unnecessary increase in workload for academics at the end of each semester. As part of the reporting process, academics are required to enter each assessment result into a Subject Listing Sheet (SLS) in week '17 or 18'. Some subject coordinators are required to enter hundreds of items of data per day due to last minute release of forms, along with demands for immediate returns.

In conclusion, the coordinator of the postgraduate HRM program at UTS offered the following insight:

"I love AACSB and its implications for the teaching of postgraduate HRM at UTS. I do understand that some academics are excited and interested in teaching HRM, particularly through what is termed a 'strategic' perspective. For me, the teaching of HRM represents a sad, diminished and ultimately wasteful use of university resources. Strategic or not, the study of HRM as represented in even the foremost texts is essentially concerned with how people can be best recruited, remunerated and performance managed and, in my view, this would be better taught in technical colleges than in universities, unless we fully accept a much diminished role for universities. The opportunity to teach HRM through an ethics and corporate governance perspective has uplifted the subject area by providing a rationale, accepted and supported within the university hierarchy, for the questioning and serious analysis of the ethical issues confronting HRM as well as the detailed consideration of how HRM should and can contribute to the good corporate governance of organisations as viewed from a multiple stakeholder perspective. It is not clear to me as to whether the actual gaining of AACSB will make any difference at the level of teaching HRM, although it is commonly asserted that accreditation is important to attracting future students. However, the results to date indicate that the journey has been more important than the destination."

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Appendix A – AACSB Standards

Standard 1: Mission Statement

Standard 2: Mission Appropriateness

Standard 3: Student Mission

Standard 4: Continuous Improvement Objectives

Standard 5: Financial Strategies

Standard 6: Student Admission

Standard 7: Student Retention

Standard 8: Support Staff Sufficiency/Student Support

Standard 9: Academic Staff Sufficiency

Standard 10: Academic Staff Qualifications

Standard 11: Academic Staff Management and Support

Standard 12: Aggregate Academic and Support Staff Educational Responsibility

Standard 13: Individual Teaching Staff Educational Responsibility

Standard 14: Individual Students Educational Responsibility

Standard 15: Management of Curricula

Standard 16: Undergraduate Learning Goals

Standard 17: Undergraduate Educational Level

Standard 18: MBA Learning Goals

Standard 19: Specialised Master’s degrees Learning Goals

Standard 20: Master’s Educational Level

Standard 21: Doctoral Learning Goals

University Restructuring and Teaching Quality

CAMERON ALLAN*, GEORGE LAFFERTY** AND JOHN BURGESS***

Abstract

The pursuit of quality of teaching and learning has become an increasingly important goal of higher education in recent decades, as academic staff numbers and public funding have lagged behind the growth in student numbers. This transformation has been qualitative as well as quantitative: academic staff are teaching more students from more diverse backgrounds, and using a greater variety of teaching methods. As with other industries, productivity growth has also been associated with labour flexibility and work intensification strategies, including increased numerical and functional flexibility such as workforce casualisation and offshore teaching. This study provides evidence of the link between the work context and teaching outcomes based on a survey of academic staff in two universities, one in Australia and one in New Zealand. Our findings indicate that class size is a critical influence on the effectiveness of teaching and that the current policy emphasis on 'quality' assurance has been accompanied by a pervasive deterioration in quality of teaching and learning outcomes. If academic staff are to retain some autonomy over their own work and a commitment to student-centred teaching, they need to develop strategies appropriate to this context – a process to which collective bargaining can contribute significantly.

Introduction

The quality of teaching and learning in higher education has received increasing attention in recent years (Light and Cox, 2001; Trigwell, Martin, Benjamin and Prosser, 2000:155). This issue is associated with increasing demands for better learning outcomes, accountability and efficiency from government and from a more diverse, increasingly fee-paying student population (Goodyear and Hativa, 2002:1). The quality of teaching and learning is now being systemically assessed through national and institutional quality audits, more rigorous and on-going evaluations of courses and through university performance management and promotion systems (Martens and Prosser, 1998). Running parallel to these pressures for formal academic accountability and efficiency is the increasing management orientation and focus on market-driven outcomes. This paper assesses some key factors influencing teaching approaches among business faculty academic staff, focusing on what teachers think and do, rather than how students learn. The two are, of course, intimately linked. While there are various external factors influencing teaching approaches, this paper reinforces the belief that the way teachers conceive of and approach their teaching has a direct impact on student learning outcomes.

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Restructuring the Higher Education Sector in Australia and New Zealand

As with most service sector industries, there is pressure on higher education managers and employees to accommodate technological developments and internationalisation, combined with conflicting demands for improved service quality, reduced costs and increasing flexibility in service delivery (Clark, 2004; Marginson, 2004). In Australia these pressures are compounded by more direct control and regulation of academic activity exerted by the central government, as the provider of an important source of finance for the sector (Sappey, 2006). Over the past decade real funding per student has declined, students are paying for a growing share of the costs of higher education, fees have been gradually deregulated, and universities are becoming increasingly dependent on onshore and offshore full-fee income. The Federal Government has tied funding to workplace and industrial relations changes, and a new system of quality accreditation for research (the Research Quality Framework) is being introduced (Clark, 2004; Kniest, 2006; Sappey, 2006). The sector is receiving less funding for doing more, and in the process student: staff ratios have increased dramatically (Kniest, 2006).

Performance management in Australian universities can be traced back to the late 1980s, and the conjunction of award restructuring, productivity-based wage bargaining and John Dawkins's term as Minister for Employment, Education, and Training. The 'Dawkins revolution' encompassed a rapid growth in student numbers, the end of the 'binary divide' separating universities from colleges and institutes of technology, and the tying of university funding to quantitative indicators of research performance. These factors contributed to an overall intensification of pressures on academic staff, with the introduction of performance management schemes and the allocation of resources becoming closely linked to institutional and individual research performance and productivity (Lowe, 1987; Marginson, 1991, 1992; Neumann and Lindsay, 1988).

The Howard government's Research Quality Framework (RQF) and Higher Education Workplace Relations Requirements (HEWRRs) constitute only the most recent incarnations of this process. Through the HEWRRs, public funding under the Commonwealth Grants Scheme was made contingent upon all 'Higher Education Providers' (HEPs) introducing such provisions as Australian Workplace Agreements and the removal of limits on employing casual and fixed-term staff, and the requirement for all collective agreements to include 'a fair and transparent performance management scheme' (DEST, 2007). The recent election of the Rudd ALP government will no doubt change this situation, though how is yet unclear at the time of writing (December 2007).

The broad shift towards managerialism, increasing student numbers with no equivalent increase in staffing, and the implementation of quality assurance mechanisms has also occurred in New Zealand. Yet there are significant differences from the Australian experience. The implementation of 'new managerialism' in New Zealand universities has been less systematic, with government playing a lesser role. The decentralisation and deregulation of industrial relations implemented through the *Employment Contracts Act 1991* eradicated the industrial awards system, removing the kind of institutional framework within which changes to work and management practices evolved in Australia. Whereas Australian academic staff typically have to undergo a probationary period of three to five years, there is no equivalent requirement in New Zealand. Universities, like other employers, have limited scope to enforce probationary periods. Section 67 of the *Employment Relations Act 2000* stipulates that, although the employer and employee may agree on a probationary clause in an

employment agreement, the employee cannot be dismissed at the end of the period solely on the basis of their performance. Therefore, employees on probationary periods have the same rights and entitlements as all other workers, and dismissal requires justification and fair procedures.

Nor have New Zealand academic staff experienced the kind of direct intervention directed by the Howard government towards universities and the NTEU. In contrast, the main university union, the Association of University Staff (AUS) has developed a quite close relationship with the current Clark government. For example, the most recent (2006) round of university collective bargaining was concluded mainly through national-level negotiations between the AUS, the New Zealand Vice-Chancellors' Committee and the Minister for Tertiary Education, Dr Michael Cullen. The *Tertiary Education Strategy 2002-2007* has provided the current framework for the development of research and teaching across the New Zealand tertiary sector, which includes universities, polytechnics and various training organisations. The Tertiary Education Commission (TEC) is the main implementation agency for the Strategy, although it is required to work in liaison with several government departments and agencies. The most prominent (and controversial) 'quality assurance' mechanism in New Zealand's tertiary sector at present is the Performance Based Research Fund (PBRF). The first PBRF Quality Exercise occurred in 2003, with a further round in 2006, and can be seen as a systematic implementation of one aspect of 'new' managerialism with respect to research, across the tertiary sector (see Curtis 2005). The PBRF, therefore, constitutes significant new performance management mechanism, with significant implications for university funding and the careers of academic staff, a further round being scheduled for 2012.

Currently, the *Education (Tertiary Reforms) Amendment Act* (to take effect from 1 January 2008) will have a substantial impact, as it changes the basis of tertiary funding from a model driven by unrestricted growth in student numbers to one based on three-year investment plans, taking into account such factors as demographic change, student demand and shifting economic and educational priorities. This change has already prompted the University of Auckland to propose restrictions on undergraduate student entry in several disciplines, with the likelihood that other universities will follow suit. In both Australia and New Zealand, then, the pursuit of teaching and learning quality is constantly governed by often volatile policy regimes and student demand, within a considerably more managerialist environment than in earlier decades. To a significant degree, the developments in higher education reflect those in other service sector industries, with the significant difference that 'the market' is one constrained and constructed through extensive government intervention in the sector, and that higher education has been seen traditionally as an integral component of nation-building, with a far broader remit than just the provision of 'educational services'. The sector has a clear division between core and peripheral labour, and the casualisation of the workforce has been a feature of the sector as universities switch towards part-time and casual staff to meet the shortfall in funding (Junor, 2004). Other characteristics of service work are present including the trend towards internationalisation (Marginson, 2004), with many universities establishing offshore campuses in Asia and in the Middle East, while IT developments have facilitated new ways of delivering programs and productivity improvements through reduced costs and increasing student:staff ratios. Course packages and customisation by international publishers allow for all aspects of the course to be linked to a given text template and increased product standardisation – the process of 'McDonaldization' described by Ritzer (1993).

Many of the issues present in call centre work (Burgess and Connell, 2006) are emerging in higher education. These include the loss of autonomy, the standardisation of work, the close monitoring of performance and the importance of emotional labour at the service-customer interface (Sappey, 2006). Indeed, the public rhetoric of universities has shifted towards a customer and a client focus where the student is a consumer and consumer expectations are included in the operating principles of universities (Sappey, 2006). In this context there is an emphasis on teaching quality that is reinforced by student evaluations of courses and teachers, competitive teaching grants and internal and national teaching awards. However, the question is, can rising student:staff ratios be compatible with teaching quality?

Teaching and Learning Quality and the Work Context

The educational literature on the effectiveness of teaching and learning provides our first source for answering this question. Student learning, for most writers on the topic, should optimally focus on meaning and not reproduction, and high quality learning outcomes occur when students adopt a deep approach to learning and seek to find meaning and understanding in learning materials. Students using a deep approach to learning report that teachers are effective, workloads are appropriate and standards and goals are clear (Biggs, 2001:16; Martens and Prosser, 1998:29). Conversely, lower quality learning outcomes occur when students adopt a surface approach aimed at rote memorising and reproduction to meet externally imposed demands. Low quality learning outcomes occur where students' learning is unstructured, unrelated to their past experiences, and comprises isolated segments of information that are retained for only a short period. Students using a surface approach to learning report high workloads and assessment aimed at reproducing learned materials (Biggs; 2001:16; Martens and Prosser, 1998:29). It is clear from this research that the way subjects are structured, taught and assessed affects the quality of student learning – that is, teaching is fundamental to learning.

Previous research also indicates that academic staff conceive and approach their work as teachers in a number of different ways (Prosser and Trigwell, 2001: 138). At one end of the spectrum, lecturers may adopt a 'teacher-centred' approach, viewing teaching as a process of transmitting information or concepts about their discipline to students. The focus is on facts and skills but not the interrelationships between them. Prior student knowledge is not considered important and it is assumed that students will not be active in the teaching-learning process (Trigwell, Prosser and Waterhouse, 1999; Trigwell, Prosser and Taylor, 1994).

At the other end of the spectrum, lecturers with a 'student-centred' approach help students develop and reflect upon their views of both the subject they are studying and the world. Lecturers accept that they cannot transmit a new world view to students and therefore the emphasis is on enabling students to construct their own knowledge. Accordingly, student activity and prior knowledge are viewed as central to the learning process (Trigwell, Prosser and Waterhouse, 1999; Trigwell, Prosser and Taylor, 1994).

Some qualitative research indicates that teachers can adopt an intermediate position between these two main approaches: teacher/student interaction strategy (Prosser, Trigwell and Taylor, 1994). Teachers adopting a teacher/student interaction strategy help student acquire the concepts of the discipline. As in the teacher-centred approach, students are not viewed as constructing their own knowledge, but, as in the student-centred approach, students are seen as active agents in the teaching-learning process (Prosser and Trigwell, 2001:153).

Quantitative analysis, however, has provided less support for this construct (Trigwell and Prosser, 1996a) and subsequent research has dropped this concept from the study of approaches to teaching, to focus instead on the two main types of strategy: teacher-centred and student-centred. Teacher-centred/knowledge transmission approaches to teaching are positively associated with surface approaches to student learning and negatively associated with deep approaches to learning. Conversely, student-centred or knowledge facilitation approaches to teaching are positively associated with deep approaches to learning and negatively associated with surface approaches to learning (Gow and Kember, 1993; Kember and Gow, 1994; Trigwell and Prosser, 2001; Trigwell, Prosser and Waterhouse, 1999). While the conceptual simplicity of the deep/surface, student-centred/teacher-centred dichotomy may be questioned (Webb, 2004), it seems reasonable to conclude that student-centred teaching generally leads to superior learning outcomes than those attained through teacher-centred teaching.

The approaches that academics adopt to teaching will be influenced by their prior experiences and their perceptions of the learning context or environment. Educational research indicates that there are five situational factors affecting university teachers' approaches to teaching. First, teachers focus on the amount of control they have in teaching. Second, they ask whether inappropriate class sizes are influencing the amount and quality of teacher-student interaction. Third, teachers examine the increasing diversity of student characteristics: with the expansion of higher education, more domestic students with lower levels of academic success in secondary schooling are gaining access to university, while there has been a rapidly growing international student population, who sometimes experience English language difficulties. Fourth, academics assess the extent to which their teaching and research are valued by their departments or schools. Fifth, university teachers question whether they have appropriate workloads (Prosser and Trigwell, 1997).

The recognition of the importance of teaching context is particularly important from an industrial relations perspective. The nature of university work has changed in Australia and overseas, with the shift from (relatively) 'elite' to 'mass' higher education (Halsey, 1992). Academic staff workloads have grown, as higher student:staff ratios have brought more assessment, teaching and evaluation, while pressure to increase research and scholarly activities has intensified, within a more competitive research funding environment (Light and Cox, 2001:1). Therefore, to understand the teacher-student relationship we need to address the context within which that relationship develops.

The implementation of corporate management practices has included much tighter performance monitoring and the 'extensive process of routinisation, standardisation and codification of academic work, emphasising measurable skills and outcomes' (Lafferty and Fleming, 2000:260). These factors have reduced the degree of control that academic staff retain over their work and their perceptions of the support provided to them by their own departments (or schools) and universities, and by government. Research by Prosser and Trigwell (1997) on the approaches to teaching and the work context has found that teachers adopt a student-centred/conceptual change approach where they perceive they have some control over how and what they teach, their class sizes are not too large to hinder teacher-student interaction and their department (or school) values teaching. Given this, we would expect that the student-focused approach is also associated with a context where teachers perceive that their university provides significant resources to encourage and support high quality teaching. Although Prosser and Trigwell (1997) found no consistent relationship

between elements of the work context and teacher-centred approach, they did find a negative relationship with class size and a positive relationship with departmental support.

Research Method

This project used two existing survey instruments developed by Prosser and Trigwell. These instruments have been used for several studies (Trigwell and Prosser, 1996a, 1996b; Prosser and Trigwell, 1997, 2001). Permission was sought and given to use these instruments. The survey instrument contained seven separate scales measuring the two main approaches to teaching scales (Trigwell and Prosser, 1996a, 1996b) plus five contextual variable scales from the Prosser and Trigwell (1997) study. A survey instrument was constructed using these scales plus additional demographic items including employment status, full- or part-time status, gender, position, years taught, education qualification and actual class size taught.

The survey was administered to staff in management schools in two universities – one in Australia and one in New Zealand. The survey was sent out to 374 staff, and 166 useable responses were returned, giving a response rate of 44 per cent. Characteristics of the sample were as follows: average years of teaching experience (12.6), senior academics (defined as senior lecturer and above) (52%); continuing appointments (83%); educational qualifications (26%); males (66%). Given that few studies have examined these constructs, we chose to use exploratory factor analysis to delineate the underlying factor structure of the dependent and the independent variables. For the dependent variables – teacher-centred approach and student-centred approach – we used principal axis factoring with an oblique rotation (not shown). As anticipated, the factor analysis revealed a two factor structure: ‘teacher-centred’ and ‘student-centred’. The means, variances, Chronbach’s alpha and factor intercorrelations for the main factors are shown in Table 1.

Table 1: Means, Variances, Chronbach’s Alpha and Factor Intercorrelations for Main Factors

Factor	M	Var	Alpha	1	2	3	4	5	6
1. Teacher centred	2.6	1.4	0.6	1	-0.24	0.49	0.04	-0.07	-0.27
2. Student centred	3.5	1.3	0.71		1	-0.14	0.08	0.13	0.09
3. Teaching Encounter	2.6	1.5	0.76			1	0.31	-0.18	-0.30
4. Time Pressure	3.2	1.4	0.75				1	-0.29	-0.15
5. Department Support	3.4	1.7	0.69					1	0.26
6. Control	4.3	1.0	0.77						1

For the independent variables, we used principal axis factoring with oblique rotation as we expected the constructs to be correlated. We commenced the factor analysis using 33 items. The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.75, indicating that the items were factorable. We checked the sampling adequacy of the individual variables. The analysis

included some 166 cases although the n was reduced to 165 due to missing values. We eliminated items that loaded at below 0.39.

We anticipated a five factor solution but the scree plot suggested a four factor solution. As can be seen in the factor loading table (Table 2), the items relating to 'class size' and 'diverse student characteristics' loaded into the same factor. We interpreted this factor structure to imply that teachers perceived the teaching encounter, in terms of student characteristics and class size, as a single phenomenon. We have combined the items from the student characteristics and the class size scales into a single construct labelled 'demanding teaching encounter'.

The four factors accounted for some 48 per cent of the total variance and 37 per cent of the common variance. The mean, standard deviation and Chronbach's alpha for each factor and factor intercorrelations for each factor are presented in Table 2. The final items used in the four derived factors are shown in the factor loading table (Table 2).

Table 2: Factor Loadings

Item	Factor			
	Demanding Teaching Encounter	Dept Support	Control	Time pressure
	1	2	3	4
<i>Time pressure</i>				
It is difficult to devote sufficient time to teaching because of increasing pressure from administrative duties.	-0.070	-0.011	-0.060	0.631
Increasing pressure from research makes it difficult to devote sufficient time for teaching.	0.093	-0.007	0.037	0.655
Increasing workload makes it difficult for me to maintain my enthusiasm for teaching this course.	0.119	-0.098	-0.045	0.608
<i>Control</i>				
Teaching this course would be more rewarding if I had greater say in the contents of the syllabus. #	-0.155	-0.052	0.624	0.080
The school allows me considerable flexibility in the way I teach in this course.	-0.038	0.179	0.454	-0.062
I have had little say in the way this course is run. #	0.106	-0.045	0.838	-0.036
I feel a lack of control over what and how I teach in this course.#	-0.123	-0.021	0.736	-0.084
<i>Department view</i>				
Teaching is a low priority in my school. #	0.008	0.732	-0.008	0.079
My school's dedication to improved teaching makes it easier for me to plan and conduct this course.	0.020	0.663	0.064	-0.031
This school provides a good environment for the discussion of teaching with colleagues.	0.168	0.445	0.164	-0.131
Research is a greater priority than teaching in this school. #	-0.104	0.422	-0.138	-0.105
This school's view of teaching makes it less rewarding to focus much attention on teaching.#	-0.165	0.684	0.113	-0.061
<i>Class size</i>				

In large classes students are often disruptive.	0.396	-0.085	-0.036	0.022
Once classes in the course get too large, I just try to get the students to take a good set of notes.	0.406	-0.125	-0.019	0.017
In large classes I try to avoid questions.	0.442	-0.068	-0.130	-0.143
Large classes discourage contact between the students and myself.	0.553	0.044	0.129	0.182
<i>Student characteristics</i>				
The students act as though I am a teacher at school, rather than someone who will assist their adult learning process.	0.485	-0.136	-0.076	0.000
In this course I have had to rethink the way that I teach because of increasing numbers of lower standard students.	0.531	0.129	-0.004	0.056
Poor English skills amongst my students discourage me from supporting discussion sessions in this course.	0.484	-0.204	0.010	-0.056
Having a range of students' talent in a lecture makes it difficult for me to direct my teaching appropriately	0.528	0.112	-0.063	0.026
Students in this course are often intolerant of anything outside the syllabus.	0.392	-0.008	-0.066	0.154
Students have such variable skills that I find it hard to predict what they know and what they don't.	0.504	0.213	0.005	0.027

Note: # Reverse coded

Results

To test the relationship between the contextual and demographic variables and the approaches to teaching we constructed the following equation:

$$\text{TEACHING APPROACH} = b_0 + \text{CONTROL} + \text{DEPT SUPPORT} + \text{DEMANDING TEACHING ENCOUNTER} + \text{TIME PRESSURE} + \text{GENDER} + \text{POSITION} + \text{STATUS} + \text{PART-TIME} + \text{YEARS TAUGHT} + \text{EDUCATIONAL QUALIFICATION} + \text{LOG ACTUAL CLASS SIZE} + e.$$

We ran this equation separately for both the student-focused and the teacher-focused approaches. The results for the regression analysis of the variables associated with teaching approaches are shown in Tables 3 and 4. Table 3 contains the results for the student-focused regression. The model explains some six per cent of the variation in teaching approach. The regression results indicate that student-centred approach was negatively related to class size indicating that, as class sizes get bigger, academic staff are less able to adopt a student-centred approach.

Table 3: Regression Analysis Results of the Effects of Contextual and Demographic Variables on Student-centred Approach

	Unstandardised Coefficients B	Std. Error	Sig.
(Constant)	3.758	6.148	0.000
Time Pressure	0.097	1.740	0.084
Control of Teaching	0.033	0.415	0.678
Demanding Teaching Encounter	-0.114	-1.372	0.172
Departmental Support for Teaching	0.115	1.714	0.089
Years Taught	-0.003	-0.476	0.635
Position (senior = 0, junior =1)	0.061	0.458	0.647
Gender (male =0, female =1)	-0.145	-1.241	0.217
Status (continuing= 0, fixed term and contract =1)	-0.264	-1.617	0.108
Education Qualification (no = 0, yes =1)	0.181	1.492	0.138
Log of class size	-0.141	-2.535	0.012

Adjusted R² = 0.06; N = 155

Table 4 contains the results for the teacher-focused regression. The model explains some 33 per cent of the variation in teaching approach. The regression results indicate that academic staff who perceive that they lacked control of their teaching, are entering a demanding teaching encounter and are dealing with large class sizes are more likely to adopt a less effective teacher centred approach. Actual class size (log thereof) was the only variable that was significant in both equations, indicating that student numbers in class are the critical determinant of the quality of teaching.

Table 4: Regression Analysis Results of the Effects of Contextual and Demographic Variables on Teacher-centred Approach

	Unstandardised Coefficients B	Std. Error	Sig.
(Constant)	1.505	2.747	0.007
Time Pressure	-0.063	-1.258	0.210
Control of Teaching	-0.141	-2.000	0.047
Demanding Teaching Encounter	0.474	6.368	0.000
Departmental Support for Teaching	0.057	0.952	0.343
Years Taught	-0.007	-1.060	0.291
Position (senior = 0, junior =1)	-0.117	-0.978	0.330
Gender (male =0, female =1)	-0.175	-1.679	0.095
Status (continuing= 0, fixed term and contract =1)	0.092	0.633	0.528
Education Qualification (no = 0, yes =1)	0.035	0.319	0.750
Log of class size	0.156	3.144	0.002

Adjusted R² = 0.33; N = 155

Conclusion

There is a well-established literature on the relationship between students' perceptions of their environment and their approach to learning. However, exploration of the relationship between teaching approaches and perceptions of the environment is relatively new. Educational research indicates that student-centred teaching rather than teacher-centred teaching produces superior educational outcomes in terms of student learning, and that perceptions of the work context affect academics' approach to teaching. In a context where there seems little prospect of more adequate public funding, academic staff are left with diminished control over their teaching environment.

Without over-burdening the data presented in this paper, we can reasonably conclude that 'quality', understood as attaining 'deeper' learning outcomes, is unlikely to be maintained in the face of much larger class numbers than in previous decades. Therefore, we would disagree with claims that teaching staff can (or should be expected to) simultaneously manage larger classes and pursue effective student-centred learning. Greater scepticism towards the origins and intent of some higher education literature may be appropriate in this regard: 'more with less' may be a less than optimal maxim for the achievement of quality in university teaching and learning. While there remains considerable rhetoric about quality in higher education (in both teaching and research) and an increasing student focus, these findings indicate that while larger class sizes are one consequence of these developments, another consequence is a deterioration in teaching effectiveness.

Over recent years, student expectations have risen with respect to the resources provided to them (such as extensive notes and course websites). The increasing provision of standardised materials contradicts the pursuit of more active learning, since it encourages passivity and the reliance on generic knowledge, rather than autonomous learning. More student-centred learning in the current context may be attainable only through academic staff reducing their own contributions and encouraging students to become less dependent on them, while also investigating less work-intensive methods of teaching and evaluation – for example, minimising levels of assessment and teaching contact.

The intersections between the reorganisation of academic work and the quality of teaching and learning ultimately concern the politics of resource allocation within higher education systems presently driven by market and managerial imperatives. In both Australia and New Zealand, though, the greater integration of teaching and learning objectives within collective bargaining (already present, to varying degrees) could permit their linking to the provision of sufficient resources and the prevention of unsustainable student:staff ratios. Collective bargaining processes can allow strategies for teaching and learning quality to be integrated with workload allocation and the management of student numbers, through negotiation rather than managerial fiat.

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Chronicle

February 2007

The working year started with the continuation of a number of unresolved employment relations issues from 2006.

The Air New Zealand plan to outsource engineering services to the Spanish owned company Swissport continued to receive extensive media coverage (see October 2006 Chronicle). The *Press* reported that staff at the Christchurch branch had voted on a package negotiated between the airline and the Engineering, Printing and Manufacturing Union (EPMU). EPMU's National Secretary Andrew Little was quoted as saying that the "[the package] is a combination of what the airline has put to us that we think we can work with and what we've put up to [Air New Zealand]."

To further complicate matters, the Services and Food Workers' Union (SFWU) - representing nearly 250 of the workers affected by the outsourcing proposal - had refused to participate in any further negotiations. The *Dominion Post* reported that the two unions - EPMU and SFWU - were "deeply divided" over how to counter the airline's plan to outsource the jobs. Northern Regional Secretary for the SFWU Jill Ovens claimed that the EPMU had reneged on a pact made in October 2006 to stick together through negotiations. Andrew Little of the EPMU rejected the suggestion saying that "[w]e have both made our respective decisions about how we wish to approach this...[w]e are prepared to continue talks as long and as hard as we have to see if we can resolve it by agreement."

Issues relating to alleged breaches of good faith featured prominently in the media. The *Press* reported that the Christchurch City Council had successfully appealed an Employment Court ruling that the Council had breached good faith by contacting employees during the last agreement negotiations (see April 2005 Chronicle). The case related to the situation where the Council's former Chief Executive Lesley McTurk had written to union employees during pay talks because the Council thought it had been misrepresented by the union (the Southern Local Government Officers' Union). The union objected and a subsequent Employment Court hearing found McTurk's communications had breached the Employment Relations Act. The Employment Court had ruled that employers could not contact employees during bargaining without the union's consent. However, the Court of Appeal found that employers could communicate with workers during contract negotiations as long as they did not try to negotiate or undermine the bargaining or the union's authority.

In a footnote to the Court of Appeal ruling, the *Press* also reported that the Christchurch City Council had finally settled their collective negotiations with the Southern Local Government Officers' Union. The new collective agreement covered around 1,000 members of the union, was for a three-year term and included a combination of one-off payments and salary increases of between 2% and 18% over the three-year term.

In another case concerning breach of good faith, a series of articles in the *Southland Times* covered the case of a leading Invercargill heating company that allegedly encouraged workers to leave their union. In a hearing before the Employment

Relations Authority, the Engineering, Printing and Manufacturing Union (EPMU) claimed that Yunca Heating Ltd had acted in bad faith by trying to induce workers to leave the union and by denying a union organiser reasonable access to discuss collective bargaining with workers. There was conflicting evidence from workers on whether there had been any pressure from management to leave the union. The manager of Yunca Heating said that he felt that he had been “kicked in the guts” after he was handed 17 forms from workers wanting to join the union. He denied that he had wanted workers to rescind their union membership. He had called a meeting to discuss the matter in order to provide a balance to what the workers had been told as he felt they had been intimidated and railroaded into joining the union.

The *National Business Review* reported that figures from Statistics New Zealand showed that while the number of strikes were down in 2006 their economic impact was greater. There were a total of 49 work stoppages for the year ended September 2006, which involved 12,508 employees. Losses included \$4.7 million in wages and salaries and 26,198 days of work. In the previous year to September 2005, there were 52 stoppages involving 13,255 employees with losses of 24,731 days of work and \$4 million in wages. Dispute over wage rises were behind 36 of the stoppages.

A woman made redundant by the Engineering, Printing and Manufacturing Union (EPMU) lost a claim that the EPMU had breached the redundancy provisions of her employment agreement. The *Dominion Post* reported that the woman claimed that the union had failed to offer her two positions that became available within 12 months of her redundancy in June 2005 (as required under her collective employment agreement). The Employment Relations Authority determined that the two positions were substantially different from her previous job and thus, rejected her personal grievance claim.

Australia’s unemployment fell to its lowest point in three decades. The rate had dropped to 4.5% in January 2007, from 5.3% in the previous year, and almost 300,000 jobs were created in the 12 months to the end of January 2007.

During February, a series of newspaper articles highlighted the search by employers of better ways to attract and retain staff. The *National Business Review* reported on “innovative ways” Australian employers were using to seek new talent. A career building and networking site claimed that employer-paid study and training courses were becoming common bait in recruitment in Australia. However, it was claimed that some head-hunters were taking ‘inducements’ too far by offering trips to Las Vegas and other exotic locations as a part of their employment packages. One CEO of a job networking website was quoted as saying that “Australian employers are desperate for talent and are turning to extreme tactics to catch the interest of the best workers in the country.”

Recruitment consultants claimed in another *National Business Review* article that New Zealand’s recruitment market was expected to remain buoyant for the rest of 2007 with the first quarter leading the growth in a number of key sectors of the economy. One industry insider suggested that companies needed to establish a strategy on how to interact with potential employees throughout the recruitment process saying that “[i]f an employee has two or more offers, their impression of a

potential employer based on the way the company has conducted itself through the [employment] process may well be a deciding factor in which job an employee takes.”

Another sign of a ‘tight labour market’ could be found in a survey of 1,911 employers by the recruitment firm Hudson. Unsurprisingly, the survey recorded that staff retention and development would be the highest priorities for many companies in 2007. In the discussion of the survey results in the *Dominion Post*, it was suggested that job sharing was one effective solution to the issue of staff retention, but that only a small number of companies had adopted this approach. A recruitment company manager said that “[a] well thought out job-sharing programme automatically increases the number of potential suitable employees for a role.”

In a tight labour market employers should be extra vigilant if they wanted to avoid the post-Christmas holiday exodus, according to a *Dominion Post* article. It listed a series of simple strategies to help increase the sense of feeling at home at work, including: praise and recognition, personal development, promotion of fun, encouragement of quality relationships and career breaks, nip problems early and recruit for retention.

Increasing levels of workplace technology were placing more pressure on those with sub-standard literacy. The *Dominion Post* featured an article on levels of literacy among the workforce which reported that the New Zealand Council of Trade Unions, Business New Zealand and the Tertiary Education Commission (TEC) were looking at ways to address literacy in the workplace in ways that were effective and affordable. The Commission was funding 20 providers to offer workplace literacy programmes.

March 2007

The *Dominion Post* discussed the increase in annual holidays to a minimum of four weeks of paid leave per annum from April 1 2007. The Council of Trade Unions estimated that 92% of unionised workers covered by collective agreements already received four weeks paid holidays although this depended on length of service. Additionally, it was estimated that more than 50% of all public servants already received four weeks leave, as did more than 80% of managers.

The dispute between the firefighters union and the Fire Service over public holidays and the interpretation of the Holidays was heading for the Supreme Court. The Court of Appeal had upheld an appeal from the Fire Service over an Employment Court decision (see July 2006 Chronicle) and the Professional Firefighters Union had sought leave to appeal to the Supreme Court. The case was expected to set a precedent for how other 24-hour services would meet the requirement to give staff a day off if they worked a public holiday.

In a further development in the Air New Zealand outsourcing proposal, the *Dominion Post* reported that Air New Zealand and the Engineering, Printing and Manufacturing Union (EPMU) had reached a deal over the proposed outsourcing. Nevertheless, EPMU’s National Secretary Andrew Little called some elements of the deal unpalatable and said that its members had been forced to “swallow a dead rat”. The Services and Food Workers’ Union (SFWU), which was not party to the agreement,

“rubbished the deal”. An Air New Zealand spokesman was quoted as saying that the savings target depended on both unions agreeing to the settlement, but accepted that only the EPMU was prepared to join at this stage of the negotiations. A later article claimed that the talks had reached a critical stage when Air New Zealand negotiators refused to give an assurance that the jobs would not be outsourced despite a deal being struck.

Things began to look bleak when media reports suggested that agreement with airport workers looked “dead in the water” as Air New Zealand maintained that the agreement had to be ratified by both the EPMU and the SFWU. The SFWU’s Northern Regional Secretary Jill Ovens confirmed that delegates from the different departments covered by the collective agreement, including check-in and loading staff, finance and cargo workers, had voted to reject the deal. She was quoted as saying “[w]hy should the Service and Food Workers Union take some other union’s deal to our members when we have a separate collective agreement of our own, and we didn’t make that deal”.

Later in the month, the *Dominion Post* reported a claim by the SFWU that Air New Zealand had offered ‘a \$3000 carrot’ to airport workers prepared to switch unions or take an individual agreement. Airport worker members, who wanted to get the one-off payment available to members of the EPMU, would have to join the EPMU or agree to an individual contract on lesser conditions. The rhetoric between the two unions continued with Jill Ovens, Northern Secretary for the SFWU, claiming that her union had scored a victory over the airline by keeping the collective together, and that the EPMU deal did not offer any benefits, only cuts to terms and conditions.

Once again negotiations in the health sector featured prominently. The *Press* reported that public hospital nurses were seeking subsidised superannuation in their first contract negotiations since 2004 (when they won a 20% pay increase). The New Zealand Nurses’ Organisation (NZNO) said that its 20,000 public hospital members were not eligible for subsidised superannuation unlike the police, teachers and doctors. NZNO’s Industrial Adviser Glenda Alexander said it was unfair that nurses were treated differently to other public servants. Still, both parties had agreed to a non-conflict approach to bargaining.

Meanwhile, health sector cleaners, orderlies and food workers threatened strike action in their quest for a national collective agreement. The *Press* reported that most of the 2,800 members of the SFWU had voted in favour of taking industrial action if their bid for a multi-employer collective contract (to replace 40 separate agreements) was refused. The union had negotiated with District Health Boards (DHBs) since August 2006 over a multi-employer collective agreement and substantial pay rises. The article pointed out that private contractors employed about three-quarters of the staff concerned and that DHBs had stated they did not want contractors to be parties to a national collective contract. In a further development, the *Dominion Post* reported that the SFWU’s “struggle to gain a multi-employer collective agreement” went to the Employment Court. The lawyer acting for some of the private contractors described employers and the union as “being on the same page”, although it was the form of the collective agreement which remained “a sticking point”.

An article in both the *Press* and the *Dominion Post* reviewed the impact of industrial strife in the health sector. A year of unprecedented industrial action had cost health boards at least \$5 million and disrupted about 14,000 patients. The most expensive strike was the junior doctors' walkout for five days in June 2006 with DHBs spending about \$4m on extra payments to senior doctors who worked during the strike. Health union advocate Deborah Powell was quoted as saying that \$5m was a "gross underestimate" and DHBs were embarrassed to admit the true cost, particularly what had been spent on public relations during the strikes.

The NZ Herald publisher, APN News & Media, faced a fight with its workers over plans to outsource sub-editing and design jobs. APN was considering outsourcing an unspecified number of jobs to PageMasters, a unit of Australian Associated Press. An APN spokesperson said it would be a couple of weeks before it was clear how many jobs might be affected. The Engineering, Printing and Manufacturing Union (EPMU) claimed that more than 70 jobs would be lost, that the quality of APN's news would suffer and that the union planned to fight the proposal.

Medical laboratory workers announced that they would strike for a second time in less than five months. The Medical Laboratory Workers Union gave notice that the workers will strike for 48 hours from April 11. The union's National President Stewart Smith was quoted as saying that "[w]e are now into the 13th month of negotiations, with no reported improvement to the employers' intransigent position ... [w]e have diminishing confidence in their ability to negotiate this contract".

The *Press* reported that national stopwork meetings by senior doctors were "increasingly inevitable". This followed two failed attempts at mediation with DHB's. A third mediation date was set for April 23.

Seasonal workers at Heinz Wattie's food-processing plant in Hastings went on strike for 24 hours after they failed to secure a collective agreement. Union officials said that they had received assurances from Allied Workforce, the company providing the workers on contract to Heinz Wattie's, that it was prepared to resume talks.

In a series of articles, the *Dominion Post* reported on Queen Margaret College, a Wellington private girls' school, and its "bitter public dispute" with a former teacher. The former teacher – Dr Stuart Selwood – suffered from terminal cancer and was seeking \$74,000 compensation for allegedly being forced from his job. Dr Selwood, who left the school in July 2006, had taken his claims of constructive dismissal, personal grievance and breach of contract to the Employment Relations Authority. The case raised allegations of abuse, bullying, threats and moral hypocrisy at the Christian school. Dr Selwood accused the principal Carol Craymer of seeking to force him out of his job, and of putting him under such stress that he failed to notice the symptoms of his cancer till it was too late to treat. The school denied mistreating Dr Selwood, saying his grievances were addressed and he had quit of his own volition. The paper reported that the college was "pitted against itself" with teachers, the school chaplain and a former pupil present in support of Dr Selwood while senior management lined up on the other side of the table.

A survey featured in the *Dominion Post* suggested that companies struggling with high staff turnover could gain valuable insights by using exit interviews effectively.

However, it was problematic that some analyses of exit interviews found that employees weren't being honest in stating their reasons for leaving the company because they didn't want to "burn their bridges".

The *National Business Review* featured claims about a "new breed of union entrepreneurs turning to the market to boost the flagging movement's membership". The article suggested that amid all the talk of partnerships and productivity the best way for unions to promote themselves was still placard waving and strikes. The article outlined union leader Matt McCarten's proposal to use the government's KiwiSaver sweeteners to promote union membership to high school students, many of whom are not yet in the workforce. His Unite union was partnering a major corporate to deliver a KiwiSaver fund tied to union membership, and thereby help young people into their first homes.

April 2007

The Minister of Labour, Ruth Dyson announced that the statutory minimum hourly wage was moving from \$10.25 to \$11.25, and for workers under 18 years it would be raised to \$9 an hour. The *NZ Herald* pointed out that this was the biggest increase since 1999 and that around 120,000 workers would benefit from the increase. In the nine years of a Labour led government, the statutory minimum wage had increased from \$7 an hour to \$11.25 (a 61% increase). Interestingly, the article criticised the Labour Government for being too cautious when it came to employment legislation, arguing that any significant reforms were the result of pressure from minor coalition parties.

Industrial action continued throughout the health sector during April (see March Chronicle). The *Press* reported on the impending strike by radiographers across seven District Health Boards (DHBs). An attempt of an 11th hour mediation failed to prevent a strike and then medical laboratory workers, including those at hospital laboratories and the New Zealand Blood Service, went on strike for two days in a bid for higher pay and protection of pay against contracting-out. A DHB spokesperson said the union's pay and conditions claims were "unrealistic and unaffordable". Late in April, matters seemed to escalate further when the *Press* reported that the union representing striking hospital radiographers had threatened a nationwide walkout that would "grind the service to a complete halt".

Senior doctors were considering stop work meetings as a start to industrial actions after the Association of Salaried Medical Specialists' Executive Director Ian Powell announced that mediation between senior doctors and DHBs had stalled. Stop work meetings in May, followed by strikes, were on the cards unless a decent offer, "not a rehash," came through. Subsequently, the *Dominion Post* reported that senior doctors were threatening the nation's first national strike as pay talks became "increasingly acrimonious". The threat came as the Pan Professional Medical Forum, which included medical colleges and doctors' unions, warned that the "very serious" recruitment and retention problem was approaching crisis levels in some provincial areas.

By the end of the month, the *Dominion Post* suggested that “crippling industrial action in the health sector has reached epidemic proportions” with the number of days lost to strikes last year more than six times higher than in 2000. In 2006, the number of working days lost by hospital strikes was 11,562 compared with just 1,750 in 2000, according to Statistics NZ figures. Radiation therapists, radiographers and lab workers had all taken industrial action this year. A spokesperson for the DHBs claimed that the current industrial relations legislation had created “a climate of mistrust” by barring District Health Boards from communicating directly with employees who also happened to be union members.

The Engineering, Printing and Manufacturing Union (EPMU) was considering legal action against APN News & Media after the New Zealand Herald publisher confirmed plans to push ahead with the outsourcing of about 70 sub-editing jobs (see March Chronicle). EPMU’s National Secretary Andrew Little said the union, which represented some of involved APN staff, was considering legal action to stop APN’s outsourcing. The union believed APN had failed to consult properly.

In further developments at Air New Zealand (see March Chronicle), the *Dominion Post* reported that airport workers had agreed to labour reforms to stop their jobs from being transferred to a Spanish company, but they would seek a parliamentary inquiry into the airline’s ‘sharp practice’. Airport workers represented by the EPMU had voted 78% in favour of the settlement which would result in 300 voluntary redundancies and the introduction of more flexible shifts with reduced pay and conditions for some workers and gains for other workers. EPMU’s National Secretary Andrew Little said the deal was the best in a bad situation and that workers preferred to be employed directly by Air New Zealand, rather than having to deal with a third party. However, another 250 workers at the Auckland International terminal, represented by the Services and Food Workers' Union (SFWU), had refused to negotiate with Air New Zealand until the next scheduled bargaining round for their collective agreement, due to start in May.

The *Dominion Post* revealed that another outsourcing proposal by Air New Zealand to outsource financial services to “coup-torn” Fiji was “ditched”. The plan would have meant that about 70 jobs were to have been disestablished. SFWU’s Northern Regional Secretary Jill Ovens said that staff were relieved to hear their jobs were safe, but angry at the stress they had been put through for more than a year.

In yet another case of threatened outsourcing the *Dominion Post* reported that the jobs of 150 Fonterra accounting staff in Hamilton were safe after the dairy giant had decided against outsourcing the positions to Fiji. Fonterra said that a cost-cutting review found no benefits in moving the financial processing and accounting department overseas. A local Chamber of Commerce spokesperson said that he could understand Fonterra wanting to save money “but to move that offshore or to a far-flung part of New Zealand away from the core of the business would be a poor decision”.

The *Southland Times* reported that the Invercargill firm Yunca Heating Ltd was fined \$6,000 for acting in bad faith over attempts to induce workers to leave their union. The Employment Relations authority found in a written decision that about a third of

all new EPMU members had resigned from the union because of various pressures and influences from the company.

In the banking sector, Westpac staff were to vote on a new collective employment agreement that would increase wages by up to 11.8%. Finsec spokesperson Andrew Campbell said that the offer would bring wages for Westpac staff into line with staff at ANZ National Bank. Westpac had also given a commitment to move away from a core pay system based on sales targets, including debt products, and instead reward skills (see February 2006 Chronicle).

Another sector of the aviation industry was threatened with strike action as Air Nelson was to be hit by strike action over pay. The airline - a subsidiary of Air New Zealand - was issued with a 14-day notice of stoppages by the EPMU. Notice was given for four three-day strikes. EPMU's National Secretary Andrew Little said the union had taken action because of Air Nelson's refusal to offer a "decent pay rise". By the end of the month, however, union delegates and Air Nelson started a mediation process in a bid to avoid industrial action.

The Corrections Service featured again in the media when the *Sunday Star Times* reported that a group of Paremoremo prison officers were suing the Corrections Department over the jail's harsh behaviour management regime in the 1990s. Five of the country's most difficult prisoners sued Corrections in 2004, claiming they were mistreated under the same regime. They were awarded a total of \$140,000 plus costs of more than \$350,000. Now four prison officers, three of whom still worked at the prison, claimed that they were exposed to significant hurt, embarrassment and physical assaults while having to implement the policy.

In yet another employment dispute at the Department of Corrections, a prison officer at the Rimutaka Prison, who received a payout for wrongful suspension 10 years ago, was again fighting for his job. The officer was reinstated, but was suspended again early in 2006 after the department accused him of assaulting an inmate. He was still on leave in early 2007, pending a decision by the Employment Relations Authority (a week after receiving a medal for 21 years of exemplary service). The officer claimed that he had been singled out because he was a union member, and had stood up to management in the past.

The *Waikato Times* suggested that an employment dispute between the former Chief Executive of Parentline Maxine Hodgson and Parentline's trust board was shaping up to be the "best free show in town". The Employment Relations Authority had "fruitlessly" invited the parties to consider mediation and a restorative solution rather than taking a legalistic route. In a later article, a supporter of the CEO criticised the 'pusillanimity' (lack of courage) of the Parentline Board and called the chairmanship of the Trust Board divisive, "a shambles", "manipulative", and "shameful".

According to the *Dominion Post*, the union representing a brewery worker wanted to pursue his unjustified dismissal claim even after he died distraught of being dismissed. Steve Tipene died on April 4, eight days after being dismissed for a mistake he made while mixing a batch of beer at Independent Liquor's Papakura plant. National Director of the Unite union Mike Treen claimed that the dismissal was a "contributory factor" in Mr Tipene taking his own life. The union filed a

challenge to Mr Tipene's dismissal with the Employment Relations Authority shortly before learning of his death. Under the Employment Relations Act, a case filed on behalf of a person who has later died can continue to be pursued.

May 2007

The public debate surrounding the Green MP Sue Kedgley's Employment Relations (Flexible Working Hours) Amendment Bill re-surfaced in the media (see November 2006 Chronicle). In the *Southland Times*, Angela McLeod from the New Zealand Federation of Business and Professional Women (BPW) said that all workers should have the statutory right to request part-time work and flexible hours. However, she cautioned that employees and employers needed the backing of law to ensure that "the system was not flouted by either party".

Both the *Press* and the *Dominion Post* reported that secondary teachers were demanding a \$300 million pay increase which could end up costing taxpayers about three-quarters of a billion dollars through parity deals with other teachers. The Post Primary Teachers Association (representing about 18,000 teachers) presented its three-year collective agreement claim to the Ministry of Education. It claimed that there was a global teacher shortage and New Zealand risked losing its best and brightest overseas there was more investment in its teaching workforce.

Unrest in the health sector attracted again headlines (see April Chronicle). Senior doctors were organising "unprecedented" stop work meetings after their negotiations with District Health Boards failed. The Chief Executive of the Association of Salaried Medical Specialists Ian Powell claimed that the doctor's union had tried to address "serious" recruitment and retention risks noting that senior doctors were "... under serious threat from Australia, which has significantly increased salaries for senior doctors due to its own shortages".

The escalation of strike action by laboratory workers was widely reported. After the suspension of seven striking lab workers the media noted that more strike actions were likely "as the bitter dispute with district health boards show[ed] no sign of ending". District Health Boards' spokesperson Gordon Davies said the two health boards involved in the suspensions had no option but to suspend workers.

The pressure for better employment conditions for health sector cleaners, orderlies and food workers continued (see March Chronicle). The *Timaru Herald* announced that "some of the lowest paid workers in the health system are expected to announce further strike action ... in an effort to get what they term a living wage". Service and Food Workers' Union (SFWU) spokesperson John Miller revealed that members had voted on whether further strike action was necessary. He said that "[t]he only pay rise these workers get is when there is a rise in the minimum wage but next year they will be paid less than the average wage...[t]heir top offer is our starting point". Later in the month, the union announced 4,160 separate strike actions on behalf of 2,800 members at public hospitals. Members were to stop work for 55 minutes in rolling strike action from May 31.

The saga at Air Nelson continued (see April Chronicle) with a report in the *Press* that the threat of a strike at Air Nelson had been withdrawn after the Employment Court announced it would side with the airline's injunction against the industrial action. The threat of strike action re-emerged later in the month following a breakdown in the negotiations between the airline and the union. After talks between the airline and the EPMU had failed, the *Waikato Times* reported on a picket near Nelson Airport's entrance, marking the first day of six weeks of strike action. In an article in the *Nelson Mail*, the airline rejected suggestions that it had used illegal labour to keep its operation running as the EPMU investigated whether some workers loading freight on to Air Nelson aircraft were legally entitled to work for the company. Subsequently, the EPMU filed for an interim injunction to stop the airline from using allegedly illegal strikebreaking labour.

Meanwhile the *Press* reported that students at the Christchurch Polytechnic Institute of Technology faced major disruption when more than 200 academics went on strike. A field officer from the Association of Staff in Tertiary Education (ASTE) said that the attitude of those he had been negotiating with was "appalling", as was the offer they had put on the table for union members.

The unrest at the Corrections Department continued (see April Chronicle) with media predictions that prisons would struggle to admit new inmates during industrial action by frontline managers in June. Public Service Association's Organiser Alan Ware announced that about 70 prison unit managers would begin taking action from June 7. It was claimed that the Corrections Department had reduced their salary by \$4,500 a year through cuts in their muster allowances last year. The allowance had been given for bulging prison numbers. Mr Ware claimed that "[t]o add insult to injury, the department has increased the pay of prison officers, who the unit managers supervise, by up to \$7000 a year".

A prison officer, who had already received a payout for wrongful suspension 10 years ago, received a second payout for wrongful dismissal and reinstatement to his old job. The prison officer was suspended in March 2006 (see March 2007 Chronicle) after he was accused of assaulting an inmate. But the Employment Relations Authority found that there was not enough evidence to support the claims, and ordered the Corrections Department to reinstate him, pay him for lost wages and a further \$5,000 compensation.

Several newspapers featured the unusual case of a highly respected clinician that had emailed photographs of his genitals. The doctor, who had name suppression, was dismissed by Auckland District Health Board in early 2005 after details of the photographs came to light. However, the Employment Court had subsequently ordered the doctor to be reinstated but had not granted permanent name suppression or compensation. The doctor appealed, therefore, for name suppression to be granted and compensation paid, while the Health Board cross-appealed for its dismissal of the doctor to be upheld and for his identity to be made public.

Coverage of the case involving Queen Margaret College continued in the *Dominion Post* (see March Chronicle). The school was accused by the former teacher of taking "retribution" against his supporters in a way he feared was designed to affect the outcome of his case. The school strenuously denied punishing witnesses, but its bid

to have all the supplementary evidence permanently suppressed as prejudicial was unsuccessful.

Another impact of full employment was the increase in employees challenging agreements stopping them from working for a competitor or setting up in business for themselves, according to Bell Gully employment lawyer Andrew Scott-Howman. He claimed in the *National Business Review* that there was growing uncertainty about the ability of an employer to enforce a restraint clause and that “[u]nder New Zealand law, restraints are on their face illegal, but due to a number of historical factors, the courts will enforce them to the extent that they are reasonable”.

In a rather extreme example of a vendetta against the boss, the *Dominion Post* reported that a Bowen Hospital staff member had appeared in court, accused of threatening to kill her boss in a hate-mail campaign and putting dog faeces in her letterbox. The employee (who was on unpaid leave from the hospital) appeared in the Wellington District Court charged with threatening to kill and criminal harassment, after a manager at the private hospital in Crofton Downs received about 30 offensive and abusive letters over 10 months. Along with the letters, the manager claimed she received cartoons depicting how she was going to die, and pictures of actresses with their eyes and mouths cut out.

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