FROM COLLEGIAL ENGAGEMENT TO PERFORMANCE MANAGEMENT: THE CHANGING ACADEMIC LANDSCAPE IN AUSTRALIA

Leanne Morris, H.D.T (Sec), B. Ed., M.Ed.

School of Management and Information Systems
Faculty of Business and Law
Victoria University

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Abstract

The introduction of performance appraisal (PA) in Australian universities in the 1990s was an attempt to make academics more accountable and, in so doing, improve efficiency in the higher education sector. Since PA was introduced in academia there has been a paucity of research into its efficacy. What began as a simple process has now evolved to become part of a wider approach to managing human resources, namely performance management. The aim of this research is to determine how universities implement their performance management (PM) systems from a strategic and operational perspective.

The research used a multi-method approach for data collection. Key informant interviews were conducted to provide an historical, as well as stakeholder, perspective on PM. University approaches to performance management were investigated by examining their Enterprise Bargaining Agreements using the Hoare Report (1995) as the framework for analysis. Academics' views were sought regarding their respective PM systems. In so doing, university claims would either be supported or refuted, providing further insight into performance review processes.

This research identified differences in the purpose, processes and outcomes of PM in the universities studied. From an operational perspective, current PM systems, according to academics surveyed, are not meeting their needs and lack credibility, due to a lack of resourcing by management and flawed processes. From a strategic point of view, diversity of purpose across all universities in this study as well as variation in key PM characteristics, namely alignment, integration and credibility, were found.

The significance of this research is that universities are developing their own unique PM systems that are evolving in response to political and industrial forces. These systems are distinctive in the way they manage their human resources thus providing a point of differentiation between universities.

Declaration

I, Leanne Morris, declare that the PhD thesis entitled, 'From Collegial Engagement to Performance Management: The Changing Academic Landscape in Australia', does not exceed 100,000 words including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signature: Date:

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Dedication

Peter.

So dearly loved and so sadly missed.

Forever in my heart.

For you and because of you.

List of Publications

Morris L, Stanton P & Mustard J 2011, 'Rhetoric and reality: An examination of performance management in Australian universities', Association of Industrial Relations Academics of Australia and New Zealand, University of Auckland, 2–4 February.

Morris, L, Stanton, P & Young S 2007, 'Performance management in higher education: Development versus control', *New Zealand Journal of Employment Relations,* vol. 32(2): pp. 17–31.

Morris, L, Stanton, P & Young S 2007, 'Performance management in higher education: The great divide', Association of Industrial Relations Academics of Australia and New Zealand, University of Auckland, 7–9 February.

Morris, L 2006, 'Performance appraisals in higher education: An Australian perspective', *International Journal of Human Resources Development and Management,* vol. 6, no. 2/3/4: pp. 174–85.

Morris, L 2006, 'Performance management of academic staff in Australian universities', Australian and New Zealand Academy of Management, Rockhampton, 6–9 December.

Morris, L 2005, 'Performance appraisals in Australian universities: Imposing a managerialistic framework into a collegial culture. Association of Industrial Relations Academics of Australia and New Zealand, Sydney, 9–11 February.

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Glossary of Abbreviations

AAUP	American Association of University Professors
AIRC	Australian Industrial Relations Commission
AHEIA	Australian Higher Education Industrial Association
ANAO	Australian National Audit Office
APS	Australian Public Service
AQUA	Australian Quality Assurance Agency
AWIRS95	Australian Workplace Industrial Relations Survey
CAE	Council of Adult Education
CCAC	Commonwealth Conciliation and Arbitration Commission
DEST	Department of Education Science and Training
EBA	Enterprise Bargaining Agreement
EDWA	Education Department of Western Australia
ERA	Excellence in Research for Australia
FAUSA	Federation of Australian University Staff
HEWRR	Higher Education Workplace Relations Requirements
MAC	Management Advisory Committee
MBO	Management By Objectives
NTEU	National Tertiary Education Union
OECD	Organisation for Economic Co-operation and Development
PA	Performance Appraisal
PM	Performance Management
PRP	Performance-related Pay
PTR	Post-Tenure Review
RAI	Research Activity Index
RQF	Research Quality Framework
SETU	Student Evaluation of Teaching Units
SHRM	Strategic Human Resource Management
UHM	University of Hawaii Manua
UK	United Kingdom
UACA	Union of Australian College Academics
USA	United States of America

Chapter 1

Performance Management of Academics in Australian Universities

1.1   Introduction

The performance of work undertaken by employees has long been the subject of appraisal. Historically, performance appraisal was largely unsystematic and simple in calculation and application, and was designed to do little more than account for the time, resources and effort expended by employees in the production of output (Wiese & Buckley 1998). Increasingly, these simple systems were replaced by more formal ones (Wiese & Buckley 1998), thus interest in and use of performance appraisal (PA) has grown exponentially, so that most organisations of a reasonable size now have a formal evaluation system (Ivancevich 2001). One sector however that resisted the introduction of an appraisal system linked to specific outcomes was academia. Universities, long the bastions of freedom of thought, research and the advancement of social knowledge, for many years rejected the need to conform to a market-based system of appraisal, preferring instead to utilise the system that had stood them in good stead for centuries, namely academic peer review (Buckbinder & Newson, 1991).

The latter part of the 20th century saw the global marketplace strain under the pressure of a dynamic and volatile environment. The medieval concept of a university could no longer survive in its current form as governments worldwide attempted to respond to the global recession and, in so doing, sought to coerce universities to be more responsive to the needs of government and the economy (Smyth 1991).

During the 1980s in Australia, the federal Labor Government set about restructuring higher education to ensure a greater alignment with national priorities. As part of this restructuring the Labor Government advocated greater university/industry links in order to make Australia more competitive globally (Nevile 1988). Under Minister John Dawkins, the higher education policy reforms of the 1990s corralled universities under the direct control of a central administration based in Canberra (Smyth 1995). Terms such as 'efficiency', 'productivity', 'accountability' and 'profitability' appeared in the lexicon of

universities. This alignment with the business sector saw, for the first time, the inculcation of business practices in universities (Buckbinder & Newson, 1991).

One aspect of this commercialisation mentality was accountability (Blackmore 2002). In this thesis it is argued that accountability extends to assessing the performance and value of academic staff through increased performance management (PM) measures including the widespread use of performance appraisal systems. Performance appraisal has a high degree of social legitimacy because of the implicit accountability factor (Townley 1997), and was implanted into an environment that had in the past, been self-regulatory.

Since the introduction of performance appraisal in academia, its purpose and scope has evolved into a more holistic approach to managing staff through formalised performance management systems (Fletcher 2001). However, while there is considerable research in the area of performance appraisal in general, there is little empirical research in the area of performance appraisal or performance management of academic staff, particularly in Australia (Stavretis 2007).

Nankervis & Stanton (2010 p. 137) contend that 'strategic human resource management (SHRM) suggests that performance management is the pivot around which all other human resource management (HRM) processes revolve in both horizontal and vertical alignment.' That being said, the literature is robust in its discussion about what HRM and PM actually are. The discourse has long focused on the link between HRM practices and performance, with critical arguments being the failure of empirical studies to identify the causal links between HR practices and performance. While the majority of the empirical research has focused on the link between HRM and organizational performance in recent times there has been growing recognition of the mediating factor that employee perceptions of the HR processes, has on organizational performance. Given that it is the employees who are the subject of these HR practices it seems only logical that greater credibility be given to the views of the employees, in this regard (Guest 2011).

This thesis examines performance management of academics in Australian universities. In so doing, its major focus is the impact that these HR practices have on the academic. The research begins by interviewing key informants. These key informants played and

continue to play, an important role in the introduction and implementation of performance appraisal in academia in Australia. These interviews provided not only historical and political insight in its evolution but also revealed current issues and concerns with the process. One issue that emanated from these interviews was the impact that government directives had on the introduction of performance management systems. Linked to monetary incentives, universities were given deadlines by the Federal government to ensure that performance management systems were articulated in Enterprise Bargaining Agreements (EBA). This study then set about examining the EBA documents for all 37 publically funded Australian universities. These documents were analysed to determine the strategic intent of the universities, the purpose of their performance management systems and their approach to managing staff. Having identified the intent of the universities in relation to performance management, the study then shifted focus to ascertain the views of academics via a survey given to a purposive sample of academics. The aim of the survey was to investigate how universities implement their performance management systems, what the academics think about those systems and, whether the rhetoric of the universities in relation to the articulated purpose and approach to performance management, matched the lived experiences of the academics surveyed.

1.2   Discourse surrounding performance appraisal and performance management

1.2.1   Nomenclature issues

The discourse surrounding performance appraisal and performance management is, at best, confusing and fraught with 'nomenclature and definitional problems' (James 1995 p. 186). Lonsdale (1998) identifies a range of terms such as performance appraisal, faculty evaluation, performance review, staff appraisal, performance evaluation, performance development, performance review and development, and performance management, often used in the literature interchangeably (Lonsdale 1998). An examination of the debate surrounding some of these issues is thus warranted.

Performance appraisal is a practice that is undertaken ex-post the work being done and today, is far more systematic in its operation than when first introduced. PA is designed

to not only account for current and foreseeable expenditures of time, resources and effort, but to also accommodate for future goals and expectations of both the organisation and its individual employees (Butler, Ferris & Napier 1991; Wiese & Buckley 1998). In its contemporary application, performance appraisal has now come to be regarded as *'...a process which involves the gathering of information about an individual's performance, and, in the light of that information, the making of judgements and decisions concerning future action'* (Lonsdale 1998 p. 304).

Performance management as an identifiable subject for academic study and research however can be traced back to the late 1980s (Thorpe & Beasley 2004; Busi & Butitci 2006). Spawned from performance appraisal, according to Williams (1998), PM has three facets: 1. managing organisational performance, 2. managing employee performance and 3. integrating the management of both 1. and 2. above. PM can thus be described as a strategic approach to integrating human resource activities and business policies (Connell & Nolan 2004) and includes performance appraisal. Such a definition Nankervis and Stanton (2010) would argue, is 'conceptually deficient' because it fails to recognise that performance management can be viewed as both a measurement of the outcome of individual performance and it can also refer to all organisational performance indicators.

Both performance appraisal and performance management address performance but defining 'performance' can be problematic. Armstrong (1994) believes that if something cannot be defined, it cannot be measured or managed. In considering how to define performance however he does not come up with a definitive answer; instead he acknowledges the multidimensional nature of performance, the measurement of which can vary depending on a variety of factors including behaviour and outcomes. Armstrong (1994) further argues that when managing performance, both behaviour and output need to be measured. He discusses performance management using this criteria but no mention is made of performance appraisal. So already the distinction between the terms is not clear.

Smith and Goodard (2008) contend that for many years PM was synonymous with the micro management of employee behaviour but now the concept has broadened to a macro view, one implying the strategic management of an organisation. This has

resulted in PM being used to refer to both the outcome of an individual's performance or a term that encompasses all organisational performance indicators (Nankervis & Stanton 2010). Even though there is strong evidence in the literature of the strategic impact of human resources on firm performance (Huselid 1995), Kaye (1999) questions whether SHRM benefits employees as well as the organisation, arguing that more research is required to see if SHRM is hurting employees, particularly when they are regarded as 'commodities'.

Adding to this complexity Moravec (1996) argues that performance management is just performance appraisal by another name. Cascio (1995) contends that for many managers, performance management is just as narrow a concept as performance appraisal – an exercise undertaken annually which identifies and reviews job strategies as well as individual and work team weaknesses. Compton (2005 p.47) encapsulates the apparent 'interchangeability' of terms. '*Senior managers still regard performance management as a mechanistic annual ritual which is a necessary evil.*'

The move from performance appraisal to performance management parallelled the move away from traditional organisational hierarchies to more responsive, innovative and flexible organisations with a strategic focus (Moravec 1996; Fletcher 2001). Perhaps a good indicator of the shift in focus of performance management comes from Armstrong who, in 1998, defines PM as '*a strategic and integrated approach to delivering sustained success to organisations by improving the performance of people who work in them and by developing the capabilities of teams and individual contributors*' (Armstrong & Baron 1998, p. 7). In 2002, Armstrong contends that performance management is '*... a means of getting better results from the organisation, teams and individuals. It is about the agreement of objectives, knowledge, skill and competence requirements, and work and personal development plans...The focus is on improving learning, development and motivation*' (2002, p. 373).

Reasons for this lack of clarity might be because the area of PM, as a distinctive body of literature, is still evolving (De Nahlik 2008), with each discipline contributing '*...its own language, traditions, pre-occupations and prejudices to the topic*' (Smith & Goddard 2008 p. 121). Nankervis and Compton (2006) suggest the reason for the lack of clarity might be the lack of empirical evidence that either supports or refutes the links between

individual and organisational performance. Houldsworth and Burkinshaw (2008 p. 42) also suggest that PM can be examined from different disciplinary perspectives and competing epistemological viewpoints. They ask the question, '*Can…different disciplines be expected to see PM as "the same thing" and develop a shared language for understanding it, given their wide differences in level of focus and interest?*' Neely (1999) would argue that the biggest hurdle in this regard is that few academics cross these functional areas. Perhaps this is best summed up by Smith and Goddard (2008 p. 134): '*The literature on performance management is eclectic, diffuse and confused. The definitive "general theory" of performance management remains elusive and is unlikely to ever emerge.*'

1.2.2   Working definitions of performance appraisal and performance management

As evidenced when reading, or indeed writing about performance management, one needs to consider the discipline, background or contextual factors that influence that discussion (Neely 1999). Given the diversity of definitions, interpretations and disciplinary perspectives, it is necessary to articulate working definitions for this study. Performance appraisal takes a more myopic functional approach to managing performance while performance management takes a more broader and integrative approach. Caruth and Handgloten (1997 p. 206) view PA as '…an on-going, systematic evaluation of how well an individual is carrying out the duties and responsibilities of his or her current job. Additionally, it typically includes an assessment of the individual's needs or potential for further development'. PA is about ensuring that individual attributes, performance and outcomes are congruent with organisational goals (Caruth & Handgloten 1997). Rudman (2003 p. 9) views PM as 'a total approach to managing people and performance. It involves setting performance aims and expectations for the organisation…for each operating unit…and for work groups and individual employees'. In addition, Rudman argues that PM aims to improve organisational functionality by linking organisational goals and individual performance, and does so through the use of job design, recruitment and selection, training as well as performance appraisal (Rudman

2003). Performance management therefore takes an holistic organisational-wide view with performance appraisal being a subset.

Perhaps the differentiation between the performance and performance management is best summarized by Auginis (2009) who defines performance management *as ' a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization…Performance appraisal is the systematic description of an employee's strengths and weaknesses. Thus performance appraisal is an important component of performance management, but it is just a part of a bigger whole because performance management is much more than just performance measurement' (Auginis 2009, pp 2-3).*

The focus of this research is examining performance management of academic staff from a strategic and operational perspective. '*In the context of our academic frames of reference, a discipline dictates the boundaries of what counts for knowledge – even the research processes adopted…This also means the discipline gives legitimacy to the questions asked and defines the problematics of the day*' (Thorpe & Beasley 2004 p. 336). For these reasons, working definitions of performance appraisal (more commonly referred to as performance review) and performance management are:

Performance appraisal/review: The annual or biannual discussion between an employee and supervisor during which a range of topics may be discussed including feedback, review, goal-setting and career development. It is a subset of performance management.

Performance management: An holistic approach to managing employees which includes mutually setting goals, reviewing performance, rewarding achievements, and supporting development and growth. All of this is linked to other key HR activities reflecting organisational strategic needs. For consistency, this thesis will use the terms as defined here when citing from others, with the exception of direct quotes that will use the original terms.

1.3   Addressing key concepts

While there are a number of concerns relating to performance appraisal, one contentious issue stands out. That issue relates to the duality of purpose for appraising performance.

1.3.1   Formative and summative appraisal: Competing values framework

Organisations have long grappled with the dual, and seemingly competing values of performance appraisal. Performance appraisal has been acknowledged as having two possible purposes with quite distinct approaches (Mills & Hyle 1999). Such approaches can be either:

- a summative (or controlling) approach which uses appraisal to measure efficiency and then links outcomes to external rewards or sanctions. This approach is supposedly used to assist organisations to make staffing decisions in regard to promotion, tenure and dismissal; or
- a formative (or developmental) approach where appraisal is used to improve organisational efficiency by working with staff to assist them to make personal decisions in terms of productivity, career goals and aspirations.

According to Townley (1997), a summative approach puts control at the centre of the performance process where appraisal is used to measure efficiency that links to external outcomes of rewards or punishment. A formative approach has individual development as its focus. By assisting staff in relation to career goals and work aspirations, so it is argued, productivity is enhanced and organisational efficiency is improved. In so doing, the organisation benefits from the individual's commitment to and trust in the scheme.

The terms 'formative' and 'summative' were first coined by Scriven (1967) to differentiate types of evaluation – formative (to improve) and summative (to decide). These terms were later used in Australia to refer to formative assessment and summative assessment of children and later applied to teacher evaluation (Boud 1995). The aim of formative evaluation of teachers is, according to Popham (1988), to assist them to become more effective and, as such, has an improvement oriented focus. The aim of summative evaluation is to isolate inept teachers and remove them, if necessary, from their teaching positions. Such evaluations, Popham (1988) argues, make no pretence to help teachers; that is the role of formative teacher evaluations.

The increasing use of performance appraisal in the business sector has seen the inculcation of these educational concepts into the business lexicon to describe the types of performance reviews conducted. Consequently formative types of appraisal are often referred to in the literature as 'developmental', 'professional development' or 'participative appraisal'. This is compared to the summative forms of appraisal which are viewed as 'controlling' 'managerialist', 'monitoring' and 'efficiency driven'. Mills and Hyle (1999) note some of the word sets used to describe the two forms of appraisal. Apart from summative versus formative (Jarvis 1991; Licata and Andrews 1992), there is hard versus soft (Webb 1994; Truss, Gratton, Hope-Hailey, McGovern & Stiles 1997), judgmental versus developmental (Goss 1994), manageralist versus developmental (Hutchinson 1995), assessment versus appraisal (Goss 1994; Imrie 1996; Moses 1996), and institutional versus individual (Braskamp and Ory 1994).

Summative assessment decisions, not only inform other HRM activities such as rewarding and promotion (Stavretis 2007), but such systems also serve as a major vehicle for employee acculturation and control (Townley 1992). Armstrong and Baron (2005) believe that a PM system communicates the purpose and values of that organisation. There has been a longstanding debate as to how organisations can reconcile the competing purposes of performance appraisal for control and compliance with employee expectations of development and support (Simmons 2002). Bratton and Gold (1999) suggest that what is required is an accommodation of both values of control along with the values of developing people, however, not everyone agrees. While the majority of those writing in the general area of performance appraisal (see Pollitt 1987; Blackburn & Pitney 1988; Winter 1989a, 1989b; Fletcher 1996; Sale 1997; Walker & Dimmock 2000) believe they should be kept separate, there are those however who see no difficulties in conducting the two processes simultaneously (Turner & Clift 1988; Wilson & Beaton 1993; Goss 1994; Bratton & Gold 1999; Mills & Hyle 1999). Bergmann, Scarpello and Hills (1998) believe the use of the same assessment situation for both purposes may be problematic, and French (1986 p. 366) proffers a similar response. '*Where appraisal is used for discipline, pay increases, promotions discharges or lay-off they are likely to be viewed sceptically and with apprehension by employees.*'

At the heart of the debate, over the developmental approach in education, is the question as to whether individuals can be developed through procedures that also deal with

performance problems, or assist with decisions on increments, merit pay and promotion. This becomes more difficult when organisations may be forced to draw upon past activities to set future goals, thereby blurring the boundaries (James 1995). In addition, applying such procedures is likely to negatively affect staff morale and performance (Lonsdale 1998) resulting in a flow-on effect to productivity (Blackburn & Pitney 1988; Ryan 1991). When writing about PA in higher education in Australia, Lonsdale (1998 p. 40) argues that, '…these differences are such that separate processes are required to achieve the two purposes. If attempts are made to use a single procedure it is likely that extrinsic factors will become dominant and that motivation and performance will be adversely affected'. Lonsdale (1998) suggests that the duality of purpose requires different policies, procedures, criteria and outcomes and as a result, organisations are unlikely to undertake two performance reviews. Consequently, problems occur when organisations have to choose either approach.

Lonsdale (1991a) also argues that by focusing solely on developmental goals other equally important issues, such as team building and departmental needs, may be ignored. Further, Lonsdale contends that those organisations that embrace a developmental approach do so in the belief the organisation benefits from the ensuing motivation and individual commitment to the scheme. Such a belief, he argues, is just that, a belief, but with no evidence to support it (Lonsdale 1998).

Ryan (1991) notes that when organisations use the summative (controlling) approach to PA for discipline, pay increases or promotion they are often regarded with scepticism and apprehension by staff. In addition to which, they can generate resistance to the process, and impact directly on motivation, staff morale and productivity (Blackburn & Pitney 1988; Ryan 1991).

At the heart of the debate over the formative (developmental) approach to performance appraisal is the question of whether individuals can be developed through procedures that are also used to deal with performance problems, or assist with decisions on increments, merit pay and promotion. Concerns have been raised that in an attempt to determine developmental issues the relationship between individuals and teams within the workplace may suffer (Lonsdale 1991a).

Lonsdale (1991a), a key player in the implementation of performance appraisal into academia in Australia, posits the view that there is considerable argument that organisations supporting a developmental approach do so believing the organisation accrues benefits from individual commitment to the scheme. He suggests however that despite the belief that a process that involves reviewing performance assists in the identification of activities and this motivates staff to pursue them, there is little evidence in the literature to support this. Even the concept of 'development' has competing interpretations as Ryan (1991) contends. He argues that developmental strategies in a summative (controlling) framework involve providing support to remedy deficiencies in individuals or to develop skills to align with organisational goals. Formative development views personal aspirations and goals as the starting point for discussion with management, assisting the individual to achieve self-fulfilment to achieve both individual as well as corporate goals (Ryan 1991). To summarise, according to Townley (1997), a summative system places the organisation's concern with control at the centre of the process, while a formative system sees organisational benefits emanating from the individual's commitment to and trust in the scheme.

1.4   Managing performance in organisations

The following reasons are given for the introduction of performance appraisal into organisations: to provide and receive adequate feedback regarding employees past performance; to communicate and discuss organisational, departmental and individual goals; to receive feedback from the employee regarding factors that aid and hinder performance on the job; to increase motivation; to foster productivity through appropriate reward mechanisms; to encourage employee growth, career development and progression; to provide a systematic basis for compensation, promotion, transfer, termination and training and development; to build a performance culture and to provide information for human resource planning; and to assist with succession planning (Longernecker & Gioia 1988; Mullins 1993; Bergmann, Scarpello & Hills 1998; Lawler 2003).

However, the inability of performance appraisal to motivate staff was identified in earlier research (Meyer, Kay & French, 1965; Pearce & Porter 1986). More recent research by Fletcher (2001) has shown that most UK organisations express dissatisfaction with their performance appraisal system, reflecting both a failure of PA to deliver valid performance ratings, but also a failure of the system to develop and motivate people. The lack of managerial skills and abilities in the performance review process is also often problematic (Lawler 1994) as is the lack of commitment to and acceptance of PA because of its perceived lack of fairness (Greenberg 1986; Brown, Hyatt & Benson 2010). It is these apparent contradictions regarding performance appraisal that led Grint (1993 p.64) to assert that 'rarely in the history of business [has] such a system promised so much and delivered so little'.

Despite many concerns, dislikes and dissatisfaction common to all performance appraisal systems to some degree (Grint 1993; Wiese & Buckley 1998) organisations have continued to use and develop these systems. While the term 'performance management' was first used by Beer and Ruh (1976), it was not until the late 1980s that PM became a recognised process (Armstrong & Baron 2005). These authors argue that such systems are identifiable by key characteristics including objectives communicated to all employees; departmental and organisational objectives linked to wider objectives; a formal review of progress towards these targets; identification in the review process of training, development and reward outcomes; evaluation of the whole process to improve effectiveness; and use of formal appraisal processes to communicate performance requirements (Armstrong & Baron 2005 p.7).

Research undertaken by Simmons (2002) into the introduction of performance appraisal into UK universities found that while there was significant evidence that such systems are less appropriate for knowledge-based organisations, failure by critics to provide an alternative mechanism to measure performance means they are not going away. Simmons (2002) suggests a stakeholder synthesis approach as a way of developing a robust and equitable performance management system.

Writing about performance management in Australian universities, Lonsdale (1998 p. 318) notes the evolution of both performance appraisal and performance management,

through successive generations. Looking forward, he argues that 'management *of* quality', will need to be replaced by 'management *for* quality' and this involves 'management *for* performance'. The many concerns raised about PM is perhaps best summarised by Compton (2005 p, 47): 'There has been an enormous amount of research conducted on performance management, making it one of the most praised, criticised and debated human resource practices'.

1.5   Research setting

1.5.1   Introduction of performance appraisal into Australian universities

Performance appraisal was formally introduced into Australian universities in 1988 under an Industrial Award of the Commonwealth Conciliation and Arbitration Commission (CCAC), which later became the Australian Industrial Relations Commission (AIRC). As part of this Award, salary increases were conditional upon the introduction of a performance appraisal system. 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). In 1990, as a consequence of this debate, the AIRC mandated that performance appraisal, for developmental purposes, should be 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 and often obscures the different ideologies and intentions guiding the two approaches'.

A national conference on Academic Staff Appraisal and Performance Management was held in 1991 under the auspices of Curtin University and Deakin University. The conference sought to develop and introduce an approach to performance management that, '… is sensitive to and compatible with the nature of academic work and academic organisations' (Abbott & Lonsdale 1991 p.1). A number of key issues emerged from this conference including the acknowledgement of competing interests. On the one hand, there were those attempting to impose a managerialist (controlling) system on academia and on the other, those who sought to impose a developmentalist framework. In

addition, conference participants identified the need to balance the question of accountability to the institution or government with the need to be accountable to students, colleagues and the discipline. Finally, conference participants identified the role leadership would play and the importance of providing sufficient resources for all staff involved in the process. Failure to do this, according to Abbott and Lonsdale (1991), would not only rob staff of motivation but also undermine the system's credibility.

Another interesting feature of this conference was the concern raised about the use of the term, 'performance management'. It was felt that any attempt to 'manage' academics ran counter to the nature of academic organisations. The term 'can imply a directive or managerialist approach to staff management' (Abbott & Lonsdale 1991 p.9). The conference delegates did not like the terms 'staff (or performance) assessment', 'appraisal' and 'evaluation' either because it was perceived they all contained threatening overtones. If 'performance management' was to be used in future it was felt it needed a definition that reflected the nature of academic enterprises. Agreement however was reached on national guidelines for staff appraisal schemes and the conduct of a two-year trial in all Australian universities (Lonsdale 1998). Paget, Baldwin, Hore and Kermond (1992) conducted the trial, on behalf of the Department of Employment Education and Training, to monitor the implementation of staff appraisal procedures for academic staff in higher education institutions, as required under the Second Tier Agreement, and subsequent Award and amendments. Paget et al's (1992) study also considered views on the kinds of training required for the efficient administration and operation of appraisal systems. Key findings (Paget et al. 1992) from the report, gathered from academic staff across a range of institutions and disciplines, indicated both unevenness in the understanding of the purposes and requirements of academic staff appraisal. In addition, there was tremendous variation in the ways staff appraisal was implemented at some institutions. The report found that the dramatic changes that had impacted upon the higher education sector had, in many cases, confused the issue of performance appraisal. Paget et al. (1992, p. v) concluded:

> …quite different appraisal procedures are required for the two purposes
> and that every attempt should be made to maintain a separation between
> these. We conclude that the use of appraisal in a supportive and
> diagnostic manner to provide feedback and guide development is more

effective in enhancing the motivation and performance of the general body of academic work. Appraisal on its own is unlikely to achieve the benefits sought by institutions...The successful use of appraisal may also require institutions to modify other staffing policies and procedures and leadership and management practices.

The national steering committee on Staff Appraisal for Developmental Purposes (Rothwell & Crook, 1995) recommended performance appraisal for academic staff be used for ongoing improvement of staff. Such improvement would come about by identifying developmental needs of staff. The committee also found that in most institutions there was no evidence of performance improvement in either the individual or the organisation as a result of performance appraisal.

Two consistent themes that emerged from the literature and from these conferences and reports were first, the importance of recognising or identifying the purpose of performance appraisal, and second, the conflict between the summative (or controlling) perspective of performance appraisal and the formative (or developmental) approach.

There were a number of additional reports into the management of universities in Australia during the 1990s. Warren-Piper's (1993) report on quality management in universities also included specific comments on academic staff appraisal, and later resulted in the 1995 report on Quality Assurance in Higher Education. The Higher Education Management Review Committee (Hoare 1995) and the Review of Higher Education Financing and Policy (West 1998) both emphasised the urgent need for change at both the systems and organisational levels.

1.5.2 Environmental factors impacting academia

Global pressure during the 1980s had forced the federal government in Australia to consider major economic restructuring. In particular, higher education was targeted as a major driver of change (Buchanan, Gordon & Shuck 2008). Since the mid 1980s successive governments have implemented a raft of policy changes to higher education, all designed to make higher education more accountable (Long 2010).

The Dawkins' reforms of the 1990s introduced major changes to higher education.

These included the abolition of the binary system by mergers of colleges of advanced education and universities; the removal of free education and implementation of a user pays system; targeted research funding that aligned with government priorities; and major changes to staffing aimed at increasing flexibility and accountability (Long 2010). During the same period the Australian Government decentralised the industrial relations system through a range of measures including the introduction of a two-tier wage system (1986/1987), award restructuring (1987–1991) and enterprise bargaining (1991 onwards) (Bray, Deery, Walsh & Waring 2005 p.115). This was the environment in which performance appraisal for academics was implemented.

Since 1996 university Enterprise Bargaining Agreements (EBAs) have been negotiated collectively at the local level by the National Tertiary Education Union (NTEU). This new industrial environment has meant that universities could determine their own form of performance appraisal system, which can vary considerably between universities and may include, for the first time, some form of performance-based pay (Morris, Stanton and Young, 2007a).

The election of the Liberal/National Coalition Government in 1996 resulted in an even greater move to make academia responsive to government needs. Under Prime Minister John Howard's leadership the move towards corporate governance of universities was pushed to new heights (Quiddington, 2008). Unlike its predecessor this government 'saw the universities, not as a site of national investment in educational, research and cultural capacity, but as a political problem to be controlled' (Marginson 2008 p.5). Such control was evident in the raft of legislation evident between 1997 and 2007, directly aimed at higher education, as well as nearly 100 separate reporting functions administrators had to comply with (Quiddington 2008). Quiddington (2008) argues that the effects of these compliance requirements resulted in duplication, and often conflicting requirements which resulted in declining morale and falling standards in higher education.

The introduction in 2003 of the Higher Education Workplace Relations Requirements (HEWRR) was one such control mechanism that sought to link aspects of university funding to compliance with government directives, most notably in enterprise bargaining matters (McAlpine & Roberts 2003). In April 2005 Ministers Nelson and

Abbott jointly announced an amended HEWRR under the Commonwealth Grant's Scheme. In order to be eligible for grants all higher education providers had to ensure that workplace agreements as well as policies and procedures complied with the HEWRR's (den Hollander 2005). Brendan Nelson's period as Minister for Education in the Howard Government was viewed by many as one of '*political meddling and restrictions to academic freedom*' (Quiddington 2008 p.40).

Marginson (2008) acknowledges that the Howard Coalition Government inherited the educational policy framework instituted by the previous Labor Government. However, such policies, he contends, were taken to extremes and reworked to suit the political agenda of the Coalition Government (Marginson 2008). As a consequence, successive fiscal decisions during Howard's years resulted in a sharp deterioration in funding levels and teaching and research capabilities in Australia, compared to most OECD countries, forcing universities to consider alternative means to generate income (Marginson 2008; Kayrooz & Parker 2010).

When Labor regained office in 2007 they removed many of the Coalition Government's educational initiatives, including the HEWRR scheme. Marginson (2008) contends that the pre-election promises of the Labor Party were not underpinned by specific promises to higher education. Consequently, he argues, when returned to office, the Rudd Labor Government was not encumbered by 'promises frozen in time' and therefore had the luxury of reflecting on higher education policy direction (Marginson 2008). Reddon (2008 p. 23) also notes that the new government had the opportunity 'to avoid sweating its human assets any further through ever more elaborate performance management.' The introduction of the Research Activity Index (RAI) designed to measure research activity of staff over a three-year period, and Excellence in Research for Australia (ERA), developed to assess research quality in Australia, demonstrates otherwise.

According to Kayrooz and Parker (2010), Kevin Rudd promised an 'education revolution' but despite good intentions, hurried and uncoordinated consultation and implementation as well as conflicting agendas and confused objectives resulted in a lost opportunity to significantly advance the education sector. What started off in the 1990s as processes for enhancing the development of academics would now appear to have become processes for evaluating performance (Buchanan, Gordon & Schunk 2008).

1.6   Significance of research

Changes in the Australian university environment in recent times, have had 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 of academics. The research that exists primarily examines the phenomena from a governmental perspective. This thesis focuses on the impact that such processes have on the employee, namely the academic. In so doing it investigates how universities implement their PM system from a strategic and operational perspective.

This topic is important because performance appraisal was imposed in to what has historically been a collegial environment where performance was measured by a process of academic review by groups of peers engaging in intellectual debate, rather than by quantifiable measurements.   Performance appraisal in Australian universities has evolved to become part of a wider approach to integrating human resources, namely performance management (Fletcher 2001). It has now been more than 20 years since the Australian Industrial Relations Commission (AIRC) signed off on the introduction of performance appraisal in to academia. Much has happened in universities since that time yet there has been little research into how universities manage the performance of their staff. More importantly perhaps, the voice of substantial numbers of Australian academics has not been heard in relation to their performance management. This thesis addresses this void.

1.7   Method of Inquiry

1.7.1 Aim

The aim of this research is to explore the development, implementation and impact of performance management systems on Australian academics.

1.7.2   Objectives

This research has a number of objectives:

1. To identify the history, environmental context and key drivers of the introduction of performance management into Australian universities.
2. To examine the key features of performance management in industrial agreements in Australian universities.
3. To explore the perception of Australian academics regarding their experiences of performance management in their university.
4. To analyse the impact of performance management in Australian universities.

1.7.3   Method

This research takes a mixed method approach. The first objective was best addressed by interviewing key informants. In this instance representatives of the principle stakeholders, namely the National Tertiary Education Union (NTEU) representing academics, and the Australian Higher Education Industry Association (AHEIA) representing university management, were interviewed to provide the historical and current perspective on the introduction of performance appraisal for academics.

The second objective required an analysis of enterprise bargaining agreements. Recommendation 12 of the Hoare Report (1995) specifies what the aims of any performance management system should be in universities. A content analysis of the performance management section of all Australian universities enterprise bargaining agreements, using Recommendation 12 of the Hoare Report (1995), as the framework of analysis, provided insight into the aim or purpose of performance management systems in Australian universities. Objectives three and four were best addressed via a survey given to a purposive sample of academics.

1.7.4   Scope and Limitations

This research examines performance management of Australian academics only. The study uses documents and key informant interviews to provide insight into the development of performance management of academics. It then examines the views of a sample of academics to ascertain if the espoused views of their university in relation to

their performance management system, matches the lived experiences of those who are the focus of that system, namely the academics. In so doing the research is limited in the following ways. The number of key informant interviewees is not large (six). Of those six, four are NTEU informants and the remaining two management representatives. Ameliorating the small numbers however is the fact that those interviewed were privy to or part of the introduction of performance appraisals into higher education and, as such were able to provide critical historical as well as current insight into its introduction and implementation.

The decision to analyse the Enterprise Bargaining Agreement (EBA) documents was to provide insight into how universities perceived and managed their performance management systems with the aim being to identify similarities and differences across universities. However, Government legislation in the form of the Higher Education Workplace Relations Requirements (HEWRR) mandated that if universities did not include a section on performance management in their EBA, then they would be ineligible for some targeted funding. As a consequence some universities may have inserted a section on PM simply to comply with the regulations rather than to demonstrate commitment to the concept. This may weaken the relevance of examining the EBA's as a means of determining strategic intent.

In addition, analysis of the Enterprise Bargaining Agreements of all 37 universities was limited to the EBAs for the period 2006-2008. The research extended over many years, with the survey of academics not being conducted until late 2009. As a consequence it is possible that the academics surveyed were then under the banner of the next EBA, which may or may not have varied from the previous iteration.

The aim of this research is to explore the development, implementation and impact of performance management systems on Australian academics. It is not within the scope of this research to survey all Australian academics; numbers are too prohibitive. As a consequence it was decided to identify a purposive sample of academics to survey. Academics were chosen from Business and Law faculties and this could be seen to be a limitation because they may have a better understanding of the concept of performance management than academics in other faculties. As a consequence different results may have been obtained if academics from another faculty were chosen. While making

generalisations across the cohort based on a purposive sample could be questioned, purposive sampling has been shown to mirror the profile of the larger population (Babbie 2009).

1.8 Thesis structure

This chapter provides an outline of the introduction of performance management systems into Australian universities. It then proceeds to examine the discourse surrounding nomenclature issues regarding performance management and also addresses two key concepts of performance assessment, namely formative and summative appraisal. The chapter moves on to discuss the research setting before addressing the significance of the research and the method of inquiry. It concludes with the scope and limitations of the study. In so doing, it has demonstrated the importance of investigating how universities manage the performance of academics and perhaps more importantly, how this has impacted on academics.

Chapter Two engages with the literature and begins with an overview of the theory surrounding HRM and performance. It then addresses the history of performance appraisal and performance management, the criticisms leveled at both processes and finally examines the characteristics of successful systems. Chapter Three takes an applied approach to the literature by examining performance management in knowledge-based organisations both in Australia and overseas. Chapter Four describes the research methodology, research design, procedures used for data gathering and analysis as well as methodological limitations. Chapter Five reports on key informant interviews held with representatives of the National Tertiary Education Union (NTEU) representing the academics and the Australian Higher Education Industrial Association (AHEIA), which is the employer association for the higher education sector, and with a current Human Resources Director. This chapter highlights a range of key aspects related to performance management of academics, the substance of which was subsequently used, along with the literature review, to develop a survey that was sent to a purposive sample of academics.

Chapter Six explores similarities and differences in university Enterprise Bargaining Agreements using recommendations from the Hoare Report (1995) as an analytical framework. Using this framework, universities were categorised as being either 'formative' or 'summative' in their approach to performance management. From these two groups, a purposive sample of academics was selected. These academics were invited to respond to an online survey, the results of which form the bases for Chapters Seven and Eight. Chapter Seven explores academics' views on performance management while Chapter Eight analyses performance reviews in the universities sampled. Chapter Nine provides a discussion, concludes the research, addresses the research questions and identifies areas of further research.

Chapter 2

Performance Management within a Human Resource Management Framework

2.1   Introduction

Chapter One located this research within its economic and political context in Australia. In addition, it identified the paucity of empirical data in the area of performance management of academics and, as such, provided the rationale for this research. In so doing it raised a number of questions and objectives that are the focus of this study. The chapter provided a brief overview of the concepts of performance appraisal and performance management and the introduction of performance appraisal into Australian universities. The final section of Chapter One identified the aim and objectives of the research and the thesis structure.

Chapter Two reviews the literature surrounding both performance appraisal and performance management from a theoretical perspective while Chapter Three does so from an applied perspective. This chapter has four sections following the introduction. Section 2.2 engages with the theory surrounding the relationship between HRM and performance, including the criticism that causal links have not been established. Section 2.3 provides an historical overview of the evolution of PA through to PM.

Section 2.4 critiques performance appraisal and performance management, and considers its use as a control mechanism; and section 2.5 concludes this chapter by reviewing the characteristics that make up successful performance management systems.

2.2 Human resource management and performance

2.2.1 HRM – Control or Commitment

The emergence of HRM during the 1980's saw the personnel function change from one that was primarily a 'housekeeping role' (Dunphy 1987) to one that has become a core activity in most organisations (Guest 2008). Trying to map the development of HRM

however is problematic 'given the troublesome intellectual terrain that HRM occupies' (Boxall 1999 p.73). One way of reviewing the development of HRM is through the use of three broad categories of general-level HRM; descriptive, prescriptive (or normative) and strategic (Guest 1997, Cakar, Bititici & MacBryde 2003, McKenna & Beech 2008). However even this broad categorisation is not without confusion as different authors attribute different classifications to the same HRM models (Cakar, Bititic & MacBryde 2003).

Two distinctive approaches to HRM emerged in the 1980's; the Michigan approach (Fombrun et al. 1984) and the Harvard approach (Beer et al. 1984). The Michigan approach, often referred to as the 'hard' HRM model, perceives workers as a passive resource to be managed and controlled using a rational, quantitative approach to ensure the workforce meets organisational goals (Legge 1995). The Harvard approach is premised on the belief that stakeholder interests should be considered when making organizational decisions (Beer et al. 1984). Commonly referred to as the 'soft' HRM model it seeks to recognize the uniqueness of the human resource and the value in nurturing that resource by encouraging employee development and participation. By so doing, organisations will gain commitment from employees and unions because of their involvement in the process (Beer et al. 1984). Workers will be motivated to perform tasks they have had some input into and through participation, organisations will enhance employee commitment. The results will be individual well-being, organizational effectiveness and societal well-being (Beer et al. 1984).

Guest (1997) argues that the Harvard model (Beer et al. 1984) fits within the 'descriptive' categorisation as it attempts to capture the broad field and show key interrelationships. Others however (McKenna & Beech 2008, Paauwe & Boon 2009), locate the same model within the strategic category arguing that it considers organisational strategy as a key element in the model.

The normative or prescriptive approach assumes that there is sufficient evidence to provide a basis for prescribing best practice or that a set of values indicates best practice (Guest, 1997). Walton's (1985) high commitment and control model fits within this area as does Pfeffer's (1994, 1995) work which Pfeffer argues, identifies specific HRM practices that impact directly on performance. This normative or prescriptive approach

to HRM, however, is not without its critics. Pfeffer's work has been much criticised in the literature not the least because of the failure of Pfeffer (1994, 1995) to specify how, exactly, the HR practices impact on performance (Marchington & Grugulis 2000). Taking a more holistic approach to the normative model, Guest (1997) suggests that by focusing solely on internal characteristics while ignoring environmental factors and strategic approaches and then implying 'one best way' is risky (Guest 2007).

Within the 'strategic' categorisation there are many different conceptualisations of strategy. The traditional approach to strategic human resource management (SHRM) is exemplified by the work of the Michigan School (Fombrun et al. 1984). Focussing on the functional level of HRM, Fombrun et al. (1984) argue for synergy between organisational strategy, structure and HRM policies. A basic premise underlying strategic HRM is that there is an important link between organisational strategy and HRM practices (Paauwe and Boon 2009). The concept of strategic fit emerged to describe this process. Using the work of many of the classical strategy typologies of, for example, Miles and Snow (1978) and Porter (1985) a number of writers set about testing strategic fit. Examples of this research include Youndt et al. 1996 and Schuler and Jackson 1987, the latter of whom were one of the first to link strategy with HRM policies (Paauwe and Boon 2009).

There is however limited empirical support for the concept of organisational 'fit', unlike the 'best practice' approach (Huselid 1995, Delery & Doty 1996). This is somewhat surprising given the apparent logic in the arguments that underpin 'best-fit'. Reasons for this however may be attributable to the measurement instruments used to test 'best-fit' (Paauwe & Boon 2009). When discussing best practice HRM models, the term High Performance Work Systems (HPWS) is often used (Boxall & Purcell, 2011). HPWS involve reforms to work practices that increase employee involvement in decision-making, the development of employee skills and the provision of incentives to ensure workers are prepared to undertake greater responsibility (Applebaum et al. 2000).

Human resource management has evolved to the point where it is assumed that it will result in better utilisation of human resources congruent to organisational strategy and in turn, this will result in improved organisational effectiveness and productivity (De Cieri et al. 2007). An examination of this assumption is now warranted.

2.2.2 HRM and performance links

Since the 1990's there has been considerable growth in theory and research about human resource management and its impact on performance (Guest & Bryson 2008, Guest 2011). However such research has been fraught with contradictions, conceptual differences, definitional problems and perceptual problems (Nankervis & Stanton 2010). Paauwe and Boselie (2008) claim that there is no consensus on the nature of HRM, nor is there a 'fixed list' of what constitutes HRM practices (Boselie et al 2005) thereby making it difficult to obtain consistent evidence. Organisational characteristics, according to Arthur (1994) play an integral role in determining the focus of HR policies and procedures. Arthur (1994) argues that Strategic Human Resource Management (SHRM) often referred to as the 'hard' approach to managing human resources, differs from Human Resource Management (HRM) in that the latter focuses on the effects of separate human resource activities on the individual; a 'soft' approach. SHRM Arthur (1994) argues, takes a macro view by exploring the impact of specific organisational configurations of human resource activities on organisational level performance outcomes.

The dilemma for organisations however is marrying the needs of both the 'hard' and 'soft approaches. For example elements of 'hard' HRM can be seen in the use of performance appraisal processes where output is linked to punishment or reward. This does not fit easily with the 'soft' elements of HRM that seek to develop the individual. Such apparent contradictions emerge because of the difference in the assumptions that underpin 'soft' HRM and 'hard' HRM in relation to how to manage and motivate employees (McKenna and Beech 2008).

This conundrum was drawn together by the work of Arthur (1994) who applied Walton's (1985) commitment and control strategies to HRM. Arthur (1994) proposes a taxonomy of human resource systems, based on the characteristics and functions they serve, namely control systems and commitment systems. Control systems are about reducing labour costs or improving efficiency and basing rewards on measurable outcomes. Commitment systems are characterised by high levels of employee involvement in decision making, participation, training in group problem solving and socialising activities. While Arthur's (1994) research was limited to manufacturing mills

his findings did show links between the type of strategy chosen, performance and turnover. This suggests the relevance of both developing employees and engaging them in the decision making process, to facilitate organizational success (Boselie et al 2009). Paralleling the work of Arthur (1994) Lepak and Snell (2002) also found that differences in the approach to managing staff would be reflected in the HR configurations used to manage employees.

Just as there appears to be no consensus on what constitutes HRM, so too the definition of performance management (PM) is equally problematic. Nankervis and Stanton (2010) argue that problems occur because PM can refer to both the outcome of the individual performance or the effective measure of other functions such as job design, staffing, rewarding and termination. The reason they suggest for such confusion is because there is a lack of empirical studies to support or refute the links between individual and organisational performance.

While Nankervis and Stanton (2010) acknowledge the links between PM theory and practice and PM and effectiveness are contentious, they do recognise that there has been evidence to show the link between HRM practices and organisational performance in the form of High Performance Work Systems or High Commitment Work Systems. In attempting to further the debate on the HRM - performance links, Macky and Boxall (2007) note the 'burgeoning literature' on the way that HRM might lead to improved organisational performance through the use of HPWS and the like. A common thread running through this literature Macky and Boxall (2007) contend, is the use of 'complementary' HR practices that form a coherent, integrated bundle and an assumed underlying causal link between HR practices and organisational performance via employee output. MacDuffie's (1995) research supported the hypothesis that both high involvement management and supporting motivational HRM practices are associated with superior performance (Wood, 2009).

Even though the concept of HPWS appears to have gained traction with many researchers there are those who criticise it on two accounts. First, they criticise the failure of HPWS to address the 'black box' issues ie what the chain of links are from HR policies to the desire organisational output (Boxall & Purcell 2011). Although HPWS have demonstrated evidence of the link between HR practices and improved

organisational performance (Huselid, 1995, Boxall & Macky 2007) failure to explore which systems, processes or practices actually result in improved performance leaves HPWS open to criticism (Nankervis & Stanton 2010). Guest (2001) also notes the failure within the literature to identify the specific HRM practices that may influence HPWS. It is not the presence, or otherwise of specific HR practices, he argues, but the distinctive approach taken to each process, that are the high performance work practices.

The second criticism levelled at HPWS is the failure to consider the mediating effects that employee perception might have on our understanding of the impact of HPWS on organisational performance (Ramsay et al. 2000, Macky & Boxall 2007). What started as a ripple in the literature calling for greater emphasis to be placed on the role that employee perceptions play in the HRM/performance area (Vandenberg et al. 1999, Guest 2001, Wright & Boswell, 2002) has evolved to the point where Boxall and Purcell (2011, p. 244) note that, '*virtually all scholars who specify a causal chain between HR policies and organisational performance see employee attitudes and behaviour as the fulcrum or critical linking mechanism.*' In so doing the research has now reached a point where, as Stanton and Nankervis (2011, p. 69) argue, ' *the management of individual performance and their combined contributions to overall effectiveness, has become arguably the most important contemporary HRM function in all organisations.*' While organisations might embrace the concept of 'high commitment' work practices, Greenwood (2002) notes the potential of it being a double edge sword with workers being offered something that is 'a wolf in sheep's clothing' and as Legge (1995) contends, even if the rhetoric of HRM is 'soft' the reality is almost always 'hard'.

Despite the developments in the HRM - performance links in the last twenty years, Guest (2001) invokes the reader to 'not get too excited' because of the raft of organisational influences that have the potential to influence productivity. Whilst acknowledging that the measurement of HR practices is one of the most difficult methodological issues facing researchers (Guest 2001), he does argue for better theorising about the size of the HRM impact on performance (Guest 2011). In addition, he calls for multiple sources of information to be used to determine the effectiveness of HR practices, in particular the views of the workers. Given that the intended impact of HRM is on the workers and they are the closest to the point on implementation, then, Guest (2011) argues, their voices demand greater credibility. In summarising however

he paints a less than optimistic picture when he asserts that, '*after hundreds of research studies we are still in no position to assert with any confidence that good HRM has an impact on organisational performance*' (Guest 2011 p10).

2.3 From performance appraisal to performance management: An historical perspective

Assessing the performance of workers can be traced back to the Wei dynasty (221–265 AD) (Murphy & Cleveland 1995). Historically, performance appraisal was simple both in the way it was calculated and applied and, according to Wiese and Buckley (1998), was designed to do little more than account for the time, resources and effort expended by employees in the production of output. While performance appraisal was used mainly for administrative purposes, as Whisler and Harper (1962) argue, administrative decisions were often made independently of performance appraisal systems. What started as simple, often informal systems have, over time, been replaced by more formal and complex ones (Wiese & Buckley, 1998).

The vast majority of research into Performance Appraisal (PA) and Performance Management (PM) emanates from developed countries, mostly from the USA and some from Western Europe, in particular the UK (Fletcher 2001). The first formal monitoring systems in the UK were undertaken in the 1950s (Houldsworth & Burkinshaw 2008). These were known as Merit Ratings systems and were strongly criticised because of their Tayloristic underpinnings and their subjectivity. Many US organisations also used PA in the 1950s, but again, recognition of their limitations led to the development of new forms of appraisal, based on management by objectives (Wiese & Buckley, 1998). Management by objectives (MBO) was an attempt to link organisational strategy with the manager's role which in turn contributed to both the organisation and manager's development (Houldsworth & Burkinshaw 2008). MBO however, 'came and went' during the 1960s and 1970s (Armstrong & Baron, 2005), to be replaced by results-oriented performance appraisal systems. Meanwhile, in Japan, Deming's philosophies of quality management largely underpinned their performance systems (Sink & Tuttle 1989).

Between the 1950s and 1980s the research focus began considering the cognitive aspects of how raters assess their subordinates (Arvey & Murphy 1998). While the next 15 years saw an explosion in research in the area of information processing in performance appraisal (Arvey & Murphy 1998), there was considerable debate about how such research assisted our understanding about what was happening in the workplace (De Nisi 1997). The 1980's also witnessed the growth of theory and research into the relationship between HRM and practice (Guest 2011). Researchers began to discuss the concept of 'hard' and 'soft' HRM practices (Guest 1987). The main difference between the two approaches was 'whether or not the emphasis was placed on the human or the resource' (Truss et al. 1997 p. 54): 'Soft' HRM practices involve controlling individuals through commitment, flexibility and ongoing communication (Truss et al. 1997) with employees seen as being proactive and capable and worthy of development (Kaye 1999). Performance is managed through commitment to the organisation in the 'soft' model resulting in improved work output. Such commitment comes about when employees are trusted, trained and developed and allowed control over their work (Guest 1987).

The 'hard' HRM model takes an instrumentalist approach to managing human resources (Legge 1995) and uses quantitative measures to align individuals work with the strategic objectives of the organisation (Truss et al. 1997). This model focuses on control through performance measures aligned to the strategic direction of the organisation (Truss et al. 1997). In so doing, employees are seen as variable input, a cost to be minimised (Kaye 1999). What emerged during this period was a range of articles that that provided semi-prescriptive analytical frameworks that seemed to prove the link between HRM and performance (Guest 2011).

The 1990s saw research move away from the limited psychometric approaches of the PA process, popular in the 1980s, towards examining the social and motivational aspects associated with managing performance (Fletcher 2001). In the UK there was a shift from performance appraisal towards performance management. Such an approach, according to Houldsworth and Burkinshaw (2008), was one that emphasised the role and relationship of the supervisor and the employee, and the negotiation of responsibilities and targets and this mirrors the growth of Strategic Human Resource Management.

In 1995 the Hay Group produced a practitioner-based framework for understanding the evolution of performance management. At its most simplistic, it shows performance management as a once-a-year event with little impact on the organisation. At its most sophisticated, the model shows performance management perceived as a major integrative force where job design, organisational priorities, training and development and reward systems are linked, and performance management is seen as a driver and reinforcer of organisational change (Houldsworth and Burkinshaw 2008, pp. 72–4).

The growing pressure of globalisation in the 1990s saw organisations embrace objectives of efficiency and effectiveness. This environment was ripe for the growth of performance management in organisations (Fletcher 2001; Houldsworth & Burkinshaw 2008). The increasing competitive environment in many countries led organisations to transform themselves into ones that focused on greater efficiency, changing work patterns and different ways to manage staff (Fletcher 2001). To this end, organisations downsized, delayered and devolved organisational responsibility to line managers and teams within the workplace. This devolution of responsibility, according to Smith and Goodard (2008), necessitated an increased need for conscious surveillance of work units that were relatively autonomous within the organisation. Thus, they argue, it is not surprising that performance management has been implemented into organisations as a mechanism to monitor and control what is happening in the workplace.

Lonsdale (1998) argues that for PM to be relevant to the management and development of quality in the 21st century, organisations need to consider how they are managed and led, and focus on nurturing teams rather than managing individual differences. This belief was supported by Nankervis and Compton's study (2006) that identified future trends in performance management as embracing BSC (balanced scorecard) and 360-degree (or multi-rater) appraisal. In addition, they indicated upward appraisal, team appraisal and appraisal training were likely to increase.

By the end of the 20th century, virtually every organisation of a moderate size, had a formal employee performance evaluation system with performance appraisal playing a different role in each performance management system (Ivancevich 2001). Performance appraisal, once associated with a basic process involving an annual report on a subordinates performance, had now become a general term for a range of activities that

organisations undertake in order to assess employees, develop their skills and distribute rewards (Fletcher 2001).

By the late 1990s, according to Armstrong and Baron (1998), performance management systems were shifting away from those that measured quantifiable objectives and outcomes to stronger developmental focus. However, this view is contradicted by Pollitt (2006) and Houldsworth and Burkinshaw (2008) who suggest that the pendulum has swung away from performance management systems with a developmental focus to systems that integrated metrics as part of their system. Performance **measurement** according to Pollitt (2006), has become almost universal in northwest Europe, while in his view, performance management is still evolving. Holloway (2002) suggests this may be explained, in part, by the tendency of Western economies to adopt new approaches to performance measurement, even before they have the opportunity to fully evaluate old approaches.

While acknowledging the growth of the metric-based view of performance, Houldsworth and Burkinshaw (2008, p. 41) believe that PM is no longer located in the '*quasi-scientific measurement and control paradigm*' but is instead moving towards the 'softer' systems. They contend that, in order to be effective, such management requires that PM systems that encourage staff through the use of incentives and other reward devices. These incentives, Houldsworth and Burkinshaw (2008) argue, are identified in advance, observable and transparent and linked to measured performance with a reward that depends on outcomes

Thorpe and Holloway (2008 p. 10) discuss the importance of designing a holistic PM system which '*...links strategy formulation, performance measurement tools and information and [where] "second-order" feedback is demonstrated.*'   Many reasons are proffered as to why performance *measurement* has become topical including the changing nature of work, increased competition, national and international quality awards, changing external demands and the power of information technology (Neely 1999).

For those who might simplistically suggest the use of a 'bottom line' approach to measure the success of performance, Neely (1999) offers considerable evidence that this

too is not infallible. He suggests that traditional financial measures can be criticised because they encourage 'short termism' (Hayes & Abernathy 1980); they encourage managers to minimise the variances from standard practice, rather than seek to continually improve (Turney & Anderson, 1989); they fail to provide information on what customers want and how competitors are performing (Kaplan & Norton 1992); and they are historically focused and rarely integrated with one another or aligned to the business process (Lynch & Cross 1991). Neely (1999) adds that performance measures are often poorly defined and managers can suffer from data overload. Such a focus on performance measurement demonstrates not only the link to 'hard' HRM practices (Houldsworth & Burkinshaw 2008), but as Corvellec (2000) argues, is also short-sighted. In order to gain a good understanding of performance, Jackall (1988) contends an examination of both process and outcomes is required. Despite all the difficulties identified and arguments put forward, since the late 1980s interest in measuring performance has grown exponentially (Neely 1999).

2.4   Critique of performance appraisal and performance management

2.4.1   Criticism of performance appraisal

Despite the widespread use of performance appraisal today it is not without its critics, with the acclaimed benefits and operation of PA having been widely questioned by managers and employees alike on both empirical and theoretical grounds (Grint 1993; Williams 1998; Fletcher 2001). In terms of employees, Newton and Findlay (1996), found that PA rarely benefits individual employees, primarily because it is predominantly concerned with surveillance and control, and is perceived as such by employees, resulting in a dampening effect on morale and performance. These views are supported by Townley (1990, 1992), Winstanley and Stuart-Smith (1996) and Scholtes (1999), while Viljoen and Dann (2000) concur, arguing that the appraisal of performance has now evolved to become a sophisticated control mechanism by which management can exert their desires. The inability of performance appraisal to motivate staff was identified in early research (Meyer, Kay & French 1965; Pearce & Porter 1986). Part of the reason for the failure to motivate staff may be, as Grint (1993)

suggests, because performance appraisal does not so much discover the truth about the appraised, as construct it.

Performance appraisal processes have also been widely criticised. Smither (1988) identifies a range of social biases in the conduct of PA. Women, for example, tended to receive lower ratings when appraised by men; common ethnicity between appraiser and appraised tended to lead to higher than usual scores for the latter; and older workers tended to score lower than younger workers regardless of performance. Swan (1991) also notes common errors in the operation of performance appraisal such as inadequately defined measurement standards, inadequately trained appraisers, inadequate performance documentation and inadequate time for discussion. Others (Somerick 1993; Kluger & De Nisi 1996) identify the lack of employee involvement in the process, and inconsistency in and lack of feedback as major weaknesses. Additionally the complexity and difficulty in assessing the ability of another requires skills many managers do not have. As a consequence the original intent of appraisal, to assess outcomes of performance, has failed and been replaced by management of the 'impression' of effective organisational policies and processes including performance appraisal (Bowles & Coates 1993).

Gaining the commitment of line managers to engage in performance appraisal, and getting them to do it well, has been identified as a problem in a number of empirical studies. Coens and Jenkins (2000) identified that PA was used in 80% of workplaces in the US, however 90% of both appraisers and appraisees were dissatisfied with the process. In the UK, similar research found that 90% of human resource executives said they would modify, totally revise, or eliminate current performance processes due to lack of success with the systems (Institute of Personnel Management 1992). In their research of HRM professionals in Australia, Nankervis and Compton (2006) found considerable change to the purpose, use and nature of performance management systems from their previous survey. In addition, satisfaction levels had also deteriorated since earlier studies, the training of system users had declined, and the involvement of employees in the review of their own and their team's performance was not well implemented.

Many of the criticisms levelled at PA stem from the complexities of the variables being assessed or subjective elements that confuse the assessment (Grint 1993). As a consequence, performance appraisal has come to be one of the most contentious and least popular HRM activities; managers do not like doing them, employees see little point in them, and HR managers see their work being devalued every time they are conducted (Bratton & Gold 1999).

At the strategic level, many of the failings attributable to performance appraisal come about because of management's failure to manage the system effectively (Khoury & Analoui 2004). Others have reported that performance appraisal is almost ineffective in achieving organisational goals, either because PA is rarely undertaken properly (Longenecker & Gioia 1988; Engelmann & Roesch 1996), is prone to misconstrue the truth about what is being appraised (Grint 1993), or is ineffective because the people concerned have to work together after the appraisal is completed (Bergmann, Scarpello & Hills 1998).

A number of writers have identified the political aspects of PA including the belief that it is a mechanism for justifying decisions already made (Grint 1993) and non-performance factors which influence managers assessment of staff (Tziner et al. 1986; Longenecker & Ludwig 1990). Smith & Goddard (2008 p. 120) are more forthright in arguing that, '*performance management is about organisational control with an established set of objectives.*' Milliman et al. (2002), in an exploratory study of performance appraisal across 10 countries, identified that the purpose of performance appraisal was not implemented as intended and that it varied considerably between nations. Research into cultural variables which influence performance behaviour is however limited (Fletcher & Perry 2001; Milliman et al. 2002), although Hahn and Stanton (2011) note that PM practices in Asian countries have similarities and differences that reflect cultural and contextual factors. The increasingly international nature of business, changing economic and cultural conditions, and the dynamic environment organisations operate within requires greater research into the possible effects of culture and performance appraisal (Fletcher 2001).

Criticisms of PA, based on theory, are just as damning. Equity Theory, for example, as applied to performance appraisal, focuses on the fairness of appraisal outcomes, whereby individuals compare what they do with what others do, and how the allocation of rewards is adjudicated. It suggests that if a discrepancy is perceived, whether real or imagined, then the individual concerned will adjust their behaviour to meet what is believed to be an appropriate level (Adams 1965). The inference in this type of observation is that there may be little relationship between employee behaviour and expected outcome of a given performance appraisal. Geary (1992) arguing along similar lines, suggests there is a fundamental ambiguity with appraisal and reward strategies, and this is the product of two competing utopias: the 'utopia of equality' and the 'utopia of equity'. The former is where there is equal pay for work of equal value, and the latter is where people are paid in accordance with their work effort and performance. Thus, by definition, inequality is an inevitable outcome of the pursuit of equity, and inequity is an inevitable outcome of the pursuit of equality (Geary 1992). Seen in this context, the aim of achieving 'fair' outcomes from performance appraisal systems would seem similarly utopian. Fairness in performance appraisal processes does matter (Brown & Benson 2003). Brown and Benson (2003) found that unfair procedures or unfair outcomes could lead to emotional exhaustion as employees strive to achieve higher ratings. Employee acceptance and support of performance has been shown to rest on the perception of staff regarding the fairness of the process (Cawley, Keeping & Levy 1998). Their acceptance of the process, or otherwise, is a major determinant of its effectiveness (Lawler 1994; Jawahar 2007).

Procedural Justice Theory looks at how the perception of individuals towards the fairness of managerial decisions is reached. Applied to performance appraisal, the theory suggests that individuals will perceive an outcome is fair if they have some input into the procedural elements of the process, and, conversely, unfair if this is not the case (Bergmann, Scarpello & Hills 1998). Kavanagh, Benson and Brown (2007) found that when control of the process is vested in participants, the more likely they will consider it fair. This is because if the individual has control of the process then that will result in outcomes favourable to the individual. They note that it is the use of particular practices within a PA system that enhances the perception of fairness. In earlier work, Brown and Benson (2003) suggest the organisation consider a range of techniques for promoting

employee performance, rather than PA, as the latter might not generate the desired outcomes for either party.

Gabris and Ihrke (2000) believe that, in particular, the perception of "procedural justice", i.e., the equity and transparency of the process, and "distributive justice", i.e., the fairness and appropriateness of reward and recognition, are often a source of discontent. Research undertaken by Greenberg (1986) identified two important determinants of distributive justice: 1. the relationship between performance and ratings and 2. the relationship between rating and subsequent management action. He cautioned that distributive factors should not get lost in the 'shadow of' procedural determinants of performance. Thus the effectiveness of a performance appraisal system may have more to do with participation practices than identifying objective means to improve employee productivity.

Implicit Contract Theory proposes that workers will be paid in accordance with their marginal contribution to productivity. In this regard it is assumed there are invariably differences in the productivity of different workers, and that pay and promotion prospects should vary accordingly (Bergmann, Scarpello & Hills 1998). Yet this is hardly a universal proposition; for example, measuring the productivity of certain sophisticated service professions is almost impossible to achieve with any certainty. In an environment that does not embrace 'pay for performance' the ability to differentiate contributions and reward accordingly works against the basic premises of implicit contract theory as this theory applies to PA (Bergmann, Scarpello & Hills 1998).

Multiplicity and diversity of objectives is, according to Collins (2000), the primary reason performance appraisal is as problematic as designing and implementing a system that meets so many objectives requires compromises that suboptimise functionality. In supporting this view Pollitt (1987) contends that those schemes that emphasise economy and efficiency may reduce the chances of achieving other goals such as those concerned with professional development and collegiality. Given these wide ranging empirical and theoretical criticisms, perhaps Grint (1993, p. 64) is understating the case when asserting performance appraisal in that '*rarely in the history of business has such a system promised so much and delivered so little*'.

2.4.2   Criticism of performance management

In many cases performance appraisal has evolved to become part of a wider approach to integrating human resource management strategies, namely performance management (Fletcher 2001). In this regard, Connell and Nolan (2004) define PM as a strategic approach to integrating human resource activities and business policies.   Hendry, Bradley and Perkins (1997) argue that the reason many organisations lack an holistic or comprehensive and integrative performance management system is because companies do not understand that performance management forms an integral part of strategic planning and implementation. While Compton (2005) sees an increasing strategic focus of performance management through the use of techniques, such as balanced scorecards, he warns that more research is required to determine their efficacy.

What research there is into performance management is increasingly being characterised by an applied focus but this can be problematic. Busi and Butitici (2006) suggest the difficulties are threefold: 1. such an approach requires an a priori knowledge base to support both the understanding of the research problem and its implications in context, 2. attaining such a knowledge base is difficult, given the varied nature of performance management and 3. its inter-disciplinary interest results is different. Despite these concerns, there is a strong body of evidence to suggest that PM is a crucial link between HRM systems and process and organisational strategic direction (Nankervis & Compton 2006).

Despite recent research suggesting that PM is a key component in high performance work practices (Appelbaum et al. 2000; Zacharatos, Barling & Iverson 2005) there are still many practitioners who are cynical about performance management processes (Nankervis & Compton 2006). In particular, their dissatisfaction often focuses on the application of the performance appraisal tool and the often judgemental process of performance review (Beer 1981; Parker 2003; Smith 2008). Part of this dissatisfaction may result from the lack of managerial skills, training and abilities of those involved in the performance review process (Lawler 1994, Stanton and Nankervis 2011).

Research by Fletcher (2001) shows that most UK organisations express dissatisfaction with their performance management systems, due to system failure to deliver valid

performance ratings and to develop and motivate people. In examining these two approaches, Fletcher (2001) questions whether organisations can accommodate these potentially opposing aims. Accordingly, the performance management 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.

The Australian Workplace Industrial Relations Survey (1995) reported that while performance appraisal is widely conducted in Australia, it is done so on the assumption that organisational benefits will outweigh the time, money and effort spent on implementation (Morehead et al. 1997). The report suggests that people persist with performance appraisal, despite a lack of evidence of its benefits to either the organisation or the individual. Meyer (2002) believes it is because of its apparent legitimacy as PA appears logical and makes sense. While performance management systems have been touted as the lever for maximising individual and team performance in organisations, Connell and Nolan (2004, p. 43) suggest PM may be no more than 'old wine in new bottles'. In examining two cases they found that the performance management systems operate in the same way as the 'old' performance appraisal. The reasons for this could be many. The culture of the organisation, management skills of the appraiser as well as the social and motivational aspects of performance appraisal, have all been cited as critical factors in the successful outcome of performance management (Nankervis & Leece 1997; Bradley & Ashkansay 2001; Fletcher 2001).

2.4.3   Performance management: Controlling or just misunderstood?

The decision by organisations to utilise performance management as a control function may be linked to economic factors (Nankervis & Leece 1997). Nankervis and Leece (1997) conclude that economic factors lead organisations to adopt a 'hard' HRM approach, that is, where employees are appraised via MBO, job competencies and rating scales. They compare this to the 'soft' approach of involving employees in the design and integration of PA schemes and with organisational level PM systems. Connell and Nolan (2004) noted that the failure of Australian managers to demonstrate 'soft skills' necessary to engage in consultation and participation meant it was unlikely Australian managers could provide the necessary or appropriate feedback to employees. This runs

counter to the view that PA could be replaced by ongoing feedback (Coens & Jenkins 2000; Bradley & Ashkansay 2001).

Simmons (2002) supports the view that contemporary performance management systems emphasise the 'control' aspect of appraisal by specifying the individual's performance against organisational objectives. Problems arise however when there is a lack of holistic, comprehensive and integrative approaches to PM systems (Marshall 2000). Consequently, considerable gaps have been identified between the rhetoric of organisations and actual managerial practice in relation to PM (Truss et al. 1997; Stavretis 2007; De Nahlik 2008). Armstrong and Baron (1998) attribute such gaps to the fact that the link between PA and effective PM systems has not been conclusively established. While De Nahlik (2008) supports the view that there is a disjunction between the practice and theory of performance management, she hypothesises that the simple process of implementing a PM system might result in more of a "Hawthorne Effect" than anything attributable to the implementation of the PM system.

Connell (2001) however suggests that employees want encouragement and freedom to get the work done and not be subject to control mechanisms. Houldsworth and Burkinshaw (2008, p.81) conclude that '...*the views on PM can be summarized in two ways: performance management is a good idea that doesn't work (practitioners and some academics) and performance management is a bad idea and doesn't work (academics).*' In support of these views, Houldsworth and Burkinshaw (2008) cite the work of Barlow (1989a), Townley (1993) and Kessler and Purcell (1992) who wrote on the controlling nature of PM and its reliance on compliance; Winstanley and Stuart-Smith (1996) refer to the 'policing' and enforcement nature of PM and Fowler (1990) see PA systems as being over systematised and bureaucratic. Deming (1982) describes metric rating or annual review as the 'third deadly disease' while Beer et al. (1984) identify the difficulty organisations have in implementing effective performance management systems, when they often serve different purposes with conflicting objectives. These may be some of the reasons as to why there is no consistent theme in the literature related to the success achieved with PM systems (Connell and Nolan 2004). However, Neely (1999) suggests that because little research has been completed on this topic there may be other factors that influence overall performance.

2.5. Characteristics of successful performance management systems

While there is much criticism levelled at both PA and PM systems, equally there is a large body of literature in support of these processes. Compton (2005, p. 47) contends there is widespread agreement that the success or failure of performance management depends on at least four things: 1. organisational philosophies, 2. attitudes and skills of those responsible for its implementation, 3. acceptance, commitment and ownership of appraisers and appraisees and 4. endorsement of notions of 'procedural fairness' and 'distributive justice'. The best systems, according to Nankervis and Compton (2006, p. 99) have '*strategic alignment, integration, consistency, equity and transparency and clear links between appraisal and salary review, HRD coaching and succession plans. Less attractive systems, either fail to reflect these qualities or provide inadequate communication, employee feedback, or appraiser training.*' Hughes and Sohler (1992, p. 42) citing the literature, recommend nine factors necessary for the design and implementation of successful performance systems (see Table 2.1).

Table 2.1 Factors for design and implementation of successful performance systems

- Visible institutional commitment to the program with success at performance management and appraisal built into the manager's or supervisor's own appraisal.
- Clear and simple objectives that have the support of all involved.
- Supervisors and employees directly involved in the design and maintenance of the program. The process must be two way and result in more open communication.
- The program should be linked to individual job descriptions or functions.
- Action recommendations should be clearly stated and implemented speedily and visibly.
- A link in the planning process to organisational needs should be established.
- Adequate training of managers.
- The program should visibly link to career development with managers taking an interest in career development issues.

Effective performance management systems, according to Davidson and Griffin (2003), should build upon current work units and practices, be evaluated regularly to ensure validation, and be used to assist with decisions regarding pay, promotion and training. In addition to which, Mullins (1993) contends, for any performance system to have credibility, it must have a strong ethical basis of representative information that is sufficient, relevant, honest and consistent.

An examination of the report on Performance Management of the Australian Public Service (APS) (MAC 2003) reveals many areas that are relevant to this research. An important finding was the identification of key elements of good practice in the design and implementation of effective performance management systems. In summary, those key elements are shown in Table 2.2.

Table 2.2 Key elements in effective Performance Management systems

- **Alignment** of PM with organisational goals, culture and nature of the business.
- **Credibility** of the system with staff as a result of transparency, fairness and simplicity, management commitment, addressing poor performance, and reducing the gap between rhetoric and reality.
- **Integration** of PM system with the overall corporate management structure of the organisation means there is a clear line of sight for staff between careful planning and with an adequate training component (MAC 2003, p. 6).

Using the framework in Table 2.2, the Australian National Audit Office (ANAO) in 2004/5 also conducted an investigation into PM in the Australian Public Service. Utilising the three critical success factors for performance management identified in the MAC report – alignment, credibility and integration – they found that the alignment of PM systems with organisational goals and priorities varied across the system; significant issues remain with establishing the credibility of the system as employees perceive a disjunction between rhetoric and reality; and, finally, while there is some evidence of integration of corporate structure with organisational and individual goals, significant improvement is required in relation to rewarding as well as providing learning and development needs (ANAO 2004/5 p. 14). Stavretis (2007 p. 51) argues that as Australian universities receive significant amounts of public funding, and thereby share many of the constraints and characteristics of government public sector organisations, an examination of public sector research into PM provides insight for PM studies in higher education. As such, these key criteria, of alignment, credibility and integration, are a useful measure of the success or otherwise of performance management systems in

Australian universities and so will be used to analyse survey data information later in this thesis.

2.6   Conclusion

This chapter explored performance management within a HRM framework. It examined performance appraisal and performance management from an historical perspective In so doing, it considered the development of performance appraisal systems to performance management systems and the factors that drove those changes. The chapter then engaged with the debate on the HRM-performance link before moving on to address some of criticisms levelled at both performance appraisal and performance management before identifying a range of characteristics, arguably, inherent in good PM systems. These characteristics can be summarised by the organisational philosophy, attitudes and skills of those implementing them, consistency, equity, links to other HR systems, appropriate training, employee involvement in the development of programs and alignment, integration and credibility. These characteristics will be examined throughout this research. Chapter Three reviews the literature from an applied focus as it considers performance management in knowledge-based organisations.

Chapter 3

Performance Management in Knowledge Based Organisations

3.1 Introduction

The introduction of PM into knowledge-based organisations such as universities, has been described as unworkable, unwarranted and unacceptable because it restricts academic freedom and is a covert means of greater government control (Simmons 2002). The arguments surrounding the purpose of PM for control or developmental purposes, are no less evident in knowledge-based organisations (Cutler & Waine 2000; Simmons 2000) as are many of the other problems identified with PM. The failure of organisations to match the rhetoric of performance management with the reality of its implementation is evident in much of the literature including that on performance management in educational organisations (Bowles & Coates, 1993, Down, Hogan & Chadbourne 1999; Mercer 2005; Stavretis 2007 and Houldsworth & Burkinshaw 2008). Many writers see difficulties in implementing PM systems in knowledge-based organisations because of the difficulty in applying the concepts of 'productivity' and 'efficiency' and measuring 'intellectual capital' in this environment (Simmons 2000). Simmons (2002) also argues that applying the traditional 'one-size-fits-all approach' of PA that is based on hierarchical authority and direction runs counter to the knowledge base and flatter hierarchies and collegial environment traditionally found in universities. This chapter examines performance management in the education sector both here and overseas.

3.2   Performance management research in the education sector

The existing research in relation to performance appraisal in education rests mainly in the lower levels of the education sectors, both in Australia and elsewhere, although there are some empirical studies from the higher education sector. Such studies however are limited both in Australia and overseas (Stavretis 2007). Khoury and Analoui (2004), for example, undertook research into performance appraisal of academics in five Palestinian universities, using the same methodological framework as this study. Their results indicated staff dissatisfaction with the process, and as a consequence, this affected staff

motivation and morale. Elements of the PM system that academics disliked included unclear standards; too much emphasis on students' evaluations; secrecy and lack of feedback; inflexible standards; lack of ownership of the process by senior management; and timing of appraisal (Khoury & Analoui 2004, p. 61).

The decision to introduce performance appraisal into universities in Britain, Australia and elsewhere came as a result of government policies to introduce business practices into university systems of management (Townley 1990). The introduction of performance appraisal into higher education has been a source of much debate with many arguing that the assumptions underpinning the belief that business practices can be transferred from private to public sectors are questionable (Townley 1990).

3.2.1   British experiences

Three British studies (Barber, Evans & Johnson 1995; Wragg et al. 1996; Her Majesty's Inspector of Schools 1996) examined performance appraisal of teachers. Wragg et al's (1996) study of primary and secondary teachers was inconclusive as to whether teachers changed their classroom behaviour as a result of teacher evaluation. Barber, Evans and Johnson (1995) in their evaluation of teacher appraisal in Wales, found that 70% of staff were positive about the prospect of teacher appraisal with 30% suspicious or opposed to it. However, they had no data on whether behaviour in the classroom changed as a result of appraisal. Her Majesty's Inspectors of Schools (1996), on the other hand, found that the impact of appraisal on teaching had not been substantial; in the majority of schools appraisal was too far removed from development and planning. What these authors also found was that teachers valued the recognition of their achievements but they did not believe there was any improvement in their teaching as a result of performance appraisal. Their findings paralleled those of Ingvarson & Chadbourne (1997) Down, Hogan & Chadbourne (1999) who undertook similar in Australia.

Research in performance management in universities is very limited. Paralleling what was happening in Australia during the 1980s and 1990s, UK universities were expected to acknowledge economic realities and become responsive to market needs as well as provide 'value for money' (Simmons 2002). Financial pressure was applied to

universities at the same time that student numbers were increasing. Many of these changes emanated from the Jarrett Report (1985) which sought to restructure higher education. This was not dissimilar to what was happening in Australia. Universities had pressure applied to increase student numbers, and funding became conditional upon meeting government priorities. Influential government reports emphasised greater consistency, quality and accountablility, and there was a push to move universities to a more uniform and managerial form of management (Simmons 2002).

Townley (1997) examined the concept of organisational isomorphism in relation to universities. Organisational isomorphism involves increasing organisational homogeneity by the introduction of structures or practices in accordance with socially accepted myths. Townley contents that one such practice is performance appraisal, which has high social legitimacy because of the belief that this is what organisations need if they are going to be legitimate. With UK universities being coerced by government to compete for scarce resources, they were forced to put pressure on staff and manage them (Jackson 2001). As a consequence, Townley (1997) argues, universities were vulnerable to the pressure for isomorphism, as governments sought to persuade them to use management techniques already used in the public sector to legitimise their activities.

The dilemma reconciling competing purposes of control and compliance and development and support is, according to Simmons (2002) equally applicable in the higher education sector in the UK as in Australia. Similar beliefs were held that the most appropriate form of performance appraisal should be one of development, and that this should be separate from the process of reward and promotion (Simmons 2002). Townley (1997) however, suggests the possibility of universities accommodating the dual, and potentially opposing aims for control and development, by ascertaining the best PM philosophies and practices in order to motivate staff to give their best.

As was the case in Australian universities, PA was introduced in UK universities to either achieve a pay award, or in response to government demands for efficiency and effectiveness (Bryman, Haslam & Webb 1994). Bryman, Haslam and Webb (1994) also found that while most staff are prepared to go through the process of performance appraisal there are large numbers quite indifferent to the process. This indifference

emanated from failure by management to follow through with PA outcomes and a less than total commitment from both parties. Additionally, they found many people believed that there should be a link between appraisal and promotion and noted this supported previous studies (Hill 1992; Wilson and Beaton 1993). The latter study by Wilson and Beaton in a Scottish university identified limited opportunities for staff development and career advancement, and while the university tried to introduce an appraisal system that was purely incentive, there was only '*a limited supply of carrots*' (Wilson & Beaton 1993, p. 186).

3.2.2   American experiences

While performance appraisal of academic staff in Australian and UK universities has been similar, the US experience is somewhat different. Initially, staff management took one of two forms: 1. the annual evaluation or 2. a review used for failure to perform assigned duties. 'Post-Tenure Review' (PTR) is the term used for reviews that evaluate performance over longer periods. Licate and Morreale (1997, p.1) define it as '*a systematic, comprehensive process, separate from the annual review, aimed specifically at assessing performance and/or nurturing faculty growth and development.*' Such reviews are triggered by either the annual review, or undertaken at regular intervals, and can be either formative or summative in nature (Jacobs 2005).

Initially introduced in the 1970s and 1980s in response to widespread demands for accountability, PTR is now well established in US higher education (Aper & Fry 2003; Jacobs 2005; Wood & Des Jarlais 2006). Prompted by the growth and implementation of post-tenure review policies in higher education, the American Association of University Professors (AAUP) (1999) felt the need to reiterate their 1983 policy that stated, '*...The Association believes that periodic formal institutional evaluation of each post probationary faculty member would bring scant benefit, would incur unacceptable costs, not only in money and time but also in dampening of creativity and of collegial relationships and would threaten academic freedom*' (p. 60). This review notes several things. First, that post tenure review should be used for faculty development purposes not accountability. Second, that it must not be used for re-evaluation of tenure and third, it must be conducted in such a way that academic freedom and quality of education are

protected. Issues such as dismissal or other serious sanctions should therefore be addressed in a different forum. Three of the four recommendations reflect the views expressed in the literature regarding PM of academics in Australia.

3.2.2.1 Purpose of Post- Tenure Reviews

As has been identified in this thesis, a major point of contention in relation to performance management has to do with the intended purpose. Similar arguments exist in the literature on PTR's. Euben and Lee (2005) believe that if a system is created to be formative but results are used for discipline, academics will believe they have been deceived, but if the stated purpose is summative, yet there are no consequences for documented poor performance, the system will lack credibility. It was noted by Elmore (2008) that PTR's are used for a range of activities including decisions about tenure, promotion, merit pay and other reward mechanisms with great variation between instruments and procedures used in universities. As a consequence the value of PTR's is questioned by Elmore (2008, n.p.): *'On any given campus, faculty may be evaluated repeatedly on the same performance standards for a variety of rewards, that are related but not linked, resulting in redundant effort and inefficient use of time…It is ironic that systems designed to measure productivity can become so complex that they unintentionally lead to a decrease in performance.'*

3.2.2.2 Studies in PTR in US higher education

Findings from Aper and Fry's (2003) study of post-tenure review of 342 graduate institutions are of relevance to this study. Their study compared the PTR policies and practices of a national sample of 372 graduate institutions with AAUP recommendations for establishing and maintaining good practice under such a policy. Aper and Fry (2003) found that administrators and faculty members differed in their belief of the purpose of PTR's, that is, whether it was intended to function as a developmental or controlling instrument. In addition, there were significant differences between the perception of administrators and faculty on some important issues, namely: the apparent infrequency of PTR to be linked to existing evaluation policies, the failure of most institutions to evaluate PTR and the lack of specific resources designated to support the intended

outcomes of PTR. There was however, agreement between administrators and academics on the lack of specifically designated resources to support the review process. In addition, Aper and Fry (2003) note that cost-benefit studies have not been conducted, nor has PTR been evaluated with respect to its effectiveness. Such omissions, they contend, *'...are all troubling indicators of actions undertaken in the name of accountability that remain unintegrated into the lives of universities'* (Aper & Fry 2003 p. 256). Aper and Fry (2003) further suggest that PTR is more about politics and appearances than any real intention to change the status of the faculty. To this end, they call for further research to investigate the degree to which, *'...such policies have had a systematic, constructive impact beyond symbol management and response to the rhetoric of accountability, cost accounting and personnel management'* (Aper & Fry 2003 p. 258).

Research into PTR at the University of Hawaii at Manua (UHM) found that 'a review of the literature shows that only recently have scholars been able to demonstrate empirically the longer term outcomes of post-tenure review' (Wood & Des Jarlais 2006 p. 562). Their research found that while UHM PTR policy was formative in intent (two of three stated purposes emphasised rewards for excellence and faculty improvement), there was a mismatch between policy statements and practice, as PTR had come to be viewed by staff as 'punitive' and 'detrimental'. This was attributed to procedures used to implement the policy that only allowed for two outcomes: 1. deficiencies or 2. no deficiencies. Wood and Des Jarlais' (2006) research revealed the following. First, the PTR process is at best mixed and the policy and implementation process are disconnected. Second, PTR has not negatively affected staff and third, PTR provides a measure of institutional accountability.

3.2.3 Australian experiences

The introduction of performance appraisal into higher education came at a time of considerable economic and political upheaval, as the government of the day attempted to introduce sweeping changes to the Australian economy. As already identified in this thesis, a number of government reviews were undertaken in order to evaluate aspects of higher education. Despite the dearth of reports into higher education in the 1990s, little has

been done since in the areas of performance appraisal and performance management. Empirical studies of any kind have been limited mainly to the primary sector of education with the exception of Stavretis' (2007) study into the effects of PM on academics.

During the 1990s two studies into PA in the school system were conducted in two Australian states (Ingvarson & Chadbourne 1997; Down, Hogan & Chadbourne 1999). Both studies found that teachers did not believe their work with students had improved as a result of their performance review and were skeptical about the motives for its implementation. As one teacher noted, *'…We are supposed to negotiate performance management…I guess some sort of negotiation happens, but it is a controlled negotiation…I absolutely hate the word now because when I hear it, I'm nervous, it's a trick'* (Down, Hogan & Chadbourne 1999 p.18). This is insightful, given Solondz's (1995 p. 219) view that terms such as 'negotiation' have been acquired to describe what is clearly an unequal distribution of power.

Down, Hogan and Chadbourne (1999 p. 22) also found that *'…despite the rhetoric of devolution, collegiality, collaboration and reflection, teachers… believed that schools were becoming far more competitive, divisive and stressful workplaces'.* Their study further identified a serious mismatch between the rhetoric and reality of PM practices, resulting in confusion and distrust about the purpose and process of the system, with teachers believing it is more about control than quality teaching. Such findings were not surprising given the hostile political and economic environment of the time, where teachers were being blamed for Australia's lack of international competitiveness, high levels of unemployment and poor literacy rates (Down, Hogan & Chadbourne 1999). Central to concerns raised by teachers in the abovementioned study was the belief that they had lost control over their work and that the work was undervalued. This reinforces Smyth's (1995) view that educational restructuring centralised power and intensified control over the purpose and direction of teachers' work.

There has been limited investigation of performance management in Australian universities. A review of performance management of general staff at UNSW (Hughes & Sohler 1992) found a lack of clarity as to the purpose of performance management, and there was confusion over the goals and divergence in relation to purpose. Other findings identified a failure to embed the process within existing work practices,

imposing instead, artificial processes and practices on to staff. In addition, there was no ongoing support for either supervisors or staff and this, according to Hughes and Sohler (1992) reflects Lonsdale's (1990, p. 101) view that 'much needs to be done to ensure that their [performance management programs] application in the higher education context occurs in a manner which is sensitive to the unique characteristics of the academic enterprise.'

While James (1995 p.196) is wary about generalising too much from a study of performance appraisal at the University of Melbourne, given its small size (76 respondents), his findings are congruent with the national survey of the social and educational roles and values of Australian academics (1621 respondents). The survey findings were as follows: 44% took appraisal seriously, 25% thought it a waste of time, 19% thought it helped improve their teaching and only 12% thought it helped their research. Only 17% agreed PA had led to greater commitment to staff development (McInnis, Powles & Anwyl 1995).

Stavretis (2007) also examined the impact on academic staff of performance management systems in Australian universities. Stavretis (2007) found that conflicting expectations of performance management systems resulted in systems that 'fall short of the mark' and do little to meet the needs of stakeholders. As a consequence, '*much of the PM endeavour in higher education environments remain uninspiring, unengaging and, more importantly, unsuccessful in producing its desired outcomes*' (Stavretis 2007 p.2). Her qualitative research focused largely on representatives of management, such as Heads of Schools, with limited input from academics in general, which, as Sousa, de Nijs and Hendriks (2010, p. 1547) contend, '*studying performance management only from the standpoint of managers is inherently incomplete*'.

When reflecting on performance management in universities, Lonsdale (1998) argues that performance appraisal and performance management evolved through successive 'generations'. Performance management, he asserts, is a third-generation approach to managing performance. Lonsdale (1998) contends that if performance management processes are to make an effective contribution to quality management, organisations need to manage *for* performance, not be the management *of* performance, and this involves a shift in emphasis from management to leadership. Such an approach is

possible in higher education, but will require development, planning and cultural change (Lonsdale 1998). Sarrico (2010) also suggests that performance management in higher education can be informed by the literature on organisational PM in the public sector, where there is an emphasis on development, and a movement from performance management to performance governance. Such an approach, he contends, requires empowering academics '*to take shared responsibility and the initiative for quality, and indeed wider performance improvement, and take care of the processes in line with it. This means the university should not only be accountable to the state and the market but also to academia itself*' (Sarrico 2010, p. 155).

3.3   Political and economic context and impact in Australia

Appraisal schemes not only reflect organisational values (Hutchinson 1995; Mercer 2005) but they also reflect external political and economic drivers (Townley 1990; Bryman, Haslam & Webb 1994; Middlewood & Cardno 2001; Mercer 2005). Such has been the case with the introduction of PA into higher education in Australia.

3.3.1 Education policy environment

Global economic pressures in the late 1980s led to the Hawke Labor government undertaking major structural and economic reforms. Education was targeted as one mechanism to make Australia more internationally competitive. Bessant (1992) argues that education had failed the nation and therefore needs to be more accountable to students, parents and the local community. From 1983 to 1996 the Hawke Labor government implemented a raft of higher education policy reforms that resulted in the federal government moving from a position of influencing decisions about the nature of education, to one of controlling, under financial duress, the content of higher education (Smyth 1991). As a consequence, higher education underwent major transformation in an attempt to more closely align with national priorities.

Between 1987 and 1992 the then Minister for Education, Employment and Training, John Dawkins introduced a range of policy reforms. These reforms included the abolition of the binary system comprising universities and Colleges of Advanced Education (CAEs). Minister Dawkins in 'consolidating institutions' required CAEs to

either amalgamate with universities or, in some cases, be redesignated as universities (Mahony 1993). In addition, Dawkins increased student placements, increased the focus on science and technology and directed research funding to areas of national priority (Long 2010). The Hawke Labor government reintroduced tuition fees, previously abolished under the former Whitlam Labor government, thereby shifting some of the costs for higher education back to individuals. Universities were encouraged to contribute to economic growth by considering growing international student numbers as well as developing commercial links with industry (Long 2010). Dawkins' policies aimed at facilitating growth in the sector, ensuring economic relevance of courses, providing greater equity and access and ensuring greater efficiency without affecting academic quality, flexibility or autonomy. Hence the government wanted '*more for less government money*' (De Angelis 1992 p. 37).

Dawkins' proposals were widely criticised in academia. Some viewed them as 'vulgar economism' (Huppauf 2002) that reduced the function of education to one of economic utility (Bessant 1992). Others felt that education was no longer education for 'public good', that it was now being used for the 'private good' (Marginson 1990; Smyth 1991). Concern was also raised that, for the first time, the Minister had the power to direct universities with regard to what to teach and research (Stretton 1989). Criticism was also levelled at the introduction of terms such as 'efficiency', 'productivity' and 'accountability', replacing academic criteria when allocating resources and developing institutional practices (Buckbinder & Newson 1991). Concern was also raised that research and development would be linked more to the development of marketable knowledge rather than social knowledge (Buckbinder 1992). As a consequence, research could be compromised and run the risk of ethical problems emerging (Buckbinder & Newson 1990; Cichy 1990). There was also considerable criticism that Dawkins' proposals were neither fair nor equitable (Blackmore & Kenway 1988; Marginson 1990). Criticisms were also levelled at the gender-biased nature of the documents (Blackmore and Kenway 1988). And as Lauder (1987) argued, the conflicting desires to save money and, at the same time, promote equality would see the bottom line 'invariably win.' Other critics of these reforms argued that the introduction of full fees for some courses would result in small groups capturing significant occupational areas (Marginson 1990), and this would lead to inequity, rather than flexibility (Marginson

1990; Smyth 1991). In addition, the inclusion of 'equity' into the proposals was seen as an afterthought (Blackmore & Kenway, 1988).

There were those however who supported Dawkins' desires to make universities more accountable and responsive to national priorities (Penington 1991; Marshall 1995). Citing the Murray Committee report, Taylor (1989, p. 74.) noted that, 'Australian universities have an inescapable responsibility to contribute to the general pool of scholarship and discovery [and] university research is recognised as indispensible to the welfare of the state.'

Smart (1991) argues that many universities were distracted from engaging in the debate over policy, as they sought merger partners in an attempt to gain funding, thus preventing any unified opposition to Dawkins' proposals. Also, Dawkins' decision to involve a group of seven senior academics to help shape his reforms further divided academia (Kelly 1987; Barlow 1989b) and, as Mahony (1990) notes, many of the CAEs might have perceived benefits accruing from Dawkins' blueprint in the form of research funding, and increased student population and were therefore unlikely to resist.

Dawkins' proposals changed the academic landscape. For the first time universities were expected to run like corporate entities and research was now 'skewed' towards national priorities, leading to great concern about the quality of higher education, the nature of which was difficult to define or indeed measure (Long 2010). Higher education is a complex concept that is perceived differently by different stakeholders (Harvey & Green 1993). However, because 'quality' was linked to cost effectiveness, this resulted in greater analysis of 'quality' in higher education (Harvey & Green 1993). Nevertheless Dawkins and successive Ministers have embraced the desire to improve quality in higher education because, 'quality matters' (Harvey & Green 1993 p. 9).

The change of federal government in 1996 saw the Howard Liberal/National Coalition Government (1996–2007) implement a second wave of reforms '*driven by aggressive use of financial levers, quantitative measures of performance and close monitoring*' (Quiddington 2008, p.6). While it could be argued that the Coalition government worked with situations evident in the Labor years, Marginson (2008) argues that their response to them was extreme. Whereas Dawkins sought to unify the system, the Howard

Government pushed institutional diversification and performance-based funding in universities (Long 2010). Under the Howard Government students progressively paid more for their education and a greater focus was placed on teaching and teaching quality (Long 2010) with the government devolving responsibility to universities (Marginson 2008). Research funding during the Howard years in government was increased only once and basic research funding declined, while commercial research and development products increased (Marginson 2008). The Research Quality Framework (RQF) was introduced in an attempt to provide qualitative evaluations of publications in nominated areas, and while admirable in principle, Goldsworthy (2008 p. 23) argues that in reality, it was going to be '*convoluted, time consuming and expensive.*'

The Howard Government also introduced a range of micro-management reforms. Such reforms were seen by many as political meddling and a restriction to academic freedom (Quiddington 2008). Quiddington (2008) also noted the raft of legislation directed at universities in an attempt to regulate and control them. He identified 11 Acts related directly to higher education with seven of them introduced since 1997. One such legislation was the introduction of the Higher Education Workplace Relations Requirements (HEWRR) in 2005, under the Commonwealth Grants Scheme (Appendix K). HEWRR mandated that all universities that did not have their fourth round enterprise bargaining agreement in place had until November 2005 to conclude a HEWRR-compliant agreement in order to receive additional funding (Rosewarne, 2005). This compliance required universities to include five criteria in their enterprise agreements, namely 1. choice in agreement making, 2. direct relationships with employees, 3. workplace flexibility, 4. productivity and performance clauses and 5. freedom of association (Rosewarne 2005). There was fierce resistance to the introduction of HEWRR by both university management and the NTEU (Holden 2003), with management rejecting the idea that government should directly mandate their employment practices, working conditions and industrial relations (McCulloch 2004).

Julie Bishop, then Federal Minister for Education, Science and Training, in a speech to the AHEIA, invoked universities to take up the opportunity presented to them by government. She suggested that '*HEWRR's provided 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). Before

the full impact of HEWRR's could be determined, there was, yet again, another change in government.

The election of the Rudd Labor government in 2007 saw a re-affirmation of the value of education to the Australian economy with its commitment to the 'education revolution'. This commitment was introduced in response to the under funding of education of the Howard Government, compared to other OECD countries (Marginson 2008). In 2008 the new government introduced the Excellence in Research for Australia initiative (ERA) to replace the previous government's Research Quality Framework (RQF). While the RQF was seen as having major flaws, the introduction of ERA was also problematic as the use of metrics to assess academics work runs counter to traditional mechanisms used to measure quality in academia (Cooper & Poletti 2011). In addition, the use of audit mechanisms to quantify quality raises the question of what is meant by research quality and how the variables relate to this quality (Butler 2007). As Marginson (2008 p.11) argues, while many of the incentives offered to higher education under the Howard Government still remain, it will take some time to 'unpick this framework' and replace it with something else.

Since the higher education reforms introduced by Minister Dawkins in the late 1980s, successive governments have, through the use of policy reforms, sought to harness universities to government priorities. As a result, higher education has, according to Patience (2000), lost its relative autonomy and is now a pawn in micro-economic policy. Long (2010) contends that universities today have a profit-oriented corporate focus that calls for them to be accountable for a range of reasons, not the least of which is the amount of money spent on the sector. However, the growth in accountability has not had a corresponding growth in quality, in fact, '*performance decreases as accountability increases*' (Long 2010 p. 462).

3.3.2   Industrial relations environment

As changes to higher education were evolving so too were there changes in industrial relations. Industrial relations reform in Australia has been the focus of public debate since the 1980s and has been a key agenda item of both political parties (Ford 1997;

Lansbury 2000). Ford (1997) notes that the extent of legislative activity during the 1990s was greater than at anytime since the introduction of the Commonwealth Conciliation and Arbitration Commission.

When Labor came to power in 1983 it set about restructuring the Australian economy to make it more globally competitive. Deery (1992 p. 3) argues that '*our workplaces and enterprises were ossifying because of the many inefficient and restrictive work rules which had been imposed by powerful unions or overly intrusive industrial tribunals*'. The Prices and Income Accord that the federal government reached with the ACTU in 1983, aimed to reduce wage demands by unions and, in return, government would implement a range of economic and social reforms (Lansbury 2000).

Over the period of their stewardship, the Hawke-Keating Labor Government (1983–1996) introduced a range of measures designed to increase national productivity. To this end they reduced (or eliminated) tariffs, floated the Australian dollar, de-regulated financial markets and introduced taxation reform (Pierson & Castles 2002). The period also saw a move from centralised award-based industrial relations to collective bargaining at enterprise level (Lansbury 2000). The first step was Award restructuring in 1988. The aim was to reduce the number of industrial awards and redefine jobs in order to improve workplace productivity, and flexibility and efficiency of workers. At the heart of Award restructuring was the adoption of the Structural Efficiency Principle. The 1988 National Wage case decision established '*a structural efficiency principle designed to encourage both parties to reach collective agreements*' (Lansbury 2000 p. 33), aimed at '*...changing those Award structures which inhibit[ed] measures to improve efficiency in individual establishments*' (Carmichael 1989 p.3).

The Australian Conciliation and Arbitration Commission envisaged the establishment of career paths for workers under this principle that would encourage them to develop skills and provide workplace flexibility. Under the 1988 decision, wage increases were conditional upon both parties promising to adopt the principle. The 1989 decision allowed a second-tier increase based on the actual adoption of the principle (Hancock and Isaac 1992).

3.3.3   Higher education environment

In this industrial environment performance appraisal for academics was introduced as a means to increase productivity within the higher education sector. The Hawke Labor Government targeted higher education as one mechanism to redress the declining skills shortage in Australia to make them more responsive to market pressures. For the first time, universities were now having demands placed on them to be innovative, responsive and to increase productivity for the benefit of both the institution and the national good (Blackmore 2002).

Driven by political imperatives to make the higher education sector more efficient, productive and accountable, performance appraisal for academics was introduced into the National Wage case of 1987/88 as part of the two-tiered structural efficiency principle. The first tier provided an across-the-board wage increase for all workers, covered by a federal Award. The second tier allowed for a further 4% wage increase dependent upon efficiency increases (Hancock & Isaac 1992). This was the first time federal industrial awards for academics had been negotiated (Currie 1992).

Both the Federation of Australian University Staff Associations (FAUSA) and the Union of Australian College Academics (UACA) representing academics, and the Australian Higher Education Industrial Association (AHEIA) representing university management, saw advantages for staff development. But there was considerable debate over the issue of staff appraisal, with the primary concern being whether the appraisal was going to be used for the development of academics, or greater academic monitoring and control (Currie 1992).

In November 1988, the Australian Conciliation and Arbitration Commission (later to become the Australian Industrial Relations Commission (AIRC)) granted a salary increase for academics, conditional upon the introduction of an appraisal system (O'Brien 2003). After considerable debate between university management and academics as to the purpose, or nature, of performance appraisal systems, the AIRC ruled that universities in Australia should implement performance systems that had a developmental framework on a trial basis (Lonsdale 1991a). In 1991, performance appraisal for developmental purposes was incorporated in the Award (Lonsdale 1998).

As a consequence all universities were now required to implement developmental PA schemes. For the first time, academics were subject to formal appraisal processes with any wage increases resting upon demonstrable performance outcomes, and performance appraisal had become part of the lexicon of Australian universities.

A number of reviews examined the application of performance appraisal in higher education in the early to mid 1990s. A national conference on Academic Staff Appraisal and Performance Management (Abbott & Lonsdale 1991 p. 8) sought to assist organisations to clarify their position by presenting a range of approaches and philosophies on staff appraisal in what was noted as a *'difficult area of staffing policy and practice'*. They acknowledged inherent difficulties and the belief that *'many questions remain unanswered, and much remains a matter of judgement, style ideology, or in some cases, prejudice'* (Abbott & Lonsdale 1991 p. 8).

Paget, et al. (1992) conducted a study on behalf of the Department of Employment Education and Training to monitor the implementation of staff appraisal procedures for academic staff in higher education institutions. Their study found unevenness in the understanding of the purpose and requirements of academic staff appraisal across Australia, in addition to which they found there was considerable variation in implementation. They also found that the turbulent political environment universities were in also contributed to a lack of clarity in relation to performance appraisal. Their report recommended that the purpose and procedures of PA be promoted to staff, thereby minimising misinterpretation and resentment. The report also recommended training of supervisors in relation to the purpose, procedure and processes of appraisal.

In 1992, Hughes and Sohler also undertook a review of performance management, at the University of NSW, for general staff only. They found lack of clarity and confusion as to the purpose of PA and a failure by the program to become imbedded in existing work practices. This reflected Lonsdale's (1990, p.101) concern that *'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'*. The 1995 National Steering Committee on Staff Appraisal for Development Purposes (Rothwell & Crook 1995) recommended that performance appraisal was needed for ongoing improvement of staff and this would only come about by expanding developmental

needs.

The widespread adoption of performance appraisal as a primary mechanism for accountability of academic staff was implemented in the belief that the systematic and objective appraisal of academic work would yield considerable benefits. Lonsdale (1998 p.303) has suggested that PA operating in the university sector had '*limited and confused purposes and their contribution to enhanced institutional performance and quality has been minimal, [and] in some cases the impact has been negative*.' Some nine years later, Stavretis (2007) also notes the failure of university performance management systems to achieve their desired goals.

The introduction of appraisal schemes in education was seen by some as one manifestation of New Public Management (NPM) that was emerging in response to global economic pressures (Buckbinder & Newson 1990; Pusey 1991; Smyth 1991; Mercer 1995). NPM, a management philosophy developed during the 1980s, had as its basic premise the belief that by taking a greater market orientation, the delivery of public goods and services will lead to greater cost efficiency if managed on the same or similar lines as the private sector. In part, this economic rationalist philosophy espoused the view that managerial skills and practices developed in the private sector should be replicated in the public sector (Yeatman 1990; Pusey 1991; Smyth 1991,1995; Dass and Abbott 2008).

The implementation of NPM policy by the Federal Labor Government of the 1980s had a major impact on the direction of Australian universities. The role that higher education was to play in reversing the declining position of Australia, within the global economy, was premised on the assumption that it was the failure of this system that brought about a decline in economic performance (Smyth 1991). As a consequence, higher education was targeted as one mechanism to rectify Australia's economic malaise (Maglen 1990; Smyth 1991). Supporters of economic rationalism successfully argued that schools and universities needed reform because they had failed the nation (Bessant 1992). As a result, higher education policies were conceived in terms of an economic investment to rectify the worsening economic position (Watkins 1989). What this did was to reduce the function of education to one of economic utility (Bessant 1992).

Academics writing at the time were vocal in their criticism of the political intrusion into academia. They argue that the links between education and productivity are presumed, rather than proven (Watkins 1989; Maglen 1990; Marginson 1990). In addition, it was argued, applying corporate management philosophy to an educational environment brought a number of concerns, not the least of which was the inability of quantitative performance indicators to measure success, or otherwise, in academic institutions (Blackmore & Kenway 1988; Bessant 1988,1992). Any such performance indicators would restrict educational institutions or individuals from showing initiatives, outside the prescribed guidelines: *'Education becomes instrumental and authoritarian judged by criteria established by remote authorities who often have anything but educational aims in mind'* (Bessant 1988, p.11).

Despite widespread condemnation from the academic community, the Labor Federal Government implemented a raft of educational policy reforms intended to improve efficiency and productivity. Buckbinder (1992) suggest that universities were forced to become oriented to the marketplace, to make an alliance with business, or face annihilation. It was within this context of a wider reform agenda that performance appraisal of academics was introduced as one mechanism to increase levels of accountability. As the then Minister for Education, Employment and Training, John Dawkins (1987, p.61) indicated, *'academic performance should be carefully monitored and in instances where an individual is chronically unsuitable to performance the duties of employment . . . dismissal should follow.'*

3.4   Performance management in Australian universities

Several key issues emerged from the conference considering academic staff appraisal and management in Australian universities (Abbott & Lonsdale 1991). Initial concern was raised about the purpose of performance appraisal. The conference questioned the ability of the process to be 'developmental' while examining matters related to performance problems and/or increments, merit pay or promotion. A second related concern was the belief that a process that reviews performance can also assist in the identification of developmental activities and motivate staff to pursue them. The rhetorical question was asked, '*in the design and conduct of appraisal procedures, what*

steps need to be taken to maximize the likelihood that professional development will follow?' (Abbott & Lonsdale 1991 p. 10).

Concern was also raised that controlling/judgemental forms of PA are often counterproductive as they can generate resistance, affect staff morale, undermine job satisfaction and limit organisational commitment (Ryan 1991). Ryan (1991) also suggests using collegial dialogue to focus on joint goal setting, build commitment and, in so doing, improve productivity. Lonsdale (1991) also notes the inappropriateness of the term 'performance management', for academia. Such a term has threatening overtones and implies a process that is anathema to academic institutions. While PM might be appropriate for the private sector because of the integrative nature of the process, that is, role clarification, goal setting, development, review and leadership, Lonsdale (1991) argues that it is not applicable for academia. In hindsight, Lonsdale (1998) notes that, '*staff appraisal for development purposes turned out to be unsuccessful. In fact it was found that in most institutions staff development outcomes beyond those already occurring had not resulted and...there was no evidence of performance improvement...'* (p. 305).

Failure of PA to deliver expected improvements forced universities to reconsider their approach to managing performance. This resulted in universities attempting to enhance organisational effectiveness and productivity through changes to their performance management systems via Enterprise Bargaining Agreements (EBA) (Lonsdale 1998).

3.4.1   Criticism of performance appraisal in universities

Criticisms generally fall into two categories: the inapplicability and conflicting use of PA for academics. The applicability of PA to university staff has been questioned for some time (Bessant 1988; Watkins 1989; Marginson 1989, 1990; Buckbinder & Newson, 1991b; Smyth 1991; Hughes & Sohler 1992). Hort (1997) however argues that professional autonomy and academic freedom is not compatible with monitoring performance by a hierarchical manager. Instead, she believes, academics will continue to self-assess and seek feedback from those they trust and respect: '*...the pity will be if externally imposed managerial motivated "performance management" schemes so*

fundamentally change the way in which we work as academics as to reduce our interest in developing as professionals' (Hort 1997, n.p.).

This view is supported by Adams (1998), who believes that academics derive satisfaction from the knowledge that academic freedom gives them the right to create and disseminate knowledge. In so doing, this not only motivates them, but provides intrinsic rewards. Writing at the time of Dawkins' proposed changes to higher education, Smyth (1989) sees the paradox of implementing PA into higher education. He argues that at a time when industry is deserting Tayloristic principles in favour of more participative approaches to work, higher education is discarding its collaborative and collegial model in favour of one that *'bears an uncanny resemblance to Frederick Winslow Taylor's approach'* (Smyth 1989 p. 153).

The duality of purpose of performance review has long been debated in the literature and is equally applicable in the higher education arena. Lonsdale (1991,1998) questions whether 'development' could actually be achieved with procedures aimed at dealing with performance problems, or assist with decisions regarding pay and promotion. Ryan (1991) notes competing concepts of 'development'. The first concept sees development as emanating from direction, support and feedback on performance deficiencies. As such, this form of development is essentially 'deficit-based' and the goals against which performance is evaluated are those of management, not the individual. The second concept of 'development' sees the individual and their personal needs and aspirations as the starting point for discussion, where development is achieved through negotiation of individual and corporate goals: *'The fact that the same term "development" appears frequently in the description and rhetoric of methods advocated by managerialists and developmentalists alike often obscures the different ideologies and intentions guiding the two approaches'* (Ryan 1991 p. 99).

While identifying the dichotomy of purposes of performance appraisal, Casey et al. (1997) suggests that strategies that meet the goals of both groups are possible, but acknowledges that even though these purposes co-exist, 'they do get in each other's way' (Casey et al. 1997, p. 465). Such an approach can be 'problematic' (Bergmann Scarpello & Hills 1998), because when both approaches are conflated, it is the summative approach that prevails (Mills & Hyle 1999).

Performance management might arguably benefit both organisations and employees (Nankervis & Compton 2006). However, if those responsible for managing the performance of academics want to maximise the contribution and commitment of their academic staff, they will need to, *'... "practice what they preach" ... performance appraisal [for academics] will use criteria that are relevant, valid and developmental...'*(Simmons 2002 p.98). In Simmons' research (2002) into performance appraisal in universities and colleges in the UK, he concludes that performance measures, acceptable to academic staff, should be considered when determining performance criteria and highlights the importance of staff involvement in the design of the appraisal system. Such a system, he contends, would give academics the opportunity to identify where they believe development is needed, is based on trust, self-evaluation and peer review, and is separate from the process of reward and promotion. Simmons (2002) further proposes the stakeholder synthesis approach, as identified by Winstanley and Stewart-Smith (1996), as an effective way of developing a robust and equitable performance management system. Applying it to academic institutions would mean identifying stakeholder groups with interests in PA and their power to facilitate or prevent its effective operation. In so doing, Simmons (2002) argues, organisations hope these stakeholders 'buy into' their performance management systems.

3.4.2   Support for performance appraisal in Australian universities

Not all academics however were against the introduction of performance appraisal into Australian universities. The then, Vice Chancellor of Melbourne University, Professor David Penington believed universities needed to be accountable to their stakeholders, namely, students, future employers, academic community, governing bodies, staff and colleagues (Penington, 1991). Penington's (1991) support rests on the premise that PA is useful for developing staff, instituting incentives, managing poor performance and recognising good performance. Development of such a process, he argues, needs to be done in a manner consistent with academic endeavour and recognition of the collegial environment.

Penington's views on the need for accountability are supported by Kearns (1998) who

also argues that universities serve multiple stakeholders, and as such are expected to preserve public trust and serve the public interest, so the issue of accountability can range from financial accountability to professional ethics. The difficulty, according to Kearns (1998), is that many academics would argue they need to remain independent of their constituents and their demands in order to preserve their traditional role of keepers of academic freedom and critical thinking. Nevertheless, while academic freedom and accountability are not mutually exclusive, *'...higher education as an engine of social progress with links to industry and the government can't be expected to be immune from the expectation of accountability'* (Kearns 1998 p. 141).

An examination of the literature has revealed that much has happened in academia since performance appraisals were first introduced into Australian universities. Despite a flurry of governmental reviews in the early 1990's since then there has been little research to shed light on how universities implement their performance management system. This research seeks to fill this void.

3.5. Aim

The aim of this research is to explore the development, implementation and impact of performance management systems on Australian academics.

3.5.1 Objectives

This research has a number of objectives:
1. To identify the history, environmental context and key drivers of the introduction of performance management into Australian universities.
2. To examine the key features of performance management in industrial agreements in Australian universities.
3. To explore the perception of Australian academics regarding their experiences of performance management in their university.
4. To analyse the impact of performance management in Australian universities.

3.6 Conclusion

The introduction of performance appraisal into academia was historic, if for no other reason than for hundreds of years academics had used collegial engagement and peer review as the mechanism to measure performance. Driven by political and economic imperatives the inculcation of performance appraisal into universities came on the back of global pressures for universities to be more efficient, effective and accountable. Australia was not immune from these global pressures and so the government of the day, believing the future of the country rested with an educated workforce, set about introducing micro and macro reforms including revamping the education sector.

As evidenced, much has happened in both the political and higher education sector since Paget et al (1992) investigated staff appraisal procedures in Australian universities. It is more than 20 years since performance appraisal was first introduced into the higher education sector in Australia and today every Australian university has a performance management system (Stavretis 2007). Universities have introduced these systems based on assumptions as to the worth of such programs but without empirical data to support their position. A key finding in the analysis of similar systems in Britain and the United States reveals the apparent failure of performance management systems to match the rhetoric with the reality. This has resulted in systems that have not been viewed favourably by educators, and most importantly, have failed to demonstrate any evidentiary link between performance management practices and improved outcomes.

As all universities now engage in performance management, we need to know more about how they operate, that is, their purpose, structure and implementation. The nature of these systems is currently unclear. It was not until Stavretis (2007) undertook research into the impact of performance appraisal on academic staff in Australia that any recent empirical data has been evidenced. Her findings too, paralleled those of the committees of the 1990s and the overseas findings cited here. Taking a more strategic approach, this research attempts to build on Stavretis' work to ascertain the current state of performance management systems in Australian universities. Reflecting the opinions of Marchington and Grugulis (2000) and Guest (2011), the views of the workers will form an integral part of this thesis. Chapter Four examines the methodology that forms the framework for this research.

Chapter 4

Methodology

4.1   Introduction

Chapters Two and Three examined the literature on performance appraisal and performance management including their introduction and application in the higher education sector in Australia. A number of research questions emerged. These questions aim to explore the development, implementation and impact of PM systems on Australian academics. This chapter describes the research methodology, the research design and procedures used for data gathering, and analysis for the three stages of research as well as identifying methodological limitations of the study.

4.2   Research questions

An examination of the literature in Chapter Two revealed there was little empirical research into how universities manage the performance of their academics. To this end, a number of questions emerged that form the basis of this research:

- Are the PM systems in Australian universities formative or summative in intent and application?
- Do performance management systems in Australian universities demonstrate links between key HR areas?
- Do Australian universities demonstrate alignment, integration and credibility with their PM systems?
- Are PM systems in Australian universities effective in achieving both individual and organisational goals?

4.3 Research methodology

4.3.1 Qualitative or quantitative research methods

The nature of the research should determine the approach and methods used (Olkkonen 1993). If the purpose of the research is to understand something where current information is inadequate, or to learn about the experiences of individuals in a particular setting, and if the purpose is to understand a situation in depth, according to Morse and Richards (2002), qualitative research can generate useful and interesting ways of interpreting the data.

Qualitative research sits more squarely within the interpretivist rather than positivist paradigm. Interpretivism is predicated on the belief that subject matter of social sciences is different to that of natural sciences and, as such, requires research that reflects the distinctiveness of humans within a social setting (Bryman 2004). Quantitative research however sits within the positivist paradigm and takes an epistemological position, which applies the methods of natural sciences to the study of social reality (Bryman 2004).

While the assumptions and research methods that underpin positivism are widely accepted, the same cannot be said for interpretivism. The problem, according to Denzin and Lincoln (2008), stems from the fact that qualitative research is difficult to define because it has no distinct theory or paradigm. They argue that interpretivism neither belongs to a separate discipline, nor has distinct methods or practices which are entirely its own. Hussey and Hussey (1997) contend there are many different terms labelled qualitative research, in reality, they argue, these are merely methods of collecting data.

Positivist research, usually referred to as quantitative research, is the collection and analysis of data that uses deductive reasoning as part of its methodological practices (Neuman 2003). Interpretivism, or qualitative research however uses words, rather than quantification of data, and more typically applies inductive reasoning to attempt to determine how individuals understand the social world (Hussey & Hussey, 1997). Thus, while quantitative research might ascertain the number of people who hold specific

views, qualitative research explores the subjects in depth and, in so doing, 'invites the unexpected' (Easterby-Smith, Thorpe & Lowe 2006; Holliday, 2007).

Historically, researchers have fallen into either of the two camps with considerable tension between proponents of each (Neuman 2003). For example, Lincoln and Guba (1985 p.28) argue that, 'Positivism rests upon at least four assumptions that are increasingly difficult to maintain' and, as Levine (1993 p. xii) suggests, quantitative social science has faced opposition but has 'won the battle.' In 1994, Denzin and Lincoln were arguing that qualitative research had expanded so much that it was rapidly displacing 'outdated quantitative research'. Yet both research paradigms share basic principles of science. Each sets about researching in different ways with their various methods, which have their own strengths and weaknesses. The issue of rigour is often the basis of much debate between qualitative and quantitative research. Rigour in qualitative research, according to Holliday (2007), is the ability to demonstrate the applicability of the social setting, the choice of research activities as they relate to the social setting, the choice of themes and focus of the study, how they emerged and why they are significant, and the thoroughness of the fieldwork. Unlike quantitative research, where the source of validity is known, qualitative researchers must show their workings every single time (Holliday 2007).

There is however a belief among many research methodology writers today that the best research combines features of both qualitative and quantitative methods (King, Keohane & Verba 1994; Bouma 2000; Neuman 2003; Miller, Dingwell & Murphy 2004). Bryman (2004 p. 453) counters the arguments of those opposed to multi-strategy research on the following grounds. First, he contends their arguments are based on two beliefs: namely, that research methods carry epistemological commitments and that quantitative and qualitative research are separate paradigms. Bryman (2004) argues that this argument is difficult to sustain because the methodology of both can be put to a wide variety of tasks. The second belief, he suggests, is fallacious because the case can be made that quantitative and qualitative research are *not* paradigms, given some researchers combine methods traditionally from each area (e.g., participant observation and questionnaires). As paradigms are incompatible, what you have, Bryman (2004) contends, is integration within a single paradigm, not two distinct ones.

Second, while Bryman (2004) accepts that problems can arise in multi-strategy research, if the researchers do not have skills in both areas, multi-strategy approaches can be useful if they are competently designed and appropriate to the research question. Hussey and Hussey (1997) advocate the mixing of methodologies as a means of obtaining a broader view of the research problem, as well as providing qualitative insights and illuminations. As this doctoral research was interested in the lived experiences of a particular social group, namely academics, a mixed method approach was chosen as the most appropriate form of research for this thesis. In addition, the use of mixed methods reflected the research approach undertaken by Bryman, Haslam and Webb (1994) when they examined performance appraisal in UK universities.

4.3.2 Mixed Method/ Triangulation

The use of a mixed method approach lends itself to triangulation. Triangulation involves using more than one method or source of data in the same study (Bryman 2004). According to Jack and Raturi (2006) the purpose of triangulation is to obtain confirmation of findings by the convergence of different perspectives, and by using complementary methods, weaknesses in one approach will be counterbalanced by strengths in others. Studies that utilise a multi-strategy approach enable cross checking of findings, emanating from both quantitative and qualitative research, as well as producing a more holistic picture (Esterberg 2002; Bryman 2004). In so doing, it can overcome the potential bias and sterility of a single method approach (Hussey & Hussey 1997). If the use of different methods in the study of a given phenomenon leads to the same conclusion, then this can only provide greater validity and reliability than a single methodological approach (Denzin 1970).

Triangulation however can also be prone to errors (Jack & Raturi 2006). It is possible there will be failure to corroborate findings, which then begs the question: Which set of data should be regarded as more accurate? (Bryman 2004). Furthermore, Jick (1979) argues that replication may be difficult using a mixed method approach, and it can also be both time consuming and expensive.

Jack and Raturi (2006) offer five suggestions in relation to methodological triangulation: 1. to develop an appropriate strategy for triangulation, 2. to select methods with complementary strengths and non-overlapping weaknesses, 3. to find different types of validity when undertaking triangulation and, in so doing, the research outcome is enhanced by establishing validity in different ways, 4: '…the research design and data sample selection will influence the conduct, analysis and ultimately the generalizability of results in a triangulated study' (Jack & Raturi 2006 p. 351) and 5. to build rich theories from leveraging inferences from triangulation. These factors were considered when designing, developing, conducting and analysing the present research data.

4.4 Analytical framework

Many researchers have developed conceptual frameworks in an attempt to show the elements of, and the relationship between, HR functions. One such model was the Harvard framework (Beer et al. 1984) see Figure 4.1. Taking an organisational focus this model identifies people as social capital with HRM being viewed as an investment in that social capital. It also shows how both stakeholder interests (such as management employee groups, government, unions) and situational factors (such as the workforce characteristics, business strategy and management philosophy), all impact on the choice of HRM policies and the resultant outcomes, including employee commitment, and long term consequences, such as individual wellbeing and organisational effectiveness. It is this model that has the most relevance to this study. This research examines a range of stakeholder views namely, management, through an examination of EBA documents and key informant interviews; unions through key informant interviews and academics through the use of a survey. This study also examines the influence of a range of situational factors that have impacted on the introduction and subsequent implementation of, performance management systems in Australian universities.

Figure 4.1 The Harvard Model of HRM
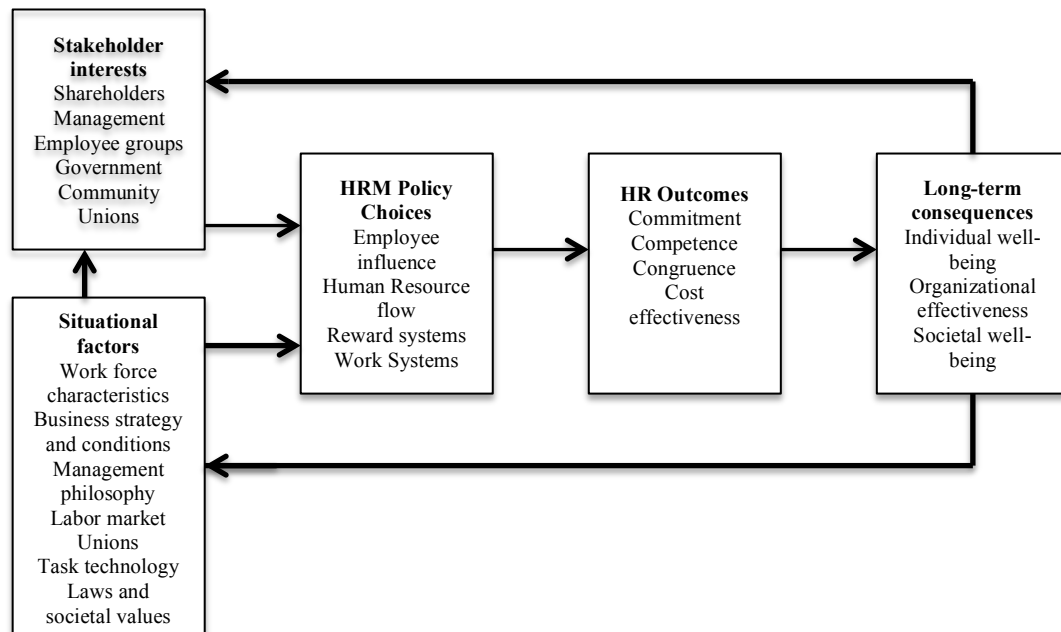
Source: Beer, M., Spector, B., Lawrence, P., Mills, D. & Walton, R. (1984) Managing Human Assets, The Free Press, New York

Analytical frameworks are useful because they provide an overview of the intended scope and direction of the research. Figure 4.2 shows the model that forms the basis of this thesis. All organisations exist in an environment where they interact with, and are influenced by, a range of environmental factors (Robbins et al. 2000).

In examining performance management systems in Australian universities it is necessary to contextualise the environment in which these universities operate. This thesis begins by examining the political, economic and industrial forces that precipitated the introduction of PA into Australian universities, which have had an ongoing influence in the development of PM systems.

To determine how universities implement their performance management system from both a strategic and operational perspective, these systems within universities need to be opened up for examination in an attempt to identify the effectiveness and their impact. To this end, the Hoare Report (1995), a key government review into performance appraisal into universities, will be used to analyse all university EBAs to provide a strategic overview. To ascertain the operational perspective, key criteria of both the MAC (2003) and ANAO (2004/5) reports into the public sector, namely alignment,

integration and credibility, will be applied to the data collected from a survey of academics.

Figure 4.2 Framework of analysis
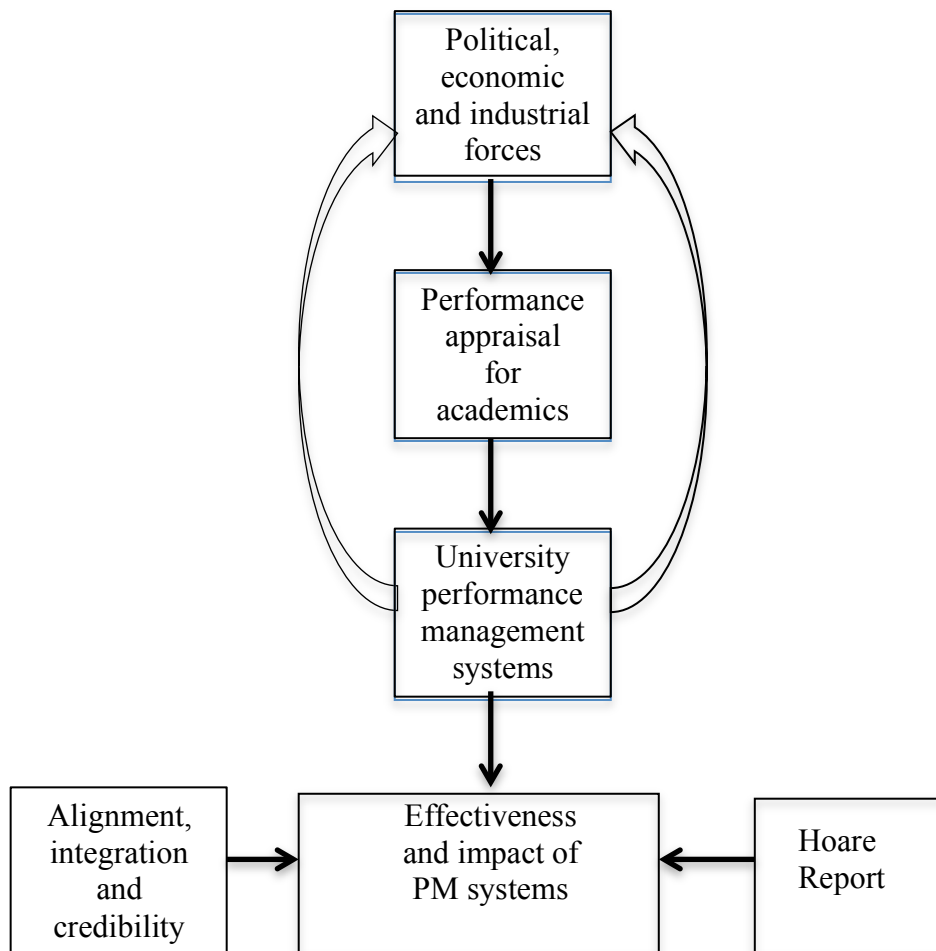
4.5   Research methods

This thesis adopts a mixed method research approach through the use of key informant interviews, content analysis of Enterprise Bargaining Agreements (EBA), and purposive sampling of academics. The choice of such an approach rests on the belief that quantitative data can provide organisations with outcome data that can be used to inform decision-making, and qualitative data can provide the insight into the possible consequences of such decisions (Miller, Dingwell & Murphy 2004). The uptake of both methods therefore strengthens the outcome of this research.

One of the challenges facing organisational researchers who utilise qualitative measures is the need to ensure they dispassionately collect, analyse and report on organisational members' contributions, which either reinforce or refute the research (Miller, Dingwell & Murphy 2004). In addition, management research, according to Easterby-Smith, Thorpe and Lowe (2006), has its own unique set of problems, namely that the practice of management transcends technical and functional boundaries and, as such, managers need to draw on research from different disciplines. The difficulty in this case was whether the organisation should be examined from one discipline's perspective (in this case HRM) or take a transdisciplinary approach. In choosing one or the other option, '…the former is likely to be the safer option and gain respectability from peers, the latter is likely to produce results that are of use to the practising manager' (Easterby-Smith, Thorpe & Lowe 2006, p. 7). The former option was chosen as the research was intended to add to the body of knowledge in relation to HR practices and was not focused on managers' needs per se.

As identified at the beginning of this chapter, the nature of the research should determine the method. This research as previously mentioned explores the development, implementation and impact of PM systems on Australian academics. In so doing, it is attempting to identify if universities use such systems for formative or summative purposes. Do they link them to their organisational strategy or HR practices within the university? Importantly, this research seeks to ascertain the views of a substantial number of academics in relation to their PM system.

In discussing doctoral work, Easterby-Smith, Thorpe and Lowe (2006) note that by observing a practical problem from different theoretical perspectives, new ideas and insights are developed. This will be achieved by the use of both pure and applied elements incorporated into the collection of empirical data. By combining different research techniques to the problem of performance management of academics, this will hopefully provide different perspectives and increase what is known about performance management in universities today.

In 1994, Bryman, Haslam and Webb used both quantitative and qualitative data, within a comparative research framework, to investigate performance appraisal in British universities. Simmons (2002) also used triangulation in his study of performance

appraisal in higher education. This reinforced the conviction that a similar approach to this study was appropriate. Coupled with this is the belief that the choice of any research design needed to dovetail with the questions being investigated (Bryman 2004). For these reasons, methodological triangulation was chosen as the primary method of inquiry. The methods used in triangulation were interviews, content analysis and a survey.

4.5.1 Interviews

As the introduction of performance appraisal was the first step towards an integrated performance management system in universities, it was important to find out how key participants, namely academics and management representatives, viewed its introduction and operation and their perception of current issues. Key informants, representing both groups, were chosen because they could offer perceptive information (Bryman 2004). Interviewees were chosen because they had direct experience of both the introduction and implementation of performance appraisal in universities.

Interviews, rather than any other form of data gathering, were chosen. According to Silverman (2001) interviews generate data that gives authentic insight into people's experience, and one of its strengths is that it provides the opportunity to collect and rigorously examine narrative accounts of social worlds (Miller & Glasner 2004). In addition, semi-structured interviews are flexible, and allow the interviewee to interpret the question in their own way, thereby identifying and explaining key issues (Bryman 2004). Other strengths of interviews that have been recorded and transcribed is the ability to examine repeatedly what has been said, thereby correcting any limitations of memory, which allows for secondary analyses and limits accusations of researcher bias. In addition, it allows the data to be used in a variety of different ways (Bryman 2004). While one of the strengths of semi-structured interviews is its flexibility, with questions emanating from the answers given, interviewers need to 'listen, think and talk almost at the same time' (Babbie 2008, p. 336). Structuring of questions however needs to be done carefully in order to avoid subtly biasing the answers given (Babbie 2008).

Validity and reliability

'Reliability and validity are conceptualized as trustworthiness, rigor and quality in qualitative paradigm' (Golafshani 2003, p.604). The use of field research (interviews),

while less structured than survey research, according to Babbie (2008), offers greater validity but less reliability, compared to surveys or experiments. However, Rubin and Babbie also note (2008, p.108) that 'rigorous qualitative studies describe things in such depth and from multiple perspectives and meanings that there is less need to worry about one particular measure and whether or not it is measuring what it purports to measure.'

4.5.2 Content analysis

Content analysis is the study of human communication and involves a careful consideration of 'what' is being communicated (Babbie 2008). The aim of content analysis is to quantify documents in terms of predetermined categories in a systematic and replicable manner (Bryman 2004). As such, it is a way of systematically converting text to numerical data for quantitative analysis (Hussey & Hussey 1997). Content analysis has a number of advantages including ease of accessibility for public documents and the ability to re-examine the documents if necessary; it is relatively inexpensive with no specific time pressures, procedures are simple and clear, and the researcher can determine when and where to undertake research (Hussey & Hussey (1997, p. 250). In addition, content analysis is economical in terms of time and money, allows for the correction of errors, permits longitudinal studies and seldom has any effect on the subject being studied (Babbie 2008), which allows the richness of the material to be used to evidence conclusions (i.e., content analysis allows the data to speak for itself) (Easterby-Smith, Thorpe & Lowe 2006).

Content analysis does however have weaknesses. It is limited to just an examination of recorded communication with potential for confusion or misinterpretation (Babbie 2008). In addition, it requires data to be reduced at any early stage, thereby risking discarding information that might help with better understanding the subject under investigation. Furthermore, the documents may have been written for a purpose other than what they are being analysed for (Hussey & Hussey 1997).

Two forms of content analysis were used for Stage Two (the analysis of EBA documents): 1. manifest coding and 2. latent coding. Manifest coding involves coding the visible or surface text, and latent coding involves determining the underlying or implicit meaning of documents (Neuman 2003, p. 313). Manifest coding was used to

analyse EBAs against the four elements of the Hoare Report (1995). Gill (2000) contends that language is a way of constructing social reality and, as such, she suggests 'sceptical reading' to see what is 'lurking' behind what is being said. Hence latent coding was used to codify whether universities were formative or summative in intent, based on what was presented in the performance management section of the EBAs.

Validity and reliability

Content analysis has both strengths and weaknesses in terms of validity and reliability (Neuman 2003; Babbie 2008). According to Neuman (2003) manifest coding is highly reliable because the words are either there or they are not, while latent coding tends to be less reliable because it requires interpretation of what is being said, which may or may not prove to be consistent. However, Neuman (2003) argues, sometimes latent coding can have greater validity than manifest coding because 'people communicate meaning in many implicit ways that depend on context, not just words' (p. 313). It is the 'concreteness' of materials studied that Babbie (2008, p. 362) believes strengthens the reliability of content analysis with the ability to 'code and recode if necessary.' However he notes that the method can have problems with validity, 'unless studying communication processes per se.' This view is not supported by Hussey and Hussey (1997, p. 253) who argue that systems and procedures for content analyses are so clear that anyone concerned about validity and reliability 'will find the method highly acceptable.' However, in order to strengthen the reliability and validity of content analysis overall, it is suggested that both manifest and latent coding are used (Neuman 2003; Babbie 2008).

4.5.3 Survey

While Bryman (2004) acknowledges the value and worth of examining official documents as a source of data, such data analysis, while likely to be authentic and meaningful, may lack credibility and representativeness. For this reason, he suggests choosing a methodology that enables the objects of the social sciences – people – to attribute meaning to their environment. By seeking out the views of people in a study, Bryman (2004) argues the researcher might find they perceive things differently than expected, but also provide a detailed account of what is going on in the setting being investigated.

Qualitative research assists with a contextual understanding of social behaviour. As Bryman (2004, p. 280) notes, '*this predilection for seeing through the eyes of the people being studied…is often accompanied by the…goal of seeking to probe beneath surface appearances.*' For this reason a survey of academics was undertaken to gauge their views on their performance management systems. In so doing, the intention was to ascertain if the stated aims of the university in relation to their PM systems, embedded within EBA documents, matched the reality of the lived experiences of these academics.

A Likert scale was chosen to frame the majority of questions in the survey because they provide answers in the form of coded data that are comparable, offer flexibility and ease of composition, as well as an ability to obtain a summated version (Alreck & Settle 1995). Likert scales are used primarily to measure attitudes and as such have a number of key characteristics. First, they require all respondents to give only one response to a question. Second, they have variables that can be ordered from high to low. Third, the responses are not constrained by the way the other items in the set are answered (De Vaus 2002, p. 103).

Surveys, according to Babbie (2004), can be used for descriptive, explanatory and exploratory purposes. Furthermore, he contends surveys are often used when the researcher wants to study groups of people and they are particularly useful for collecting data on a population too large to observe directly. A carefully selected probability sample, '*in combination with a standardised questionnaire offers the possibility of making refined descriptive assertions about a large population*' (Babbie 2004 p. 274). There are however weaknesses with surveys which can appear superficial, particularly when covering complex topics, and be weak on validity (Babbie 2004). These weaknesses can be partially offset by careful construction of the survey instrument and while generally weak on validity, surveys are strong on reliability because all respondents are given the standardised stimulus. In order to minimise criticism of the research that utilises surveys, Babbie (2004, p.275) suggests, '*…researchers are on the safest ground when they can employ several research methods in studying a topic*', hence the methodological triangulation chosen for this research.

4.6   Research design

This research has three stages. Stage One is key informant interviews conducted with members of the National Tertiary Education Union (NTEU), representing the academics, a member of the Australian Higher Education Industrial Association (AHEIA) and one currently serving university Human Resource Director, representing university management. Stage Two examines university Enterprise Bargaining Agreements (EBAs) as a way of ascertaining how universities utilise their performance management systems. Stage Three is a purposive sample of academics to determine if the rhetoric of universities in relation to their performance management systems matches the experiences of those who are the focus of that process, namely the academics. This will be the first time since performance appraisals were introduced that a substantial number of academics will have been asked their views on their performance management system. The following section addresses Stage One.

4.6.1   Stage One: key informant interviews

While the literature can provide both an impartial and objective view of the introduction of performance appraisal in academia, this researcher believed that talking to representatives of key participants, namely academics and university management, would not only provide an historical overview of PA introduction and use but, also reveal the subtle 'agendas' that both parties held and perhaps, currently hold. Additionally, it provided the opportunity to get their views on current implementation. Semi-structured interviews were chosen as the means by which to obtain this information.

4.6.1.1 Sampling

After receiving ethics approval (Appendix A) letters were sent to the National Tertiary Education Union (NTEU) and the Australian Higher Education Industry Association (AHEIA) inviting participation in the research (Appendix B). Both parties were keen to contribute and nominated appropriate interviewees. Interviews were conducted with four NTEU officers who represented the academic position and two individuals, a current Human Resource Director (HRM) and one AHEIA officer, who represented the management position. A third management interviewee was hospitalised on the day of the interview and was therefore unable to participate.

4.6.1.2 Coding of interviews

Performance appraisal literature was used as the basis for the development of a range of key informant interview questions (Appendix E). The duration of each interview was approximately an hour. Selective coding of themes (Neuman 2003) was utilised, based on the questions asked. Similarities and differences across both cohorts were noted. In addition, both groups were given the opportunity to suggest a question that might be asked of academics in the proposed survey of academics. These questions were noted and, where appropriate, integrated into the survey in Stage Three. The information obtained from these interviews is discussed in Chapter Five.

4.6.2   Stage Two: Analysis of Enterprise Bargaining Agreements

A key finding of the Hoare Report (1995) was that a much broader approach to the management of performance of staff needed to be adopted by universities. This approach, 'should seek to link the management of people and their performance with organisational planning and review'. Moreover, *'...it should be an approach which enables universities to integrate the management of people with the management of the university'* (Hoare Report 1995, p. 15). As such it made a number of recommendations (see Table 4.1).

Table 4.1 Hoare Report Recommendation 12

All universities should phase in a comprehensive approach to performance management for both academic and general staff. The aims of any performance management system, which must be based on agreed performance and developmental objectives for the individual, should be to:
a) identify the relationship between the performance of staff and the direction of the relevant, school or faculty, or where appropriate, the university;
b) inform and provide feedback to staff on the level of their performance and skill development within the context of the overall strategic direction of their area and the university. This would include feedback from appropriate individuals or groups which might include supervisors, colleagues, staff, students and other persons with whom staff members deal;
c) identify areas of future development for staff and formulate action plans for fostering their career development; and
d) generate data for making decisions on matters such as probation, increments, tenure contract renewal and the management of diminished or unsatisfactory performance. As far as possible the consideration of these matters, currently undertaken in a disparate manner should be brought together (Hoare Report 1995, p. 17).

One of the objectives of this research is to examine how universities manage the performance of their staff from a strategic and operational perspective. One way to address this is to explore the role and status of performance management in Enterprise Bargaining Agreements (EBA) using the above Recommendation 12 of the Hoare Report as the framework for analysis and content analysis for the method.

An EBA is a negotiated collective agreement between an employer and trade union acting on the workers behalf, or an employer and a group of employees acting on their own behalf. These agreements are a legally binding document and as such they create 'enforceable rights and obligations' (Sappey et al. 2009, p. 408). University EBAs have been negotiated collectively at the local level by the NTEU since 1994. This new industrial environment has given universities an opportunity to determine their own form of performance management. It is possible therefore that these systems can vary considerably between universities. EBAs '*are legally binding documents with the inclusion of performance management clauses, and how and where they are expressed, give valuable insights into the importance the universities place on PM systems and the approach they take to the performance management of their staff.*' (Morris, Stanton & Young 2007b, p.4).

The second stage of this thesis examines the EBAs of 37 Australian universities, using a framework developed from Recommendation 12 of the Hoare Report (1995) to identify similarities and differences in approaches taken in managing the performance of academic staff.

4.6.2.1 Sampling

Using the list of Australian universities from the Australian Education Network web-site (http//www.australian- universities.com/list/ accessed 1/09/2006) all universities listed were randomly allocated a number from 1 to 41. A total of 37 publically funded universities were subsequently selected. Their EBAs during 2006 to 2008 were downloaded via the university website, and the sections on performance management, or similar nomenclature, were identified.

4.6.2.2 Coding

The four elements of Recommendation 12 were placed in an excel spreadsheet. The clauses on performance management in the EBAs, were then analysed against these elements, namely 1) the links between organisational and departmental strategic objectives and their relationship with staff performance, 2) the existence of appropriate feedback mechanisms, 3) reference to staff development and career progression and 4) statements referring to other performance-related matters, such as rewards, dealing with unsatisfactory performance, and integration with other HRM policies.

1) Relationship with staff and strategic objectives. This key area was examined in two ways. First, to ascertain if there was a relationship identified between the work of the individual and the strategic focus of the organisation and second, to examine the nature of that relationship. The first part of the statement was coded using a simple manifest content analysis (i.e., the concrete terms used in the document). Thus, an examination of the 37 EBAs was undertaken to see if they directly identified the link between the performance management of staff and the strategic direction of the university. This commonly included 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' (University 26).

> Performance management aims to '...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' (University 16).

University EBAs that had statements such as these were simply coded as 'yes' or 'no'.

The second part of this analysis required the use of content analysis with latent content analysis being used. One advantage of latent coding is its ability to tap into the underlying meaning of the communication but a weakness is the potential for another researcher to interpret the same underlying meaning differently. As a result, latent coding's disadvantage is that it comes at the cost of reliability and specificity (Babbie

2008). The nature of the 'relationship with staff' was examined by considering whether it could be loosely described as formative (developmental) or summative (controlling).

Examples considered as 'formative' (developmental) are as follows:

'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' (University 18) 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' (University 16) and,

'Both the university and academic staff members accept the responsibility for performance enhancement and career development' (University 40).

Examples considered as 'summative' (controlling) responses were:

'The Academic Performance Planning and Review process will cover all aspects of an employee's workload agreement; provide an employee with an opportunity to document and discuss their achievements and identify any factors that may facilitate their development; and, assist an employee to be fully aware of their responsibilities and duties and the effect that these have on the University's operations" (University 39), 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' (University 12), and

'The university will continue to use the performance appraisal scheme as one mechanism for individuals to contribute to organisational productivity and performance.'(University15).

2) Feedback mechanisms. This area was explored by first ascertaining if EBAs stipulated any element of feedback to staff and, if they did, was it at the levels of performance and skill development or just one of the two. Coding for this was again a simple 'yes' or 'no' to the first part. If the university was rated a 'yes' for the first part,

and the second part was broken down into two sections: 'performance' and 'skill development', again a 'yes' or 'no' response was assigned.

The analysis here did not look at the mechanisms EBAs used to articulate this information, which are more typically part of the performance management tool itself, rather than detailed in the EBA.

3) Staff development and career progression. This area was examined using two criteria: did the EBAs include the future development of staff and if so, did they identify action plans or mechanisms to facilitate this development? Again, a simple manifest coding was recorded using a 'yes' or 'no' response.

4) Data for making decisions on other matters including reward, performance improvement and integration of policies. To explore this area, all the EBAs were examined to ascertain if, in their purpose or introduction to performance management, they identified any of the following five areas contained in the Hoare Report (1995): 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, the research looked for integration and linkages between key areas.

This section had three parts to it. The first listed the above-mentioned five variables in the Excel spreadsheet, with 'yes' or 'no' being recorded against each variable for each university. The second part required the identification of other variables, not listed by Hoare (1995), which used the performance management data. These were added to the list of variables and again, each university was assessed on a 'yes' or 'no' basis. The third part required an examination of whether there was evidence of integration of and linkages to human resource management functions. Again, a simple 'yes' or 'no' response was recorded.

In addition, the EBAs were further analysed to identify which clauses directly referred to performance management activities. Performance management was cited, in such clauses, as being used to assess staff in relation to:

     a. Incremental progression
     b. Market loading
     c. Promotion
     d. Unsatisfactory performance/behaviour
     e. Professional and career development
     f. Review and feedback
     g. Reward /recognition
     h. Probation
     i. Ensure clarity of roles and responsibilities
     j. Meeting organisational goals
     k. Meeting performance expectations
     l. Improving/enhancing work performance
     m. Performance planning and review
     n. Workload allocation
     o. Misconduct and discipline.

Other aspects identified in the performance management section of the EBA include:

1. The aim or purpose of performance management

2. Whether training was provided for staff conducting performance reviews

3. Whether termination was addressed in the performance management clauses

4. Whether redundancy was addressed in the performance management clauses

5. Whether disciplinary procedures were addressed in the performance management clauses.

These were recorded by way of a simple 'tick the box'. Results for all sections were collated using descriptive statistics that summarised patterns in sample responses. While they provide limited information, they offer an easily understood snapshot of a phenomena and do so in a manageable form (DeVaus 2002; Babbie 2004)

4.6.3 Stage Three - Survey of academic staff

Survey questions were developed using the information obtained from the literature review, key informant interviews and the EBA analysis. Initial drafts of the questions were pre-tested with academics none of whom were involved in the study. This revealed inconsistent question format as well as superfluous questions. Hence there was a clear need to establish a theoretical framework to provide categories for survey data (Hussey & Hussey 1997). It was decided that the survey needed to address, first, what the academic knows about performance management. This formed the first section. Then the

survey asked about performance management in the academic's university. This was done to see whether what they knew about performance management reflected what was happening in their university. The next section sought information on performance appraisals (reviews) – what elements were covered in their performance appraisals and what the academics thought about that process as a subset of their performance management system. The last section sought demographic information. The survey was piloted with another group of academics, slight adjustments were made prior to releasing the survey.

4.6.3.1 Coding

A Likert scale was used for the majority of questions. Respondents could select from the following responses: 'Strongly Disagree', 'Disagree', 'Neither Agree nor Disagree', 'Agree' or 'Strongly Agree'. To enhance validity of the instrument the items or statements chosen were sufficiently diverse and mixed, so there was reasonable certainty that many respondents would not just pick the neutral value and, as the results were going to be summated, 'half the items needed to be on the pro side of the issue and half the items needed to be on the con side to avoid yay-sayer or nay-sayer bias' (Alreck & Settle 1995, p.119). Respondents were also given the opportunity to make comments at the end of each section if they so wished. One question also asked respondents to identify if certain elements appeared in their performance reviews. They could then indicate, 'yes', 'no' or 'do not know'.

4.6.3.2 Survey structure

The survey was broken down into the following sections:
Section one examined the respondents' perceptions of performance management in *their university* including the aim and purpose of their performance management system. Section two examined performance management in general. Section three examined performance reviews in the respondent's university in an attempt to identify a) how they are implemented b) the content of those reviews and, c) the links between the performance review and other HR activities.

The last section sought demographic information such as gender, age range, academic level, university and whether the respondent had responsibility for undertaking performance reviews. The survey concluded by thanking participants and asked if they would allow the researcher the opportunity to discuss answers further if it was thought to be of benefit to the research.

The survey was tested on four colleagues from the researcher's School, none of whom were in the purposive sample. Where terminology, conceptual understanding or structure was unclear or ambiguous, the survey was modified accordingly.

4.6.3.3 Sampling

To survey all academics in the 37 universities was beyond the scope of this research. A decision had to be made as to which universities to sample. While some researchers believe they can, using their own judgement, select the best groups or people to study, according to Bouma (2000) without objective criteria being set, there is no way of knowing. As a result it was decided to select the universities on the basis of whether they had been categorised as either 'formative' or 'summative'.

The first stage of this research identified, in part, those universities that were coded as being either 'formative' or 'summative' (see Table 4.2). This analysis also identified those that were 'exemplars' in their respective categories. To be classified as 'exemplars' they had to have extensive reference, either positive or negative, in their EBA's performance management section, to the items identified earlier in the Hoare Report. The result of this analysis identified three universities regarded as 'formative exemplars' and five universities regarded as 'summative exemplars'. In order to compare and contrast results it was felt that an equal number of both formative and summative universities would be chosen. As one formative university did not have a business faculty at the time, there were only two exemplar formative universities. For this reason, two summative universities were randomly chosen from the five exemplars, making a total of four universities to be sampled.

Applying the Marginson and Considine (2000) segmentation of Australian universities to those selected, three universities selected were 'gumtrees' and one was a 'new

university'. One was a regional university and three were city universities. In addition, one was a former Council of Adult Education (CAE) and three different states were represented.

Table 4.2 Formative and summative exemplars

University Coding	Formative Exemplars	Summative Exemplars
1	√	
16	√	
40	√	
13		√
15		√
17		√
20		√
24		√

Purposive sampling was undertaken across the selected universities within their respective business/management faculties. According to Bouma (2000) while purposive samples only generate tentative generalisations, sometimes this is the only practical way to draw a sample, and while large samples may seem more conclusive, it is more about how the sample is drawn that determines how representative it is. Norman (1970) however contends that it is possible to generalise from a very few cases, as the researcher will be concerned with patterns of data generated, and whether they can be applied to other situations.

4.6.3.4 Distribution

As already identified, four universities were selected as the purposive sample. This stage of the research involved sending this sample group an online survey.

After receiving ethics approval, 470 letters of invitation were sent to all academic staff in the respective business/management faculty of the four exemplar universities (Appendix F) informing them about the research and advising that an email would be sent within the week (Appendix G), with the survey attached, and inviting their participation. Participation was voluntary and anonymous. The survey required approximately 15 minutes to complete (Appendices H, I and J).

Data was collected using Limesurvey. Limesurvey is a list survey, where respondent's details are held. Limesurvey stores these in a database called the 'token' database. Each respondent is assigned a 'token' in the database – a random string of numbers and letters. This token is used to ensure only a listed respondent can fill out the questionnaire, and it is also used to track questionnaire completion. A separate database is created to store the data collected from the questionnaire (the 'questionnaire' database). When a respondent completes the questionnaire using the token provided, the data is stored in the 'questionnaire' database, and the 'token' database is updated to record complete questionnaires. There is no link between the two databases, and no other information that could link them, such as the date of completion, is stored in the 'token' database (a field which specifies whether the questionnaire is complete or incomplete).

Of the 470 letters of invitation sent to academics, 103 academics responded by filling in the survey; a 21.9% response rate. The breakdown of academic responses from the four universities is identified in table 4.3 (below). The universities were classified as Formative 1(F1), Formative 2 (F2) and Summative 1 (S1) and Summative 2 (S2). Both of the formative universities recorded similar response rates (F1- 21% and F2-19%) however there was a large discrepancy of 23% between the response rates for the summative groups (S1-8% and S2-31%). There were 20% of respondents who did not identify their university.

Respondents were primarily males (59%) compared to females (27%)(table 4.4) and aged between 46-55 (36%)(table 4.5) with 53% of the respondents coming from Levels B and C (table 4.6). Of those who responded to the survey, 14% had responsibility for conducting performance reviews (table 4.7).

Table 4.3 Survey response rate by university

University of Respondents
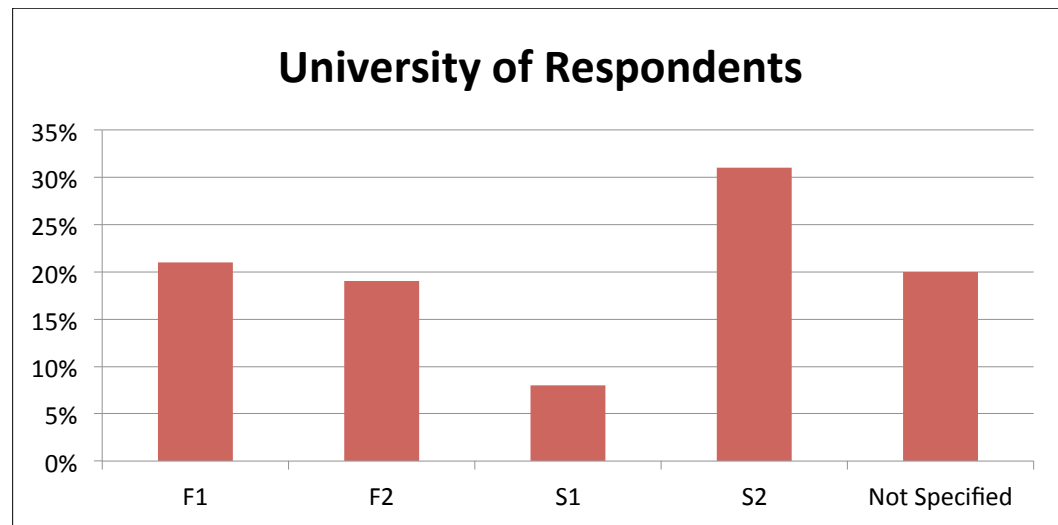
Table 4.4 Survey response rate by gender

Gender of Respondents
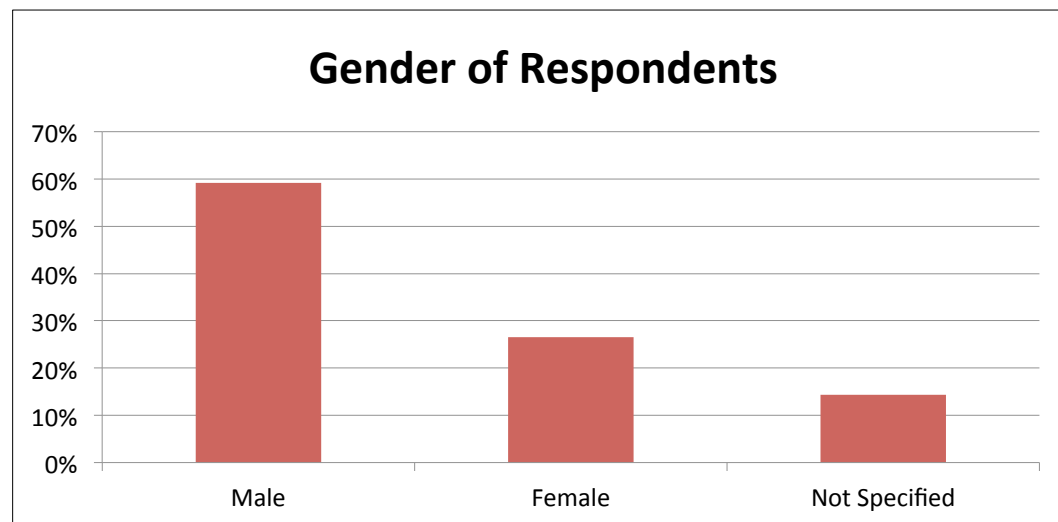
Table 4.5 Survey response rate by age

Age of Respondents
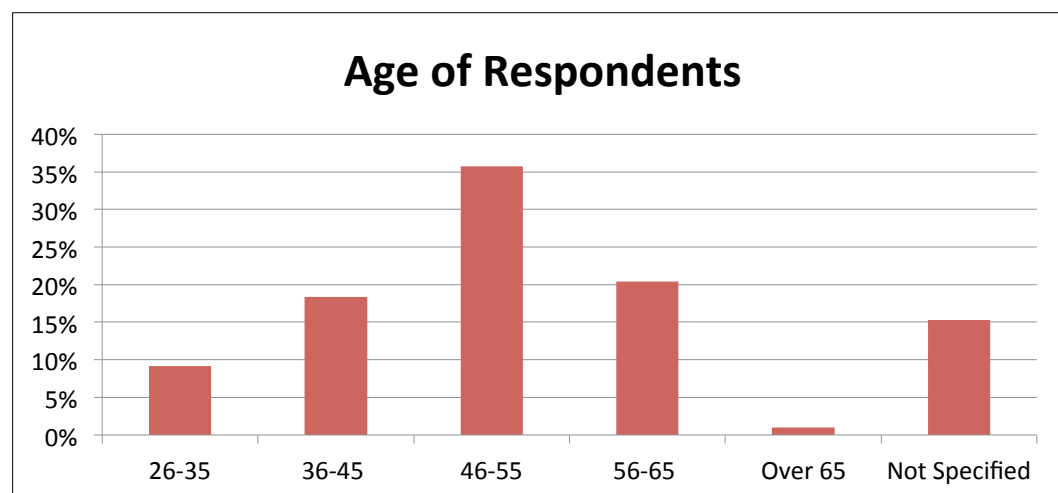
Table 4.6 Survey response rate by academic level

Academic Level of Respondents
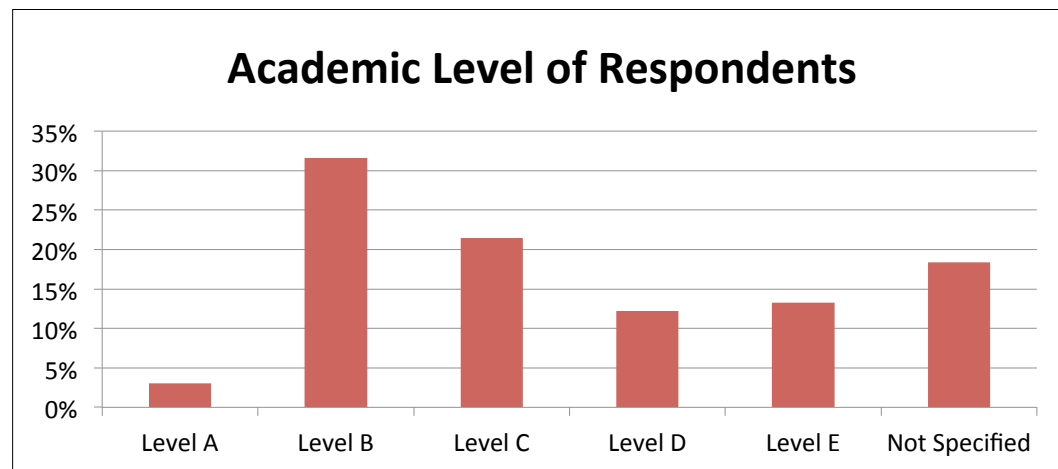
Table 4.7 Responsibility for conducting performance reviews.

Responsible for Conducting Performance Reviews
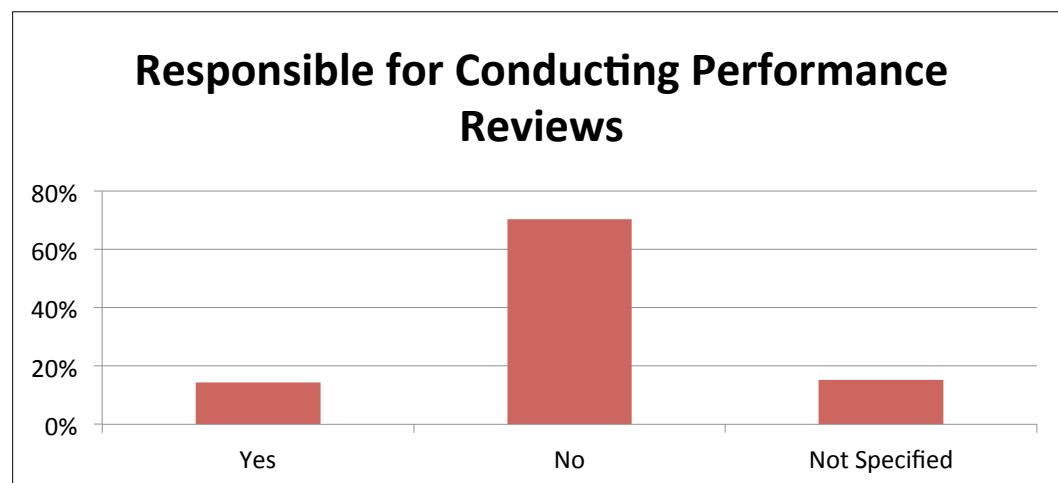
In conjunction with Dr. Jamie Mustard, data was cleaned to remove incomplete responses. Responses were then combined into 'Generally Agree' or 'Generally Disagree', as well as 'Neither Agree nor Disagree', to enable sufficient sample size to allow a meaningful analysis. Once the data was gathered simple descriptive statistics were used to analyse responses in an attempt to identify recurrent behaviours or patterns (Neuman 2003, p. 447) and checks for validity of data were also undertaken. While response rates to the survey were not high and generalizability of results across the population was not possible, purposive sampling of respondents can mirror the profile of the targeted population (Babbie 2009) and this was the intention in choosing this research method because it was not possible, within the boundaries of this research, to survey all academics.

The results of the survey are examined in Chapters Seven and Eight

4.7   Research Ethics

During the course of this study the researcher moved her candidature from one university to another. As a consequence, ethics approval had to be gained from both universities. The research ethics involved in this study covered both the key informant interviews and the survey. When potential key informant interviewees were approached by mail they were given an outline of the research as well as an explanation of the interview process. Interviewees were advised that the interview would be voluntary, that it would be audio-taped and go for approximately 45 minutes. At any point in time the interviewees could choose to withdraw from the interview and all data would be destroyed. Interviewees were advised that if they chose to participate, that all tapes and interview notes would be securely stored for a period of five years in accord with LaTrobe University Ethics Guidelines. They were further advised that no findings would identify any particular interviewee. Those people who indicated a preparedness to be interviewed were then provided with a Participant Information Sheet. This sheet outlined all contact details for the researcher and her supervisors. It also provided greater detail on the research for the interviewees. No personal risks were identified. Again anonymity was assured and potential interviewees were also given the contact details for the Faculty Ethics Committee, should they have any complaints or queries. Prior to being interviewed respondents were asked to sign an informed consent form acknowledging participation in the project.

Academics in the purposive sample group were first sent a letter of invitation inviting them to participate in the research via an online survey. An explanation of, and reasons for the survey were outlined in the letter. Information was provided on the structure of the questionnaire and academics were informed that it would take approximately 15 minutes to complete with participation being voluntary. They were further advised that they could withdraw from the project at any stage up until the data was analysed. Academics were then told that they would be sent an email in one week's time with instructions on how to complete the questionnaire should they so choose. Contact details for the researcher and her supervisor were also provided.

The email was sent to all academics in the respective Faculty of Business and Law at each of the four selected universities, approximately one week after the initial letter of invitation was sent. The email reinforced the information previously explained in the Letter of Invitation and in addition provided a link to the questionnaire. The email also provided an Information to Participants Involved in Research, document. Using a template provided by Victoria University, this document, explained the project, what the respondent would be asked to do, what they will gain from participating, how the information will be used, any potential risks of participating in this project (there were none identified) and how the project will be conducted. This last section covered in detail the collection and analysis of data and emphasised the anonymity of responses unless the respondents chose to provide contact information for follow-up questions. Lastly, the document identified contact details for the researchers as well as contact details for the Ethics and Biosafety Coordinator of Victoria University, should the respondent have any queries or complaints about the way the survey was conducted.

4.8   Limitations of study

Apart from the limitations of the various research methods already discussed in this chapter, there are other limitations that need to be noted. Stage One involved interviewing both union and management representatives. Initially, informal contact with the NTEU and the AHEIA saw both parties nominate particular individuals to be interviewed. There were four union representatives interviewed and only two management representatives. A greater number of management interviewees might have provided greater or varied insight. However, while limited in number, these participants were key players in their respective organisations in relation to the introduction and implementation of performance management of academics and so were able to provide critical insight into the process.

Perhaps the most concerning limitation is that the data gathered in Stage Two was taken from the EBAs that were current for the period 2006 to 2008. The research for Stage Three occurred in late 2009. While some universities were still negotiating a new agreement at the time, there may have be universities that had a new agreement in place

and, as such, respondents were asked about the content of their PM system and this was then contrasted with their EBA document, which might or might not be out of date. Counter balancing this however is the fact that should there have been universities with new EBAs in place, it is unlikely that performance review processes would have reflected changes so soon, if at all.

A further limitation was the amount of performance management information some universities included in their EBAs. Stage Two required the use of a content analysis with both manifest and latent content coding being used. Other universities devoted less than half a page to performance management, making it difficult to confidently categorise them as either formative or summative. While this may limit the integrity of the analysis, Bryman (2004) contends that silence, or saying little, is a crucial component of discourse analysis. Additionally, only two categories (formative and summative) were chosen with no 'neutral' or 'indeterminate' category. As a consequence, the researcher was 'forced' to locate these universities in one of only two categories. One of the already stated weaknesses of content analysis is the potential for another reader to categorise the data differently. In an attempt to ensure coding was consistent, a second coding was undertaken 12 months after the first coding. With the exception of a few universities, the coding remained constant. Those few universities, where there was a contradiction across the two coding periods, were coded for a third time (several weeks later) to determine if they were formative or summative.

Another limitation was that several universities chose to spread performance management across various clauses within the EBAs. This type of dispersion, if considered as variables in the research, might have affected the results in Stage Two. However, the working definition of performance management is 'a holistic term that encapsulates the management of staff through the *integrated* use of human resource management practices and the strategic objectives of the organisation.' Here the term 'integrated' is important, as those universities that did not encapsulate them within the performance framework, either directly (i.e. including them in the section) or indirectly (referring to these other areas in the performance management section or the EBA), were considered as having an unsound understanding of performance management as defined. Two universities chose to write only one and two lines respectively on performance management in their EBA, preferring instead to refer the reader to relevant university

policies for more detail. These policies could not be accessed for this analysis. As such, some universities might have been coded incorrectly against some variables.

Stage Three also had some possible limitations. As a result of staff leaving their institutions some letters did not reach their destination. A second limitation was that, despite every effort being made to define and highlight key terms in the survey, there may have been confusion about whether respondents were being asked about performance management in general, or PM in their universities or performance review. Lack of familiarity with terminology or concepts addressed in the survey may have been difficult for some, particularly those for whom English is their second language, and/ or management or HR is not their discipline area.

While the purposive sample of universities was chosen on the basis of the formative and summative analysis (see section 4.6.3.2) the choice of which academics to target in each university was random. The decision was made to select academics from the Faculty of Business and Law across all universities, to ensure comparability of results. Academics from other Faculties could just as easily have been chosen. This however could be seen to be a limitation of the research as academics from other Faculties, possibly less familiar with the concept of performance management, may have returned different results.

A further limitation is the use of Australian Public Service (APS) reports (MAC (2003) and ANAO (2004/5) and the key criteria for effective performance management systems, namely alignment, credibility and integration, during the analysis phase of the research. While there are some similarities between the Australian Public Service (APS) and academia, equally there are several differences, namely the APS has performance-related pay; their work is prescribed or mandated; research is not part of the position description of most workers; APS workers do not apply for funding via grants; and there is less mobility between workplaces for APS workers compared to academics.

4.9.   Conclusion

This chapter began by considering the research questions and then examined the methodological paradigms and benefits of a mixed-method approach to research. The

rationale for the analytical framework was considered before examining the research design. This section addressed the three stages of the research. Stage One constituted key informant interviews and Stage Two was an examination of the EBAs utilising a key recommendation of the Hoare Report as its framework. Stage Three was a survey of academics to ascertain if the stated intent and outcomes of performance management, as identified in university EBA documents, reflected the views of participants who are the subject of performance management. Finally, the limitations of the research were noted. Chapter Five is the first data chapter and addresses the stakeholder perspectives via key informant interviews.

Chapter 5

The Changing Nature of Performance Management in the Australian University Sector

5.1   Introduction

The previous chapter examined the methodology used in this research and noted that the use of key informant interviews was a valuable tool for providing perceptive information (Bryman 2004) as well as historical insight. Simmons (2002) argues that ascertaining the views of stakeholder groups can assist in the development of a robust and effective performance management system in academia. This chapter reports on the findings from Stage One of this research, that is, key informant interviews of academic stakeholders, namely the National Tertiary Education Union (NTEU), a representative from the Australian Higher Education Industrial Association (AHEIA) and a current university Human Resource Director. Each key interviewee had experience in both the introduction and implementation of performance management in universities. The chapter concludes with a summary of the major issues.

5.2   Key informant interviews

Universities have, over the preceding 20 years, moved from introducing performance appraisal to developing sophisticated performance management systems without empirical data to support such development.   Nor has there been any research to ascertain the nature of such systems.

In an attempt to understand the implications of the historical, political and industrial climate on universities, discussions were held with representatives of the major stakeholders, namely the NTEU and university management. Selecting only one group to interview could have resulted in skewed findings (Babbie 2008). For this reason office holders of the NTEU, AHEIA and one currently serving HR Director, with experience in the changing performance management process over time, were interviewed. While not large in number the key informant interviewees were significant participants in the introduction and implementation of performance management in

Australian universities. As a consequence, they provided invaluable insight into the history and current workings of performance management systems in Australian universities.

Interviewees were asked a range of semi-structured questions (Appendix E) in an attempt to better understand the background to, and current implementation of, performance management of academics. The aim of such discussions was to locate the present research within a framework that would lend itself to the development of survey questions for Stage Three as well as provide a rich source of data to be used in triangulating this research.

5.2.1 Analysis of Interview Questions

The views of participants were canvassed across a range of issues such as the purpose, benefits and weaknesses of performance management, as well as the contextual factors impacting on higher education that have had a flow on effect to performance management. Lastly, participants were given the opportunity to suggest questions of interest that could be asked of academics when surveyed as part of this research.

5.2.1.1 The purpose of performance management

When asked, all NTEU members were of the belief that the purpose of performance management should be the development of the individual and should not be for controlling purposes. They indicated that if organisations chose to have appraisal for different purposes, such appraisal should be kept separate. The comment was made that initially the purpose was to serve the managerialist agenda but some 20 years on '*those pressures are waning*' (NTEU 1). Nevertheless, performance management today, they contend, should be about reminding staff about workload priorities and assisting them to reach their goals. Where performance management is used to manage problems, such a process should be enabling, rather than a punitive process and should be about 'reasonableness': telling people what is expected of them and then giving feedback against how they are performing.

From the employer's perspective, the management (Mgmt) interviewees spoke briefly about performance management being used for developmental purposes but then,

interestingly, went on to discuss its impact on culture. It was suggested that performance management systems not only address poor performance but actually change the operation of the organisational culture making it more likely to be a successful organisation (Mgmt 1). The influence of culture on performance was also identified by Mgmt 2, albeit differently. He suggested that while Heads of School and other academic managers view their role as a supportive and nurturing one, the reality is that, '*I don't believe the culture gives them… a lot of confidence to do negative feedback.*' However this appears somewhat contradictory when he subsequently indicated that '*we use them [performance appraisals] in probation – to help inform probation decisions about non-confirmation as a result of poor performance appraisal.*'

Evidence in the literature suggests that performance appraisal in Australian universities are used to assist with, amongst other things, determining unsatisfactory performance, rewards and promotion (Lonsdale 1988a; Casey, Gentile & Bigger, 1997; Lafferty & Fleming 2000). Interestingly, two respondents from the NTEU excluded promotion from what they believe constitute part of performance management. Instead, they identified pay increments and procedures for dealing with unsatisfactory performance and misconduct as key elements of performance management.

The issue of academic promotion, as one feature of performance management, was raised however by one interviewee who believed it is the 'publish or perish' mentality that underpins promotion: '*Very few people are prepared to say in public what they say in private…that it is the publish or perish mentality …and that no one really seriously treats teaching, community engagement, non-research scholarship..[seriously]…those are the bigger developmental challenges and performance challenges for the sector because…today the pressures for differentiation make that problem even more acute*' (NTEU 2).

5.2.1.2 Weaknesses of Performance Management in Australian universities

Both groups were forthcoming with perceived weaknesses of current performance management systems. Several of the NTEU interviewees indicated they did not think management of universities was very clear about what they want out of a performance

management system. Part of that problem, might be attributable to what one unionist referred to as *'the discourse of performativity'*. He said that just as organisations need to have systems and a language to frame organisations as a business, so too do universities. As a consequence, universities have accepted the growth of enormous bureaucracies fuelled by the demands or recommendations of outside bodies or organisations, such as government agencies, or consultants. He went on to say, *'...when I see these performance management things that are bureaucratically out of control and the hopeless absurd endless restructuring of divisions, departments...its crazy. It is absolutely crazy'* (NTEU 2).

Concern was raised in several NTEU interviews that too much focus was placed on people's failings and not enough on people's strengths. There was also the belief expressed that many academics have a deep suspicion of performance management as a result of unrealistic expectations being placed upon them.   In addition, failure to train people and the potential for arbitrary, 'personality-conflict decision-making' and favouritism, leading to overall distrust in the system, were identified as issues. Another issue raised was shrinking timeframes between appraisals, forcing many academics and supervisors to hastily complete the paper trail of performance appraisal, resulting in a less than ideal engagement with the system. If academic performance is okay, then little is done. *'It only becomes an issue if the supervisor is concerned, for whatever reason, with the academic's performance and then it becomes a disciplinary procedure'* (NTEU 1).

The issue of self-directed research, under the present framework, was an additional concern for the NTEU. Previously academics could choose the area in which they researched without any interference from outside. Under this new system, they argue, people are going to judge not only the worth, or otherwise, of a research area but the value of research outcomes.

Management interviewees were equally critical of current systems with a major concern being the disparity within a university. While there are some areas in many universities where individuals strive for excellence, there are also large sections of the same universities where there are people with a 'time serving' approach; these people tend to have *'a public service mentality rather than a performance culture mentality'* (Mgmt 1).

The mechanisms for identifying and dealing with poor performance were also identified as a weakness in the current system. Processes were felt to be complex, cumbersome, unpredictable, inconsistent and often controversial: '*If you were looking to find a mechanism that would address ways of identifying and dealing with, not just punishing people, but also attempting to remedy poor performance, these processes have not been particularly useful*' (Mgmt 1).

A number of other criticisms were levelled at current performance management systems. First, it was seen to be very time consuming, particularly for people managing large numbers of staff. Second, '*people can't have honest conversations with each other and that needs some work.*' Third, there are pockets in universities where some managers only pay lip service and do not use the university as a forum for frank discussions. Fourth, there is the difficulty of 'moderating' assessment across the university, '*some people handle it in a light way and would be light on assessing and others would be more rigorous*' (Mgmt 2).

5.2.1.3 Benefits of performance management systems

While recognising weaknesses in performance management practices in Australian universities, the NTEU was also keen to acknowledge that there are some places where performance management works well. In these environments they believe, there are proper conversations between supervisors and staff. Too often however, it fails because supervisor's are '*inadequately trained and don't understand what the system is designed to do*' (NTEU 3). Even in those places where it does work well, he said, these are in pockets and do not necessarily reflect what is happening across the entire university. Management interviewees equally supported these views.

The NTEU favours performance appraisal systems based on mutual goal setting and where people have a clear understanding of what is required of their role. Such a system should be enabling in focus, provide support for staff and opportunities to discuss problems staff are having with their work; it should be about people working together to ensure better outcomes. This includes identifying and addressing problems. Taking a pragmatic approach, it was felt that if, after providing support, problems cannot be fixed; people need to be moved out of the system. This is '*...beneficial both for the*

organisation and staff member' (NTEU 1). An additional benefit, proffered somewhat cynically, was that universities benefit financially from performance appraisal because the need to have such a system is mandatory, and compliance with that enables them to qualify for various grants and ongoing government support.

An important benefit of performance management, from the management perspective, is the development of a performance culture in which people strive for excellence even if, *'...there is still a long way to go'* (Mgmt 1). Such a performance culture, it is argued, would have a greater link between pay, the Award and performance. NTEU resistance to such a proposal was however acknowledged: *'I hope they [NTEU] get over that because we often hear from people in universities, that it doesn't make any difference whether you work your guts out or do nothing. You get treated the same…that has an effect on morale…those who do aspire to better performance…find that basically some slacker next to them is getting treated exactly the same'* (Mgmt 1).

Improved communication between managers and academics was also seen to benefit the system. The opportunity for academics to discuss their progress, their career plans, what is needed to achieve these goals and the available support, are all positive outcomes. Management interviewees did not shy away from the fact that performance management also addresses difficult issues. Performance appraisal not only informs discipline decisions but provides staff with the information related to the discipline process, and provides managers with the chance to have a discussion with staff, *'...about them as an individual about their development, about their performance and I think that's important for communication but, it also gives you a tool to use as a big stick if you need'* (Mgmt 2).

5.2.1.4 Contextual factors impacting performance management in higher education

The introduction of Higher Education Workplace Relations Requirements (HEWRR) in 2005 saw a range of industrial relations practices applied to universities. The most relevant of these was the need to amend all enterprise agreements to ensure they complied with the federal government's industrial agenda (Lyons & Ingersoll 2006; Lewer & Gahan 2008). In particular, the Howard Coalition Government required that

the provisions that limited the use of casual labour be removed (DEST 2005, section 7.25.30). This had implications for higher education, which is heavily reliant on casual labour. In addition, HEWRR required that complex provisions in enterprise agreements, covering things such as long service leave and maternity leave, had to be simplified. All EBAs had to get the approval from the federal government before they could be signed off (DEST 2005). In the early days, one tactic the NTEU used to make agreements appear shorter and easier to read, was to change the font size from 12 to 10pt, which reduced the number of pages significantly *'so sometimes we got away with it…a little bit of cheekiness, but it went through…and they approved it and that was fine'* (NTEU 1).

Both NTEU and management interviewees cited HEWRR as having a major influence on the desire for greater performance management in universities. These requirements identified a portion of government funding for universities being conditional upon university agreements, policies and practices having mechanisms for rewarding good performance and mechanisms for dealing efficiently with poor performance (DEST 2005). This provided *'an impetus for universities to include either in their agreements or in their policies and practices, more sophisticated performance management'* (Mgmt 1). Mgmt 2 also believed that HEWRR had a major impact on performance management: *'...very clearly you need to be able to demonstrate that you're linking performance with reward and that you're rewarding outstanding performance.'* However he did note that while universities are expected to make an allocation for bonuses each year, *'we don't have bonuses for academic staff…well, not for the general population of academic staff…'*

According to the NTEU universities are now under enormous pressure from government to be fiscally responsible as well as drivers of their own income. University budgets impact directly on workloads because they are about how many staff a university can employ and the percentage of full-time versus casual staff. This has impacted on the culture of the organisation and the link to academic workloads: *'The balance has shifted too far…it's actually requiring a focus on the financials over and above the broader intellectual requirements of an institutional sector'* (NTEU 3).

As evidenced, government policy has been a major driver of change in universities in the way staff are managed. From the NTEU perspective the introduction of AUQA

(Australian Universities Quality Agency) has forced universities to develop policies in a range of areas they otherwise might not have developed. Both the NTEU and management interviewees were of the belief that political agendas have driven the need to demonstrate to external bodies that universities have performance appraisal: *'While some university management are committed to it because they believe it falls within their brief of managing the institution, others are less committed and only do it to ensure they get the 'tick in the box'* (NTEU 4).

Increasing competition was cited by management as a major contextual factor impacting on performance management of academics. Universities are now competing not only with each other for a niche in the funded public university Australian market, but they are also increasingly competing with private universities, private non-university providers of higher education and overseas universities including online delivery: *'There is increasing competition between universities and there is an increasing inability to tolerate poor performance which I think has been a major impetus for universities to develop their performance management systems'* (Mgmt1).

Whether it is pressure from government, consultants or university councils all contribute to pressure to ensure that universities, like any good organisation, have performance measures. Tied very much to the political and industrial agenda, the use of performance measures is used as a form of marketing for the university, with several universities using their SETU's (Student Evaluation of Teaching Units) linked to performance appraisal, as part of their marketing strategy to new students (NTEU 4).

The nature of academic work was cited by the NTEU as being a contextual factor impacting on performance management systems. Academics are expected to independently engage in research designed to expand their knowledge and that of the discipline. Historically, this has not been without tension as academics debate the cut and thrust of particular issues. This is the nature of academic work. The introduction of performance management has seen a shift from collegial academic engagement to one that requires an 'outside' imprimatur on the value of the academic's work: *'This [the nature of academic work] changes once individuals are required to research within particular strategic areas and their research then forms a key part of their performance assessment'* (NTEU 3).

Academic workloads are a major concern for the NTEU. They believe people are being overloaded with teaching demands, have large administrative responsibilities, are expected to undertake research, and show a research track record in order to have access to promotion and to advance the organisation's financial position. This then creates a tension when individuals are being performance managed: *'How can someone say that an individual has not been undertaking enough research when they have not been given enough time to do it?'* (NTEU 3).

According to the NTEU, performance management cannot be disaggregated from workload management. Managing workloads in universities is a major problem (NTEU 3). While some universities have more 'flexibility' than others, given their strong financial basis, it is still a concern across the sector: *'The issue about performance management…it's linked to workloads so intimately because there are far too many people who have got too much to do and required to take on too many responsibilities so to be an effective academic in the classic sense…becomes almost impossible. What you then create is a culture of expecting less. The rigour and the intellectual reach of academics are constrained by the amount of time that they have got…'* (NTEU 3) The issue of academic workloads was not raised by management as impacting on performance management.

5.2.1.5 Performance Appraisal and Student Evaluation Of Teaching Units (SETU's)

Despite considerable debate in academic circles about the validity and applicability of using student evaluation of teaching units (SETU's) as key performance indicators in performance reviews (Davies et al. 2005), neither management interviewee raised this as a factor impacting on performance management. The NTEU however raised it as an issue. They identified that not only are there differences across universities in the approach to, and measurement of, SETU's but even within universities there are different expectations of what is an 'acceptable' measure. Additionally, SETU's are seen as an arbitrary measure of a complex situation *'… and then there's the fundamental question about what the hell is being measured anyway. But managements love it*

because it's ascertainable. You can put a number on it and that must mean something' (NTEU 1).

5.2.1.6 Pay for performance

Much of the performance management literature links effective performance to rewards but also identifies some inherent problems (Hendry et al. 2000). This is one area that has always been problematic for academics; management support the concept of performance-related pay and unions oppose it. When performance appraisal for academics was first mooted over 20 years ago, 'performance-related pay' formed part of those discussions. However, *'it was obvious at the time that people were interpreting it differently'* (NTEU 2). One interpretation was that a minimum rate should replace the old pay scale and each increment was an 'at risk' payment. The other interpretation was the more radical view, where individuals had a base point, and they would get bonuses or some other 'at risk' payment. Neither view got very much traction because of the NTEU's position on performance pay: *'...it is not negotiable. The reason it has been kept off the agenda is because they know we will go beserk'* (NTEU 4).

One of the reasons proffered by the NTEU for their failure to support performance pay is because there is insufficient empirical evidence that it actually improves performance. At the time of the interviews, according to the NTEU, there was at least one Vice Chancellor pushing the issue of performance pay: *'...once they cross that line, once they cross that line, then I think the fight will be on'* (NTEU 4).

Management's perspective on performance pay is, not surprisingly, counter to those of the NTEU. While acknowledging there are currently 'ad hoc mechanisms' at some universities where performance bonuses are paid, one interviewee indicated that, *'...if a university is serious about performance pay then it is going to have to adopt a pay system whereby it pays a larger proportion of its total salaries budget to a proportion, not the entirety of its workforce, that is to those people who are judged to be excellent performers.'* He also pre-empted the NTEU response, *'I know the union answer to this is, "well there's nothing stopping you paying excellent performers more money". Well*

that's true there is no technical impediment…the thing that's stopping us is the fact that we haven't got unlimited money' (Mgmt 1).

5.2.1.7 Questions of interest

When given the opportunity to provide questions that academics would like to be asked regarding performance management there was similarity in the responses from all interviewees. The question that most wanted answered was, *'Is their performance management system working?'* NTEU 3 wanted to know whether academics believed that performance management processes helped the academic do their job better. He felt that this should primarily be the role of any performance management system. It should facilitate getting things done through interaction between the academic and the supervisor: *'Performance management …when it's working most effectively, is about assisting in performance not about beating people up for bad performance'* (NTEU 3).

Similarly, NTEU 4 wanted to know if academics thought their systems were of any value. That is, value being measured, not by what someone *thinks* they are worth, but whether they actually lead to improved performance. In addition, he was keen to ascertain if the individual would describe their process as one that was summative or formative. NTEU 2 was interested to find out if performance management was being used as a mechanism only for ensuring compliance to strategic goals, or whether it genuinely reflected the intellectual and discipline interests of the staff member. He also raised the question as to whether academics were getting adequate support for their research, conference attendance, teaching and community engagement requirements on the basis of their performance appraisal or performance management dialogue: *'…my sense is that a lot of our members feel that it is overwhelmingly about the strategic management by objectives angle and that most of the formal structure and actual practice of the schemes tend to reflect that'* (NTEU 2).

Management interviewees were equally forthcoming with questions. Mgmt 1 wanted to know if performance management had links to performance bonuses, was integrated with the academic promotion system, or incremental progression system or unsatisfactory performance systems. He was keen to know how all these 'bits' fit

together to create a whole so that, *'...we don't end up with someone failing probation but being promoted to Associate Professor at the same time.'* Additionally, he wanted to know what the mechanism is, whereby information on poor performance is fed back to the individual, what the mechanism is for addressing that problem, and what happens next.

The focus for Mgmt 2 was on the academic managers. He wanted to get a sense from them as to whether the system had merit, whether it was worth doing, and whether or not they would have similar conversations with their staff if they didn't have a performance review process. Given the fact that the performance review detracts from the day-to-day work of academics, he also wanted to know if academics felt it had value for them and whether academics wanted more independent data (such as SETU's) to assist them in having a better PPR experience.

5.3   Summary

When asked what the purpose of performance management should be NTEU interviewees believed it was about assisting employees to reach their goals, whereas management interviewees believed it was about addressing poor performance, thereby improving the culture and success of the organisation.

The NTEU respondents identified five weaknesses with performance management. First, the lack of clarity within universities as to what they wanted their performance management systems to achieve. Second, performance appraisal tends to focus on the failings of individuals not on people's strengths. Third, there is considerable distrust in the system caused by failure to adequately train people and personality-driven conflict. Fourth, shrinking timeframes between appraisals sees compliance in order to demonstrate a paper trail rather than commitment to the process. Fifth, self-directed research, formerly the cornerstone of academia, may become the casualty of a university system that now only values research linked to strategic goals.

Management respondents were concerned about the time consuming nature of performance appraisal, the difficulty of people having honest and open communication

with each other and in moderating assessment across all parts of the university. In addition, management respondents were also concerned that within many universities there is inconsistent application and commitment to performance management.

Many of these concerns have been expressed in the literature. The lack of clarity of purpose, for both academics and administrators, was noted by Paget et al. (1992); Down, Hogan and Chadbourne (1999); Simmons (2002);Aper and Fry (2003) and Stavretis (2007). Previous research also revealed the distrust that academics felt in a system (Bowles & Coates 1993; Down, Hogan & Chadbourne 1999), that had difficulty reconciling organisations' concern for control and compliance with the need to develop the individual (Simmons 2002). The time consuming nature of the process has been identified in previous research (Bryman et al. 1994; Down, Hogan & Chadbourne 1999; Morris, 2005; Stavertis 2007). In addition, Beer et al. (1985) and Down, Hogan and Chadbourne (1999) identified collusion by both parties to meet organisational demands. This reflected the concerns by these interviewees that tight timeframes resulted in hasty compliance in order to create a paper trail. Inconsistency across faculties within universities was cited by both groups of interviewees as a problem and this was supported by the work of Lonsdale (1988a); Paget et al. (1992); Bryman et al. (1994); Hoare (1995) and Down, Hogan and Chadbourne (2000).

Both the NTEU and management interviewees acknowledged that in some parts of some universities, performance management worked well but that processes need to be refined to ensure consistency and ease of use and transparency. While both parties recognised that performance management is about identifying and addressing problems, the NTEU respondents however would like to see a greater emphasis on the enabling rather than punitive approach.

Management respondents see the benefits of performance management to universities as the development of a performance culture. Such a culture would recognise and financially reward good performance. This latter point is a critical stumbling block with the NTEU interviewees.

Cited by all interviewees, HEWRR has probably been the most influential external factor impacting on performance management systems in Australian universities. The

decision by the Howard Government to make funding to universities conditional upon university EBAs, policies and practices having mechanisms for rewarding good performance and mechanisms to deal with poor performance, has put the issue of performance management at the forefront of university decision making. While HEWRR was abolished by the Rudd Labor Government in 2008, pressure from government, university councils and industry have forced universities to continue to implement performance measures in an attempt to remain competitive.

Another major contextual factor impacting on performance management is, according to the NTEU interviewees, academic workloads. The NTEU respondents do not believe that performance management can be disaggregated from academic workloads. Increased demands being placed on many academics has a direct link to how well, or how poorly, academics perform. Interestingly, despite the fact that managing academic workloads is a major challenge in universities, this was not identified by management respondents as being a major influence on performance management. However, Down, Hogan and Chadbourne (2000 p. 221) noted the frustration of teachers regarding *'...the intensification of work, for no apparent gain'.*

When asked what specific questions they would like asked of academics in relation to performance management, interviewees' responses were interesting. In sum, all parties wanted to know the following from academics:

- Was their performance management system of any value to them i.e. does it lead to improved performance?
- Did their performance management system help them to do their job better?
- Was their performance management system used as a mechanism for compliance to strategic goals or did it reflect the individual's intellectual and discipline interests?
- Did their performance management system link to other HR activities such as promotion or incremental progression?

These questions were used, in part, to frame a survey for academics (see findings in Chapters Seven and Eight).

5.4   Conclusion

This chapter reported on the first stage of this research, namely the views of key informant interviewees in relation to performance management of academics. While there were obvious, and perhaps understandable, differences between the NTEU representatives and university management representatives in response to some of the questions asked, there were times when parallel views were expressed. Perhaps the most telling aspect of these conversations emanated from the last question: 'What question would you like me to ask when I survey academics in relation to performance management?' Without exception, and paraphrasing, all interviewees wanted to know if their performance management system worked, or was valued by academics. They were interested in how performance management systems were operating in universities. Was the performance management system used for formative or summative purposes? This begs the question: Why do we not know the answer to these questions, given we have been appraising academics for more than 20 years?

Both groups identified a number of concerns they perceived with current performance management practices. The majority of these concerns have been raised as issues in earlier studies. Why then are they still evident in current performance management systems? With no empirical data to support the use of these systems in universities both the NTEU and university management are making assumptions on the current effectiveness of performance management based on anecdotal evidence drawn from the literature, or from research undertaken in other organisations/industries.   More importantly, universities are embedding performance management systems within their organisational structure without any evidence about its efficacy, or indeed how these systems are utilised and/or implemented at other universities. In addition there is a paucity of research as to how academics view performance management (Stavretis 2007). As all universities now engage in performance management, we need to know more about how they operate and their purpose, structure and implementation. Are there different types of performance management systems emerging in universities with different foci? Most importantly, does the rhetoric of the universities in relation to their performance management reflect the lived experiences of those who are the focus of that process, namely the academics?

The questions raised as a result of key informant interviews, as well as those identified through the literature, have been used to frame the questionnaire used to survey a sample of academics in Stage Three of this research. The aim of the survey was to try and ascertain what performance management systems look like in universities today, how they are utilised and how academics perceive them. The results of the survey appear in Chapters Seven and Eight. Chapter Six reports on Stage Two, an examination of EBA documents, using content analysis to ascertain the stated purpose and uses of performance management in every Australian university.

Chapter 6

Enterprise Bargaining Analysis

6.1   Introduction

Performance management of academics evolved from the economic, industrial and political environment of the late 1980s and early 1900s. These changing factors were examined in Chapter Five, providing an historical perspective to the current situation. In addition, the views of major stakeholders were canvassed as a prelude to the development of survey questions. Ascertaining the views of key informants not only provided historical insight but also views on the implementation of performance management systems operating in universities today. A number of questions regarding the current state of performance management emerged. These included:

- What do performance management systems look like in Australian universities today?
- How do universities utilise their PM systems?
- Are PM systems linked to strategic goals?
- Are PM systems formative or summative in intent?
- Do these systems articulate into other HRM activities?

One way to explore these questions is to examine the performance management clauses of all Enterprise Bargaining Agreements (EBAs). The introduction of the Higher Education Workplace Relations Requirements (HEWRR) (2005) mandated that universities must not only have certified agreements in place, but also workplace policies and practices that comply with HEWRR, in order to obtain funding under the Commonwealth Grants Scheme. Such policies and procedures included the performance management of staff. An examination of university EBAs therefore provides valuable insight into the importance, role and functions that universities place on their performance management system and on the management of academic staff. This chapter reports on Stage Two of this research which examines the EBAs of 37 publically funded Australian universities in an attempt to answer some of the questions identified in the previous chapter, as well as attempting to identify similarities and differences

between universities in their management of academics.

6.2   Background

Chapter Five reported on key informant interviews, which not only provided some background information on performance management in universities, but also provided insight into implementation issues, stakeholder interests and current concerns. Chapter Six begins Stage Two of this research by examining the organisations' approach to performance management.

In order to gain additional funding, HEWRR legislation (DEST 2005) required universities to demonstrate that, *'workplace agreements, policies and practices must include a fair and transparent performance management scheme which rewards high performing individual staff. Consistent with this, the higher education provider's workplace agreements, policies and practices must also include efficient processes for managing poor performing staff'* (DEST 2005, section 7.25.45). While it was not possible to undertake an analysis of all universities' policies and procedures related to performance management due to the difficulty in accessing documents, it was possible to access all university EBA documents via each university web page. EBAs are a useful source of comparison across universities as each one has a section related to performance management, or similar nomenclature, and can therefore be used to gain information on how universities view their performance management systems. In addition, EBAs are legally binding documents, unlike policy and procedure documents.

However, it needs to be noted that some universities chose to separate or spread elements, often regarded as coming under the umbrella of performance management, throughout the EBA document, while others chose not to include a lot of detail about their PM system in their EBA. Two universities only wrote one or two lines respectively, preferring instead to refer the reader to university policies for more detail. These policies could not be accessed for this analysis, nor were any other university policies. This is problematic and these factors may well be identified as a limitation of this analysis.

The findings of the Higher Education Management Review Committee (Hoare 1995) and the Review of Higher Education Financing and Policy (West 1998) suggest that universities needed to urgently respond, at both systems and institutional levels, to turbulent change experienced in the environment. As a consequence of these forces operating at macro and micro levels, as outlined in Chapter Five, universities set about changing their performance management systems to more closely align with strategic direction. Since the introduction of performance appraisal, there has been increasing evidence that universities are attempting to enhance staff productivity and organisational effectiveness through changes to their performance management system via their enterprise agreements (Lonsdale 1998).

Professor Alan Lonsdale was a significant participant, subsequent to the introduction of performance appraisal into higher education, chairing the 1991 National Conference on Academic Staff Appraisal and Performance. Reflecting on performance management systems, Lonsdale (1998) suggested that when PM systems are evaluated, consideration be given to a central recommendation in the Hoare Report (1995), which states that the aims of any performance management system should not only be 'based on agreed performance and developmental objectives for the individual' but also based on key principles. These principles include 1. the need to have a clear relationship between the performance of an individual staff member and the strategic direction of 'the relevant department, school or faculty, or where appropriate, the university', 2. 'the need to inform and provide feedback to staff on the level of their performance and skill development within that strategic context'. This feedback could include comment from supervisors, colleagues, staff, students or other appropriate persons, 3. 'to identify areas of future development for staff and formulate action plans for fostering their career development' and 4. 'to generate data for making decisions on matters such as probation, increments, tenure contract renewal, and the management of diminished or unsatisfactory performance. As far as possible, the consideration of these matters, currently undertaken in a disparate manner, should be brought together' (Recommendation 12, Hoare 1995, cited in Lonsdale 1998, p. 307).

Clearly the stated purpose of managing the performance of academics has moved from a narrow focus on performance appraisal to recognition of the need to develop

performance management systems in universities that are strategic, developmental and also aligned, integrated and credible within the organisation (ANAO 2004/5).

The development of enterprise bargaining throughout the 1990s provided a mechanism for individual universities to develop performance management systems suited to their own needs. University EBAs have been negotiated collectively at the local level by the NTEU since 1994 (Morris, Stanton & Young 2007a). Since that time the academic sector has had five bargaining rounds in which academic performance has been a key component. This new industrial environment has given universities an opportunity to determine their own form of performance management. As a consequence, it is possible that these systems can vary considerably between universities (Morris, Stanton and Young 2007a).

6.3. Choice of the Hoare Report (1995) as a framework of analysis

In 1995, the then Minister for Employment Education and Training, Simon Crean announced a review of the higher education sector with the aim of developing excellence in management and accountability of resources. The report of The Committee of Inquiry led by David Hoare (Hoare Report, 1995) built on contributions from several earlier governmental reports and analyses which, 'have shaped the direction of Australian higher education or more specifically to improve operating practices in universities' (Hoare 1995 p.5). The Report acknowledges the widespread and profound changes to the university sector in the previous decade. In so doing it recognises the move by universities to embrace contemporary management practices in the form of strategic planning and an increased focus on quality. However, it also observes that such changes have not been even across the sector.

The Report notes the narrow approach taken to performance management by many universities with a focus on appraisal rather than development. In recognising the turbulent environment in which universities operate the Report advocates a review of work practices and organisation within universities and suggests that it is appropriate for government to assist in the facilitation of such changes. As such, the Hoare Report seeks

to not only bring together evidence from previous studies, but after discussions with many stakeholders, point a way forward, albeit in an 'iterative but continuous way'.

Recommendation 12 of this Report was chosen as the framework of analysis for the EBA's because first, it has a body of earlier research that underpin the recommendations. Second, it is the only document that appears to provide universities with a framework to progress their performance management systems. In so doing, it provides some consistency across all universities while at the same time being general enough to allow universities to develop performance management systems that are appropriate for their own particular environment and circumstances. Third, it enables a point of comparison between universities in the area of performance management.

6.4   Method

Stage Two examines EBAs of Australian universities to identify similarities and differences in respective approaches taken to managing academic performance. Key findings from the Hoare Report (1995) were used as the framework for this analysis. The data was used to compare the results obtained from Stage Three, a survey of academics (Chapters Seven and Eight), to try and ascertain if the stated intent and outcomes of performance management, as evidenced in EBA documents, reflects the views of participants who are the focus of that process.

EBAs of the 37 public funded Australian universities listed (Australian Education Network 2006) were accessed and given a random code number to protect anonymity. As EBAs are public documents, they could have been accessed through the relevant industrial relations agencies; however those universities selected had their agreements readily accessible on line. The documents were analysed by identifying the section headed 'Performance Management' or similar nomenclature.

The clauses on performance management were analysed using recommendation 12 of the Hoare Report (1995). These included four major principles as stated previously. In sum, links between organisational and departmental strategic objectives and staff performance; appropriate feedback mechanisms; a focus on staff development and

career progression; and data being used for other matters including reward, dealing with unsatisfactory performance, and integration of policies.

Strategic objectives and staff performance: This key principle was examined in two ways. First, to see if there was a relationship identified between the work of the individual and the organisations strategic focus and second, to examine the nature of that relationship.

Feedback mechanisms: This principle was explored by first ascertaining if EBAs stipulated any element of feedback and if so, whether it was at the level of performance and skill development or just one of two. The analysis did not look at the mechanisms EBAs used to glean this information, which are more likely to be part of the performance management tool and not articulated in the EBA.

Staff development and career progression: This major principle was examined using two criteria. First, did the EBA include future development of staff and second, if they did, did they include action plans or mechanisms to facilitate this development?

Data for making decisions on other matters including reward, performance improvement and integration of policies: To explore this principle all EBAs were examined to ascertain if, in their purpose or introduction, they identified any of the following five areas contained in the Hoare Report (1995): 1. probation, 2. increments, 3. tenure, 4. contract renewal and 5. the management of underperformance. In addition EBAs were examined to see if there were other uses identified for the data. Finally, EBAs were examined to look for integration and linkages between key areas.

6.5   Findings

Strategic objectives and staff performance

All EBAs were examined to see if they identified the link between performance management of staff and strategic direction of the university. This commonly included a statement 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'* (University 26).

'...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' (University 16).

Table 6.1 Link between performance management and strategic direction

	Yes	%	No	%
Strategic Relationship	21	56.7	16	43

Twenty-one (57%) 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, 16 (43%) of university EBAs made no mention of strategic links (table 6.1).

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 formative, i.e. 'developmental' or summative, i.e. 'controlling'.

Examples that we considered 'formative' 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'* (University 18).

> *'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'* (University 16).

> *'Both the university and academic staff members accept the responsibility for performance enhancement and career development'* (University 40).

Summative responses included:

'The Academic Performance Planning and review process will cover all aspects of an employee's workload agreement; provide an employee with an opportunity to document and discuss their achievements and identify any factors that may facilitate their development; and, assist an employee to be fully aware of their responsibilities and duties and the effect that these on the University's operations' (University 39).

'All academic staff employed on a full-time or part-time basis…will be required to undertake a performance review on an annual basis' (University 12).

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'* (University 15).

Table 6.2 Nature of relationship between employer and employee exhibited by the performance management system

Nature of Relationship	Number	%
Formative (Developmental)	15	40.54
Summative (Controlling)	22	59.46

Using these definitions, of the 37 universities analysed, 40.54% (15) were categorised as having a formative or developmental focus and 59.46% (22) as having a summative or controlling approach (table 6.2).

Table 6.3 Matrix identifying links between performance management and strategic direction and relationship between employer and employee

Nature of Relationship	Strategic link	No strategic link	Total
Formative (Developmental)	13	2	15
Summative (Controlling)	8	14	22
Total	21	16	37

Of the 15 universities that were categorised as having a developmental focus, 13 also identified a strategic link between organisational directions and staff performance (table 6.3). Of the 22 universities categorised as having a controlling focus, 8 identified strategic links.

Of the 21 universities who had a clear statement of strategic links, 13 also had a developmental focus. There were 14 universities which had neither a strategic nor developmental focus identified in their EBA. Of the 16 universities with no evidence of a strategic link to performance management, 14 were categorised as having a controlling approach.

Feedback mechanisms

Staff feedback mechanisms were identified in the performance management systems of 78% of university EBAs (N=29) (table 6.4). As staff feedback is a key component of performance management, this is hardly surprising. Also, it should be noted, of the other 8, such mechanisms may have been contained in internal performance management policy. Of these 29 EBAs, 2 provided feedback only on performance with no mention made of any skill development.

Table 6.4 Performance management's provision of feedback on level of skill development

Feedback	Yes	%	No	%
Provide feedback on level of skill development	29	78	8	22

Staff development and career progression

Of all four principles in the Hoare report's recommendation, this section was the most strongly reported. Twenty-five (68%) of universities reported the need to identify future development for staff in their EBAs. However, only 36% (9 of 25) of that group mentioned, in the broadest interpretation possible, had 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 6.5).

Table 6.5 Performance management system used to identify future development needs and action plans

Future Development Needs and Action Plans	Yes	%	No	%
Identify future development	25	68	12	32
Mention action plans	9	24		

Data for making decisions on other matters including reward, improvement and streamlining 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 6.6).

Table 6.6 Major uses of performance management data

Uses For Data	Yes	%
Probation	8	21.6
Increments	11	29.7
Tenure	4	11.1
Contract renewal	2	5.5
Management of diminished or unsatisfactory performance	17	45.94

In this section, universities could identify more than one use for the data. Two universities specifically stated that performance management data was not to be used for the management of poor performance, or for disciplinary reasons. Interestingly, not one university included all five criteria but two universities included four of five listed above. Also 12 universities had none of the five criteria listed and six universities only had one of five listed. The most popular usage of the data was management of diminished or unsatisfactory performance (44%).

Other uses for the data

Some universities offered several other uses other than those listed in the Hoare Report. These included promotion (13); rewards (14) including bonuses and loadings (3); performance-related pay (2); 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); research grants (2); fellowships (1); special studies (1); work priorities (1); scholarship (1); internal recognition (1) staff exchange (1); job rotation (1); job evaluation (1); and 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.

6.6   Summary

Analysis of these documents clearly shows that the majority of EBAs in Australian universities express a strategic focus to performance management. This means that individual academic performance is increasingly being linked to organisational goals. Although some universities appear to have a developmental approach to performance management, more than half have a narrower focus with an emphasis on monitoring and control. The reasons for this are not clear at this stage.

The Higher Education Workplace Relations Requirements placed restrictions on the content of EBAs and university policies in order to access a funding pool of $260 million (Barnes 2006). Not surprisingly, all EBAs analysed had a section on performance management, even though some were very sparse in order to comply with HEWRR.

Perhaps the most interesting finding is the range of issues emerging in the sections regarding how performance management data is used for decision making. Hoare (1995) recommended that data gleaned from performance management should be used in five areas. However, it is clear that universities are increasingly using this data as a basis for other decisions with more than 20 uses identified. The most frequent uses relate to rewards which include promotion, bonuses and loadings and performance-related pay and unspecified rewards. While this might seem hardly surprising, given that any performance management system needs to encourage maximum performance, and this can be done by providing a range of rewards that are valued by workers (Knight-Turvey & Johnson 2006; Brown, Hyatt & Benson 2010), it must be remembered that first, performance-related pay is not available to the majority of academics and second, many EBAs relate to both academic and administrative staff and hence reference to many of these rewards may only be available to administrative staff.

Reward is a contentious area in education. The Karpin Report (1995) suggested management schools should manage the performance of staff by using 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

1997, p. 36) that states, '*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, very little appears to have been formally done.

This 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.

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 linked to salary, in an attempt to improve productivity and to motivate academics. Grant (1998) argues 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 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, on paper at least, Australian universities are endeavouring to reward staff through a range of measures. The next stage of the research will attempt to match such pronouncements to practice.

6.7   Conclusion

The framework used in this study has considered 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 developmental use or as a monitoring and control tool, and integration with other

HRM policies. This study has used an examination of EBAs in universities to explore such questions, and uncover the importance that the university places on PM systems and the approach taken to the performance management of staff.

Both the MAC (2003) report and ANAO's (2004/5) report asserted the importance of alignment, integration and credibility to performance management systems. 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, particularly in those universities categorised as having 'formative' performance management systems.

With only 68% of universities identifying the future development needs of academics and less than 25% actually putting plans into place, the issue of credibility can only be addressed when this research investigates how these EBA clauses are implemented. A statement of strategic intent in itself may simply be rhetoric. The questions that require addressing are: Does the university actually link performance goals to strategic objectives? Does the university link other HRM practices to performance management? This is important in addressing Hoare's (1995) assertion that appraisal schemes needed to be consistent with the scholarly values of the university. The appraisal process and performance objectives are clear indicators of such values. The importance of process is linked to credibility. 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 their performance appraisal used for developmental or controlling purposes? In regard to integration, do academics believe their PM system links to other HRM activities such as performance review, promotion and rewarding?

Chapters Seven and Eight report on Stage Three of this research, which comprises a survey of academics that attempts to ascertain if the rhetoric of universities, as evidenced in their EBA agreements, matches the reality in the workplace. The survey was framed around a) the findings of this chapter, b) key informant interviews and c) the literature. It examines the attitude of academics in relation to performance management in general and more specifically, their university. It also seeks answers to questions about performance reviews and their implementation in the university.

Chapter 7

The Views of Academics on Performance Management

7.1   Introduction

Examination of the Enterprise Bargaining Agreements (EBAs) of Australian universities revealed differences in the stated purpose of performance management systems, their strategic links, their relationship with staff and integration of their performance management systems with other HRM activities. Chapter Six raised a number of questions that emanated from the examination of the EBAs. There were possible limitations of the EBA data in relation to the amount of detail provided about some universities PM systems. In addition, some universities chose to spread elements, often regarded as coming under the banner of PM elsewhere in the EBA. The veracity of the EBA analysis will be explored when examining the views of academics in relation to perceptions of their PM systems.

So far, this thesis has examined the literature on performance management, reported on interviews with key informants, and revealed what the universities have said about their PM systems by examining their EBA documents. This chapter and Chapter Eight report on Stage Three of this research by examining the views of academics in relation to performance management. Academics were chosen from four Australian universities. If categorising them then Marginson & Considine's (2000) framework, provides a useful tool. An analysis of these universities shows there were three 'gumtrees' and one 'new university' (Marginson & Considine 2000); one was a regional university and the other three were city universities. One university was a former CAE and the other universities came from three different states.

While the universities chosen were selected on the basis of being either 'formative' or 'summative' as identified in Chapter Five, the distribution across the Marginson & Considine (2000) framework, was random. Academics in the Faculty of Business and Law, or its closest counterpart, were selected and letters of invitation sent to all academics under its jurisdiction, inviting them to participate in a survey on performance

management systems (Appendix F). The aim of undertaking this survey was to ascertain if the rhetoric of universities in relation to their performance management practices, as evidenced in the EBA documents, matched the reality of academics who were the focus of that practice. One limitation of the choice of Faculty of Business and Law academics is that they may have a better understanding of the concept of performance management, than, for example, academics in the science faculties. As a consequence, different results may have been obtained had a different Faculty been selected.

This chapter begins Stage Three of this research and reports on the first part of the survey with four sections. The first section considers the views of respondents in relation to performance management in general. The second section investigates what respondents believe is the *aim or purpose* of PM in their university. The third section examines the implementation of PM in their university. The final section examines those questions where formative and summative responses revealed interesting differences across cohorts.

7.2   General academic views on performance management

One of the first questions asked of academics was whether they thought their work should be appraised. Overwhelmingly, staff indicated support as evidenced in table 7.1.

Table 7.1 Should academic performance be appraised?

Performance Appraisal	Generally Agree	Neither agree nor disagree	Generally Disagree
Academic performance should be appraised	93% (87)	3% (3)	4% (4)

7.2.1 Attitudes to performance management

Academics were then asked what they believed the focus of PM should be (table 7.2). It was clear from the results that most respondents believe the focus should be the development of academic, or at least a combination of the development of academics

and achievement of organisational goals. However, a sizeable 61% of academics felt the focus should be the attainment of organisational goals.

Table 7.2 Questions related to the focus of performance management systems

Strategic/Organisational Needs	Generally agree	Neither agree nor disgree	Generally disagree
The focus of PM systems should be the attainment of organisational goals	61% (53)	17% (15)	22% (19)
The focus of PM systems should be the development of the academic	83% (74)	9% (8)	8% (7)
The focus of PM systems should be a combination of both the development of the academic and attainment of organisational goals	83% (73)	8% (7)	9% (8)

When asked if the main objective of performance management should be to motivate staff (table 7.3), a large number (72%) generally agreed with the proposition. Hence overall, academics were supportive of PM in principle.

Table 7.3 The main objective of performance management systems

Strategic/Organisational Needs	Generally agree	Neither agree nor disagree	Generally disagree
The main objective of performance management systems should be to motivate staff	72% (64)	15% (13)	13% (12)

7.2.2 Measuring academic performance

When academics were asked how their performance should best be measured, there were some stark contrasts in responses (table 7.4). There was a large group of academics (48%) who believe that quantifiable measures are essential to assess academic performance. One-third of respondents however totally disagreed with this statement and did not believe that quantifiable measures should be used to measure their performance.

In comparison, a large percentage (83%) of academics believe qualitative measures are essential to assess their performance with only a small number (7%) disagreeing with the statement, with the preferred means of assessing academic work being a combination

of both quantitative and qualitative measures (85%). In other words, most academics believe that qualitative measures alone are an acceptable measure but only half the respondents believe that quantitative measures alone are essential to assess academic performance. A combination of both qualitative and quantitative measures is acceptable to most academics.

Table 7.4 Questions related to measurement of performance

Measurements of Performance	Generally agree	Neither agree nor disagree	Generally disagree
Quantifiable measures of performance are essential to assess academic performance	48% (42)	19% (17)	33% (29)
Both qualitative and quantitative measures are essential to assess academic performance	85% (76)	7% (6)	8% (7)
Qualitative measures of performance are essential to assess academic performance	83% (73)	10% (9)	7% (6)

7.2.3 Performance-related pay

The matter of performance-related pay is an interesting issue as the majority of academics do not have access to it. When asked whether there should be a link between performance management outcomes and pay-for-performance (table 7.5) almost half indicated there should not be a link. However, one-third disagreed, signifying there are substantial numbers of academics not opposed to pay-for-performance. This perhaps indicates many academics believe that if they are going to be performance managed, they should be rewarded for positive outcomes.

Table 7.5 Question related to performance-related pay

Pay for performance	Generally agree	Neither agree nor disagree	Generally disagree
PM outcomes for academics should be distanced as far as possible from pay-for–performance systems	45% (39)	18% (16)	37% (32)

7.3   *Purpose* of performance management

Academics were asked a series of questions specifically related to the aim or purpose of performance management in their university. A list of options was provided and has subsequently been grouped together as strategic/organisational needs, academic development needs, academic performance and rewards/punishment. Despite academics indicating that they believed PM *should be* the development of the individual and the attainment of organisational goals (table 7.2); in reality they believed that the purpose of their PM system was to also meet organisational goals and ensure individuals meet those goals (table 7.6). What is evident here is that despite the intended purpose, being the development of the individual, results show that only half the academics believed their PM system assists with career development.

In an environment of increasing demands for quality teaching and quality research it is interesting to see that so few (33%) academics believed the purpose of PM was to identify good teachers, with a strong 43% generally disagreeing that this was the purpose of their PM system (table 7.6). What is interesting to note is that despite teaching and research being the core aspects of academic work, and with increasing government pressure to improve these areas, less than half the academics indicated that their performance systems were used to identify good or bad teaching, or good or bad research. An examination of the remainder of items shows that PM was used to assist with determining promotion, incremental salary progression and probation decisions.

Results here indicate that PM systems appear to be used as a means to communicate with staff. Academics indicated that its purpose was to provide review and feedback to staff (60%) and to facilitate discussion between individuals and supervisors (50%) (table 7.6). One might argue that both questions are asking the same thing. However, there is a subtle difference: 'To facilitate discussion between individual and supervisors' implies equality in the discussion, i.e. a two-way process. The second 'to provide review and feedback to staff' implies one-way communication – top down.

Another interesting result is the fact that more academics believe the purpose of their performance management system was to address unsatisfactory behaviour rather than address teaching or research issues. However, some positive uses appear to have been

made. A large cohort identified that their system was used to assist with promotion decisions (65%), incremental salary progression (64%) and with probation decisions (63%) (table 7.6). Results indicate that PM systems are not used to provide reward or recognition for staff and this question rated an even lower response (28%) than addressing misconduct (31%). There was a very strong response to the question of provision of rewards, with nearly 50% of academics generally disagreeing that rewards were part of their PM system. It could be argued that the concept of 'reward' is ambiguous, given that promotion and salary progression could be viewed as 'rewards'. This is true but the intent of the question was to identify if academics had access to other financial and non-financial rewards. However, this is a possible weakness of the instrument.

In summary, participants believed the overall purpose of PM is to meet organisational needs. They do not believe it is to develop the academic, other than to ensure the academic meets their work goals. For some respondents an additional purpose of PM systems was to monitor teaching and research and address unsatisfactory behaviour. It would also appear that, in the universities surveyed, PM provides a functional role by assisting with incremental salary progression, probation and promotion decisions.

Table 7.6 The purpose of performance management in their university

Strategic/Organisational Needs	Generally agree	Neither agree nor disagree	Generally disagree
To meet organisational goals	81% (80)	8% (8)	11% (11)
To manage workloads	58% (56)	11% (11)	31% (30)
To ensure individuals meet work goals	82% (80)	4% (4)	14% (14)
To improve productivity	50% (48)	22% (21)	28% (27)
Academic Development Needs	Generally agree	Neither agree nor disagree	Generally disagree
To assist individuals with career development	54% (53)	10% (10)	36% (36)
To ensure clarity of roles and responsibilities of academics	36% (35)	23% (22)	41% (39)

Table 7.6 The purpose of performance management in their university (Cont).

Academic Performance	Generally agree	Neither agree nor disagree	Generally disagree
To identify good teachers	33% (32)	24% (23)	43% (42)
To identify poor teachers	38% (37)	26% (25)	36% (35)
To identify good researchers	47% (46)	17% (17)	36% (35)
To identify poor researchers	45% (43)	20% (19)	35% (33)
To facilitate discussion between individuals and supervisors	50% (48)	19% (18)	31% (30)
To address unsatisfactory behaviour	58% (57)	18% (18)	24% (24)
To provide review and feedback to staff	60% (57)	12% (11)	28% (27)
Rewarding and Punishment	**Generally agree**	**Neither agree nor disagree**	**Generally disagree**
To assist with determining promotion	65% (62)	13% (12)	23% (22)
To provide rewards or recognition	28% (27)	24% (24)	48% (47)
To assist with determining incremental salary progression	64% (61)	15% (14)	22% (21)
To address misconduct	31% (30)	24% (23)	45% (43)
To assist with probation decisions	63% (62)	18% (18)	18% (18)

7.4   Summary

Academics identified that the focus of performance management systems should be the development of the individual or, a combination of the development of the individual and the attainment of organisational goals, not just the attainment of organisational goals. They also indicated that a PM system should be used to motivate staff. One such way to motivate them might be to utilise qualitative performance measures, as academics indicated their preference for this type of measure, either alone or in conjunction with quantitative measures. While most academics do not entertain the idea of pay for performance, there is a significant cohort not opposed to the idea, possibly seeing it as a natural outcome of a PM process.

Although most academics indicated that the purpose of PM should be the development of the academic, in reality they believe their university saw it as achieving organisational goals and ensuring academics met those goals. Despite the development of the academic being a focal point for the introduction of performance appraisal, results here indicate that only half the academics believe they were being assisted with career development. PM systems are viewed as one mechanism to enhance communication between the

academic and the supervisor (Hoare 1995), and evidence here supports that view. However, it is not clear whether that discussion is only one-way or involves constructive two-way dialogue. What is clear though is that PM systems are used to assist with decisions in the areas of probation, promotion and incremental salary progression in over 60% of cases. At a time when there is pressure on academics to increase research output, and to strive for quality outcomes in both teaching and research, there is little evidence that this is a priority in the PM systems investigated in this study, although it may be addressed in another forum in universities.

7.5   Implementation of performance management

Academics were asked for their views on the implementation of performance management in their university. Despite indicating previously (table 7.6) that the purpose of PM systems in their university was to meet organisational goals (81%); when asked about the implementation only 66% indicated this was so (table 7.7). What this indicates is that even though academics believed that the purpose was to meet organisational goals, when the system was implemented this was not the case.

Much of the debate over PM systems rests on the formative (developmental) or summative (controlling) nature of the process. Questions were asked of academics that sought to ascertain the approach taken in their university. 66% of respondents indicated that their PM system was used as a controlling mechanism (table 7.7), compared to only 29% who indicated that it was used to develop staff. When asked about the role their PM system had in developing the academic, half believe their system does not motivate them, develop them or assist them to achieve their potential. Not surprisingly, the majority (60%) are not happy with their PM system (table 7.8) and less than a quarter indicated satisfaction with their system.

Table 7.7 Implementation: Organisational and academic development needs

Organisational Needs	Generally agree	Neither agree nor disagree	Generally disagree
My PM system is used to meet organisational goal	66% (61)	14% (13)	20% (19)
My university uses its PM system to control	66% (61)	20% (19)	14% (13)

Table 7.7 Implementation: Organisational and academic development needs (cont).

Academic Development Needs	Generally agree	Neither agree nor disagree	Generally disagree
My PM system motivates me to achieve	26% (24)	19% (18)	55% (51)
My university uses its PM system to develop staff	29% (27)	20% (19)	51% (48)
My PM system has helped me achieve my potential as an academic	20% (18)	23% (21)	58% (53)

Table 7.8 Value of performance management to the academic

Value of Performance Management	Generally agree	Neither agree nor Disagree	Generally disagree
I am happy with my university's PM system	23% (21)	18% (17)	59% (54)

7.6   Summary

Results indicate that there are differences between what academics believe their performance management system should do and what it actually does do. Academics indicated that the purpose of PM systems was to meet organisational goals (table 7.6) but in reality, for many academics, this was not the case with only 66% indicating support. Academics also indicated very low responses to the inclusion of elements that could be construed as meeting their needs for personal and career development. With less than one-third of academics indicating that their PM system caters for their development needs, it is not surprising that few feel their system either motivates them, or helps them achieve their full potential. Consequently, most academics are not satisfied with their PM system.

7.7   Formative and summative analysis

7.7.1 Focus of performance management systems

This survey was sent to academics in universities that had been categorised as either 'formative' or 'summative' as a result of EBA analysis. 'Formative' universities were those that indicated that their PM system was about developing the academic and in so doing, meet both individual and organisational needs. 'Summative' universities were those who indicated that their system was about controlling the individual to comply with organisational needs. In order to demonstrate the accuracy, or otherwise, of the initial labelling and to identify any differences between cohorts in these questions, results were broken down into both formative and summative responses.

It was noted earlier (table 7.6) that 81% of academics believed the focus of PM systems should be the attainment of organisational goals. When these results were broken down (table 7.9) into respective cohorts, there was a large (and statistically significant*) difference between formative and summative responses. In this sample a large majority (74%) in the summative group indicated that the achievement of organisational goals should be the focus of their PM system as compared to only half the formative respondents.

This trend could be explained by considering the differences between the two concepts. Formative development focuses on motivating and supporting the academic to achieve while emphasising a shared commitment to improvement (Hutchinson 1995). Summative development is about using control mechanisms to ensure academics 'develop' skills to meet organisational goals by using bureaucratic structures and procedures aimed at remedying individual deficiencies in performance (Hutchinson 1995). It might well be that those academics in the summative universities have been inculcated into this view of performance management, hence the high response rate to the proposal that the focus should be the achievement of organisational goals. Alternatively, the high response rate here might be indicative of a shift in focus by some universities away from the developmental focus envisaged in the early 1990s to one that more closely resembles a summative approach that best befits the needs of universities today.

Table 7.9 Breakdown of focus question into formative and summative responses

Strategic/Organisational Needs	Generally agree		Neither agree nor disagree		Generally disagree	
	Form	Summ	Form	Summ	Form	Summ
The focus of PM systems should be the attainment of organisational goals	49% (18)*	74%(28)*	24% (9)	13% (5)	27% (10)	13% (5)

* Statistically significant at 0.05

7.7.2 Measuring academic performance

An examination of attitudes to the measurement of performance revealed a stark contrast between formative and summative cohorts. Overall, results (table 7.4) showed clearly that academics believe that qualitative measures alone, or a combination of qualitative and quantitative measures, are essential to assess academic performance. These results also showed a statistically significant difference* across the formative and summative cohorts in both questions (table 7.10). The summative group indicated very strongly that qualitative measures, at the very least, or a combination of qualitative and quantitative means, should be used to measure their performance. Although not statistically significant, in comparison, only half of both cohorts believe that quantifiable measures alone should be used to measure performance.

Table 7.10 Measurement of performance questions broken down into formative and summative responses

Measurements of Performance	Generally agree		Neither agree nor disagree		Generally disagree	
	Form	Summ	Form	Summ	Form.	Summ
Quantifiable measures of performance are essential to assess academic performance	47% (18)	53% (20)	21% (8)	21% (8)	32% (12)	26% (10)
Both qualitative and quantitative measures are essential to assess academic performance	82% (32)*	95% (36)*	8% (3)	5% (2)	10% (4)	0% (0)
Qualitative measures of performance are essential to assess academic performance	79% (30)**	92% (35)**	13% (5)	8% (3)	8% (3)	0% (0)

*Statistically significant at 0.10; **statistically significant at 0.15

7.7.3 Aim Or Purpose Of their performance management system

7.7.3.1 Strategic/ Organisational Needs

When asked about the aim or purpose of their performance management system there was no significant difference between the cohorts, but the formative group had slightly higher agreement across all of the questions. It is apparent that academics believe that the overall aims of PM systems (table 7.6) are to meet organisational goals and ensure individuals meet their work goals. When broken down into formative and summative groups (table 7.11) there is little difference between the cohorts but the formative group have recorded higher 'generally agree's' than the summative group. It is interesting to note that both groups are equally spread in relation to whether their performance management system aims to improve productivity.

Table 7.11 Breakdown of aim or purpose of PM into formative and summative responses

Strategic/Organisational Needs	Generally agree		Neither agree nor disagree		Generally disagree	
	Form	Summ	Form	Summ	Form	Summ
To meet organisational goals	85% (34)	79% (30)	5% (2)	8% (3)	10% (4)	13% (5)
To manage workloads	65% (26)	47% (18)	3% (1)	21% (8)	30% (12)	32% (12)
To ensure individuals meet work goals	83% (33)	79% (30)	3% (1)	3% (1)	15% (6)	16% (6)
To improve productivity	50% (20)	50% (19)	13% (5)	32% (12)	38% (15)	18% (7)

7.7.3.2 Academic performance

Australian universities today are increasingly coming under government pressure to do more research and improve the quality of both research and teaching. Somewhat surprisingly, therefore, an examination of table 7.12 reveals that only half the summative responses and a third, or less, of the formative group indicated their performance management was used to discuss research or teaching. In other words, key drivers for organisational success, i.e. good teaching and good research, are not being discussed in many PM systems.

Interesting results were obtained for two other items. The first, 'performance reviews facilitate discussion between individuals and supervisors' and the second 'performance reviews provide review and feedback to staff'. For both items, the summative group had a higher 'generally agree' response than the formative group. As identified earlier, both questions appear similar but there is a subtle difference. While formative responses recorded the same result for both items, the summative group indicated very strongly that their PM system was more about providing review and feedback than facilitating discussion between the individual and supervisor. In other words, it is about top–down, one-way communication, rather than two-way communication. This again supports the categorisation of these universities as summative (controlling).

Table 7.12 Academic performance questions broken down into formative and summative responses

Academic Performance	Generally agree		Neither agree nor disagree		Generally disagree	
	Form	Summ	Form.	Summ	Form	Summ.
To identify good teachers	25%(10)	34% (13)	20% (8)	32% (12)	55% (22)	34% (13)
To identify poor teachers	28%(11)	47% (18)	28% (11)	16% (6)	43% (17)	34% (13)
To identify good researchers	38%(15)	47% (18)	23% (9)	16% (6)	40% (16)	37% (14)
To identify poor researchers	35%(14)	50% (19)	18% (7)	21% (8)	45% (18)	26% (10)
To facilitate discussion between individuals and supervisors	43%(17)	55% (21)	23% (9)	16% (6)	33% (13)	29% (11)
To address unsatisfactory behaviour	53% (21)	61% (23)	20% (8)	16% (6)	28% (11)	24% (9)
To provide review and feedback to staff	43% (17)	76% (29)	20% (8)	3% (1)	35% (14)	21% (8)

7.7.3.3 Rewards

While PM appears to be used in both cohorts to assist with promotion, determining incremental salary progression and probation decisions (table 7.13), it is in the area of rewards or recognition that there appears to be a large difference between formative and

summative groups. While it might be argued that promotion and incremental salary progression can be viewed as 'rewards', the question attempted to identify if there were other forms of reward – either financial or non-financial – available to academics. Despite possible ambiguity, all respondents were asked the same question therefore results are still indicative of differences across formative and summative groups. While the formative group had a similar spread across Generally Agree (40%) and Generally Disagree (35%), indicating that rewards are available to some academics in the formative universities, it is apparent that rewards or recognition are only available to a small group of summative respondents, with more than half the summative group indicating that their system does not provide them with the opportunity for any rewards or recognition. It is possible that the small group of summative respondents who have access to rewards came from senior levels in the organisation where rewards are readily available.

Table 7.13 Questions related to rewards /punishment broken down into formative and summative responses

Rewards /Punishment	Generally agree		Neither agree nor disagree		Generally disagree	
	Form	Summ	Form	Summ	Form	Summ
To assist with determining promotion	60% (24)	66% (25)	5% (2)	18% (7)	30% (12)	16% (6)
To provide rewards or recognition	40% (16)	16% (6)	25% (10)	26% (10)	35% (14)	58% (22)
To assist with determining incremental salary progression	60% (24)	68% (26)	15% (6)	8% (3)	25% (10)	21% (8)
To address misconduct	28% (11)	29% (11)	20% (8)	29% (11)	50% (20)	42% (16)
To assist with probation decisions	60% (24)	63% (24)	18% (7)	18% (7)	23% (9)	18% (7)

7.8   Summary

Categorising universities as either formative or summative, on the basis of what was written in their EBA documentation, had the potential to negatively impact on results if the categorising did not reflect the reality. As Babbie (2004) noted, the risk of utilising

content analysis is that someone else might code them differently. However, analysing the results from a formative and summative perspective appears to confirm the initial categorisation of the universities surveyed.

All academics noted the positive use of their PM system for assisting with organisational decisions related to promotion, incremental salary progression and probation. However, academics in summative universities were more likely than their formative counterparts to have PM systems that involved review and feedback, and with little chance for reward or recognition, thus reflecting, in part, the summative 'tag' attached to these universities.

7.9   Qualitative comments on the *Purpose* of their Performance Management system

Academics were given the opportunity for qualitative comments on the *purpose* of performance management in their university. Respondents clearly used this opportunity to state their views on the PM systems in their universities, with male responses being five times those of female responses. Only one comment from 41 comments received was positive. This person noted that, 'they are doing a good job but there is confusion over the focus of teaching versus research.'

In summary, respondents felt the purpose was to fulfil the bureaucratic demands placed on them by the federal government resulting in PM systems that aimed to increase productivity and, in so doing, increase workloads, recognise research over teaching and require a lot of effort for little reward or incentive. Such systems were micro-managed, reduced collegiality, created a climate of mistrust, were used punitively and their purpose was unclear to many academics. Some of the most trenchant criticisms of PM systems related to outcomes, primarily quality of outcomes. Academics commented on the meaningless nature of the assessment of performance, the quality of assessment given, the lack of training of supervisors, the disjunction between the stated purpose of the assessment and what actually happens at the interface between supervisor and academic. Concern was also raised that there was too much emphasis on quantitative measurement and too little on qualitative factors, as well as the lack of positive incentives for measurable outcomes.

Criticism was also levelled in two other areas. First, the short-term nature of the performance management system, which academics felt conflicted with long-term academic achievements. Second, concern was expressed about the haphazard nature of the reward system and lack of positive incentives. PM was also viewed as being controlling, not developmental, inequitable and without much guidance for mentoring junior staff. Terms used to describe PM systems include 'an exercise in spin and hyperbole', 'mean and messy', 'anti-performance driven', 'top–down, management driven, demotivating, time consuming task', 'largely meaningless in terms of actual performance and quality outcomes' and 'as screwed up as at any other university'.

Other comments include: 'a device to eliminate staff', 'process is arogant (sic), process is punitive…rather than enhancing and encouraging development', 'us and them', 'a resource control instrument', 'tick the box', 'save costs and imposes unrealistic expectations on academics in terms of workloads', 'achieves no purpose whatsoever', 'it's a systemic bullying system', 'seeks to find areas of fault rather than provide encouragement or recognition of areas or work that is exemplary', 'senior staff from the haute position dealing with the peasants', 'it's a farce', 'a pointless exercise', 'to satisfy management's lack of trust of it's academic staff', 'aims are not matched by practice', 'penalties available for underperformance but no rewards for outstanding performance', 'limited and bias (sic) and is too easily manipulated by management'.

Overall the views are perhaps best summed up by the following comments. '*PM is used in our university as part of the control and monitoring of academics that is perceived to be necessary in the current national system based on individual performance*'. And '*there is a disconnect [sic] between the rhetoric of the university's goals and what happens on the ground*'.

7.10   Discussion of findings

Despite being supportive of performance management in general and having aspirations for PM in their university, academics are not satisfied with the actual implementation of the PM system. Results show that academics understand the connection between the role of performance management, organisational strategy and the development of the

individual. This is evident when they indicated that PM systems should meet both individual needs as well as organisational goals. This may be that academics come from Business Schools. However, when asked about their PM system a picture of dissatisfaction emerges with academics critical of the failure of their system to develop staff. Rather, they see this system as time consuming, meaningless and controlling in nature.

The Hoare Report (1995) invoked all universities to implement a performance management system based on agreed performance and developmental objectives for the individual. To this end the Report identifies four key principles. The first principle is to ensure there is a clear relationship between the performance of an individual staff member and the organisation's goals. Results here would indicated that this link is very clear and reflects other studies into higher education, which identified that most academics accept their performance should be measured in some way (Townley 1997; Lonsdale 1998; Simmons 2002; Aper & Fry 2003; Morris 2006; Stavretis 2007). The second principle relates to the need to provide feedback to staff on their performance and skill development. While over half the academics indicated that their system provided the opportunity for 'review and feedback', this implies one-way communication, as opposed to mutual engagement and discussion. It also implies a retrospective conversation rather than being focused on future directions. It would appear that while some feedback is provided, skill development for academics is not prevalent in many cases. Tied closely to skill development is the need to identify areas of future development for the individual and to formulate actions plans for career development, which constitutes the third principle.

Academics indicated very strongly that performance management should be about the development of the academic. In reality however, universities appear to be doing very poorly in terms of developing academics, so much so that academics believe their performance system has not only failed to assist them to achieve their potential but has failed to motivate them as well. Given the AIRC mandated that any system instituted to manage the performance of academics had to be developmental, this is a disturbing, but not surprising, result. It reinforces the findings of Lonsdale (1998) that overall, performance management for developmental purposes has failed.

The final principle suggests performance management systems should generate data to be used to make decisions in the areas of probation, increments, tenure renewal and management of unsatisfactory performance. This would appear to be evident in current PM systems with academics indicating that it is used to assist with determining promotion, incremental salary progression and probation. Dealing with unsatisfactory performance however is less evident with low response rates to identifying poor teaching (38%), identifying poor researchers (45%) and addressing unsatisfactory behaviour (58%). Again this would suggest that managers do not like PM systems for a range of reasons including the desire to avoid conflict and confrontation with employees (Longenecker & Gioia 2001; Compton 2005). It would appear, therefore, that key principles required for any PM system, as recommended by Hoare (1995), are not evident in the universities surveyed and hence it is no surprise that many academics are not happy with their current system.

Reward is a contentious area in education. Both the Karpin Report (1995) and the Review of Higher Education Financing and Policy discussion paper (West 1998 p. 36) recommended the need to provide direct incentives for good teachers. Despite these recommendations and the move to enterprise bargaining that ostensibly gave universities the freedom to introduce performance-related pay systems, little appears to have been done formally. It is interesting to note that the Hoare Report (1995), unlike the Karpin Report (1995) and the West Report (1998), did not mention the need to reward academics. Not surprisingly then, few academics in this study indicated that their system was used to provide reward or recognition. However results show that one-third of academics surveyed are not opposed to pay-for-performance. While not asked directly, the majority of academics might resist pay-for-performance because as Simmons (2002) identified, it might be based on divisive criteria, might affect teamwork, not have union support, have insufficient funds to differentiate between high and low achievers and be incompatible with a developmental focus. Despite this acknowledgment, it was the failure of the system to reward people that drew many comments from academics and may well account, in part, for the failure of their systems to motivate them.

Previous studies in educational settings found confusion about the role and purpose of performance management (Paget et al. 1992; Lonsdale 1991b, 1998; Down, Hogan &

Chadbourne 1999; Simmons 2002; Aper & Fry 2003; Stavretis 2007). This study found similar confusion, however it rests not with academics' understanding of what PM systems should do, but with implementation. Paget et al. (1992) found unevenness in the understanding of the purpose and requirements of academic staff appraisal across Australia, as well as variation in implementation. Stavretis (2007 p. 240) also found that current PM systems fall short of the mark in 'people management practice' with a failure to provide ongoing feedback to staff, or mechanisms for rewarding high achievers or dealing with underperformance.

7.11   Conclusion

The decision to introduce performance appraisal into Australian universities was an attempt to make academics more accountable and, in so doing, improve efficiency in the higher education sector.   The highly contentious nature of performance appraisal provoked heated debate between those representing management and those representing academics. The decision to introduce performance appraisal for developmental purposes was seen as a positive outcome for academics.

The term 'development' however can be interpreted differently; and as a consequence it has appeared in the rhetoric of proponents of both formative and summative forms of performance appraisal (James 1995) and in the organisations studied here. James (1995) further argues that performance appraisal that is summative in nature not only generates resistance amongst those affected but also impacts negatively on staff morale, job satisfaction, inhibits organisational commitment and reduces overall productivity. While universities identified in this study as 'summative' certainly exhibited the characteristics James (1995) identified, it is also worth noting that many in the 'formative' cohort in this study exhibited similar results albeit to a lesser degree. This might be explained by comments from academics that the 'rhetoric does not match the reality'. As such those tagged 'formative' on the basis of the information provided in their EBAs may in fact take a formative approach in their policy documentation. But a summative approach in the implementation of performance management thereby supports the view of Stavretis (2007 p. 91) that *'whenever summative and formative elements are combined in a PM system the summative element assumes the greater significance and obfuscates formative intent.'*

This evidence and earlier reviews into performance management indicated that performance appraisal for academics had not been successful. This study reports similar findings. Academics have demonstrated an understanding of the key aspects of performance management. They have also identified the failure of their organisations to implement such processes successfully. This research shows, once again, the failure of current performance management systems to motivate or develop staff. One would therefore have to question the form of 'development' being offered in the universities surveyed, given the failure of the system to motivate and develop academics satisfactorily.

A key element of any performance management system is the performance appraisal or review. Chapter Eight examines the performance review process of academics in an attempt to ascertain the focus, what elements make up the performance review process, and whether there are linkages between any elements of the performance review and other HR related activities.

Chapter 8

Performance Review: Functions and Processes

8.1   Introduction

Successful performance management requires synergy between both the aims and expectations of management and employees and between the aims and expectations and the processes and outcomes of the system. In preceding chapters this thesis examined the aims and expectations of management and employees through the use of key informant interviews and analysis of EBA documents. Chapter Seven began Stage Three of this research and examined the views of academics regarding performance management systems in general. It sought to determine what academics believed to be the purpose of performance management and then asked academics how their performance should best be measured as well as examining how performance management was being undertaken in the respective universities.

This chapter continues Stage Three and moves from the macro view of performance management in Chapter Seven to a micro view, considering one of the key elements in any performance management system, namely performance reviews. The intent of this research overall, is to examine, how universities are carrying out their performance management systems. In so doing, it has sought to identify the similarities and differences across universities and how these differences play out at the strategic and operational levels as well as ascertaining the views of academics involved in these systems. This chapter begins by identifying what elements are present in performance reviews in order to gauge the focus that universities are placing on their performance review process, as well as trying to identify links between performance review processes and key HR functions. The chapter then moves on to consider the views of academics in relation to their performance review process; its purpose, content and outcomes.

8.2   Overview of elements in performance reviews

Since the introduction of Enterprise Bargaining Agreements (EBA), universities have had free rein in the design of their performance management systems including includes performance reviews. Anecdotal evidence indicated a variety of inclusions in performance reviews. This section attempts to identify what elements are most frequently included in performance reviews. Using the EBA documents as a guide, academics were provided with a list of possible elements and asked to indicate which were included in their performance reviews. Before analysing all the data in detail, an examination of the elements in total is quite revealing (see Fig 8.1). The red bars indicate university needs while the blue indicates individual needs.

Figure 8.1 Comparing university versus individual elements in performance reviews

Given the current political environment, with the push to improve both quantity and quality of research and teaching in universities, it is not surprising that research output and teaching evaluations appears in over 80% of performance reviews. Both of these elements can be regarded as relating to the productivity of the academic and, as such belie the belief that performance reviews should, primarily, be about the development of the academic.

 Performance reviews require objectives to be set and while they appear in more than 70% of reviews it is surprising that they do not appear in all performance reviews. The very high inclusion of administrative responsibilities is perhaps reflective of the increasing focus on compliance and quality assurance now emanating from universities in response to demands of bodies such as Australian Universities Quality Agency (AUQA). The most telling aspect of this data is that of the first ten elements, that appear in 50% or more of the reviews surveyed, only one, personal development plans, reflect individual development needs. The remaining nine items are all elements that reflect organisational needs.

While personal development plans are included in 61.84% of reviews, career development is included in only 40% of the reviews. Some might argue that personal development plans include career development, while others might be of the opinion that personal development plans might align the individual skills with organisational goals rather than focus on the career aspirations of the academic per se. Reinforcing this point, the mechanisms to support such development, namely, coaching, counselling, mentoring, rewarding, links to promotion and remedial assistance come a long way down the list of items included in performance reviews. This may be part of the reason for the cynicism of academics in relation to the outcomes of the performance reviews as evidenced in Chapter Seven.

One aim of this research was to try and ascertain if performance review processes linked to key aspects of HR either directly, or indirectly. Results indicate that links to incremental salary progression are evident in performance reviews but in only 40% of the cases. It needs to be noted however, that in some universities, salary progression is automatic, so that may not be a good indicator. Other links include the link to promotion (30%), financial rewards (21%) and leave entitlements (18%). This suggests that,

overall, universities do not use their performance review process in an integrative way, preferring instead to have separate processes for such considerations. While teaching loads appear in just over half the performance reviews in this study, many universities do not use their performance review process to address such issues preferring instead to address them separately, often at the beginning of the semester/year.

The nature of 'reward' can be complex. It can include both financial and non-financial rewards. From an academic's perspective, conference leave, conference travel and leave entitlements could be viewed as non-financial rewards, while promotion, performance-related pay and bonuses could be regarded as financial rewards. It is possible that several of these elements might be regarded by some as part of their job rather than a reward, per se. Regardless of whether they are viewed as a reward or not, it would appear that the opportunity for academics to discuss these matters during their performance review is limited.

What appears to be an interesting contradiction relates to research output. This clearly appears in over 80% of the performance reviews. However when asked (in Chapter Seven) if the purpose of their performance management system was to address good/bad research less than half indicated that this was so. One can only conclude therefore, that performance reviews are more about the research *output* of the academic rather than engage in discussions about the *worth* of such research. The same conclusions can be drawn with teaching. Here teaching loads are discussed in just over half the performance reviews but in table 7.6 only one third of respondents said the purpose of their performance management system was to identify good or bad teachers. Interestingly however, Student Evaluation of Teaching Units (SETU) appears in more than 80% of performance reviews. If academics are not having discussions about good and bad teaching then the inclusion of SETU is curious. One might hypothesise that such an inclusion provides merely the metrics regarding good or bad teaching, rather than being the basis for conversations around rewarding of good teaching or, support for poor teaching.

8.3   Summary

The picture that is emerging from this analysis is one that shows, with the exception of personal development plans, those elements that appear in 50% or more of performance reviews all relate to organisational specific needs. Those elements that could be regarded as building blocks for the development of the academic, with the exception of employee discipline, occur in less than 45% of the performance reviews of these academics. As a consequence, if an academic needs such support they have less than a 50% chance of obtaining it. The opportunity to be rewarded for achievements, in the universities studied here, is also very difficult obtain. So, despite performance reviews purportedly being developmental in focus, the content of the majority of such reviews shows otherwise.

8.4   Academics views on their performance review process

Figure 7.1 gives an overview of all the elements in performance review. This chapter now goes on to analyse another block of questions that sought to ascertain details about the content of performance reviews. Note that some small differences occur between the data in Figure 8.1 and this section. The reason for such differences is unclear. These questions have, for the most part, been grouped together thematically.

8.4.1   Content of performance reviews

When asked about the content of their performance reviews (table 8.1), not surprisingly, research output rated the highest inclusion (91%) followed by student evaluation of teaching (81%). Two items that relate to the development of the academic, namely career development (44%) and skill development (36%), received very low response rates.

Table 8.1 Questions related to the content of performance reviews

Content Statements	Generally agree	Neither agree nor disagree	Generally disagree
Research output forms part of my performance review	90.5% (76)	1.2% (1)	8.3% (7)

Table 8.1 Questions related to the content of performance reviews (continued)

Content Statements	Generally agree	Neither agree nor disagree	Generally disagree
Student evaluations of teaching form part of my performance review	80.5% (70)	6.9% (6)	12.6% (11)
Career development forms part of my performance review	44.0% (37)	10.7% (9)	45.2% (38)
Skill development forms part of my performance review	35.6% (31)	13.8% (12)	50.6% (44)

8.4.2   Objective setting

Academics were asked about how their objectives were set; did they set them or were they set by either their supervisor or the university. There does however, appear to be an apparent contradiction with the duality of responses to 'mandated objective setting' and 'mutual objective setting' (table 8.2). This might be explained by comments such as, " *I am not sure one could say there is mutuality of goal setting. I set goals with my supervisor, signed and shook hands on it and then the dean said it was not done properly and suggested some goals that "should" be there. What the hell is that?'* And*, 'The objectives are set by the organisation and despite rhetoric are not mutual in its true sense of the word.'* Another possibility might be that, within the one review, some objectives were mandated but others were constructed jointly by the supervisor and academic or that people were confused or pressured into accepting their goals.

Table 8.2 Items related to objective setting

Objective Setting	Is included	Don't know	Is not included
Mutual objective setting and review	74.7% (59)	8.9% (7)	16.4% (13)
Mandated objective setting and review	60.5% (46)	14.5% (11)	25.0% (19)

8.4.3   Rewards

As evidenced in Table 8.3, a clear majority of respondents indicated that neither financial nor non-financial rewards are included in their performance review. However, it should be noted that historically, non-financial elements, have been regarded as part of

an academic's work practices and may not have been viewed as fitting within the scope of performance reviews in some universities. As a result they may have appeared elsewhere in the EBA. Nevertheless, the literature suggests that there needs to be a link between performance reviews and rewards (Gomez-Mejia 1990; Henderson 1997; Grant 1998; De Cieri et al. 2007; Smith, 2008). Failure to provide such rewards raises concern about the efficacy of the process as well as acceptance by the participants. However, one form of 'reward' that is evident is the link between performance review and incremental salary progression with a large cohort identifying that their performance review links directly to incremental salary progression. What is also interesting to note is that financial rewards appear to be available to some academics, however the nature of those financial rewards could not be ascertained. Bonuses are available to some academics, most probably at senior level, where such things form part of their employment package.

Table 8.3 Items related to rewards

Items related to Rewards	Is included	Don't know	Is not included
Performance-related pay	17.7% (14)	11.4% (9)	70.9% (56)
Bonuses	5.1% (4)	5.1% (4)	89.8% (70)
Links to incremental salary progression	42.9% (33)	11.7% (9)	45.4% (35)
Links to financial rewards	21.3% (16)	14.7% (11)	64.0% (48)
Questions related to Non-financial Rewards	Is included	Don't know	Is not included
Links to leave entitlements	18.4% (14)	19.8% (15)	61.8% (47)
Conference leave	22.4% (17)	13.1% (10)	64.5% (49)
Conference travel	20.8% (16)	15.6% (12)	63.6% (49)

8.4.4   Employee development

A major tenet underpinning the introduction of performance management for academics was that it should be developmental in focus. Therefore an examination of those elements that support development is important (table 8.4). With the exception of personal development plans and career management to some degree, there is not a lot of evidence to suggest that other employee development items are included in performance reviews (table 8.4). Of the 47 employees who had personal development plans, 25 of them (53.2%)(not shown) also had career management plans. In other words 61.8% had

personal development plans in the performance review but only half of those had career development discussions.

It is interesting to note the large number of respondents who do not have access to employee counselling (63%), coaching and mentoring (63%) links to promotion (50%) and 'remedial' assistance (53%) as part of their performance review process. All of these items could be regarded as providing the support or motivation necessary to develop the individual yet they are clearly missing from the reviews; however, some may be available in other forums. Couple this with the large number of 'don't know' responses to these questions and there appears to be a lack of communication between either the supervisor, HR and the academic about the function of their performance review and what is available either directly or indirectly.

Table 8.4 Items related to employee development

Questions related to Employee Development	Is included	Don't know	Is not included
Coaching and mentoring	28.2% (22)	9.0% (7)	62.8% (49)
Career management	40.3% (31)	9.1% (7)	50.6% (39)
Personal development plans	61.8% (47)	7.9% (6)	30.3% (23)
Links to promotion	30.8% (24)	19.2% (15)	50.0% (39)
Employee counselling	15.8% (12)	21.0% (16)	63.2% (48)
Remedial assistance	21.1% (16)	26.3% (20)	52.6% (40)

8.4.5   Discipline

Quite divergent responses were obtained from the items related to discipline (table 7.5). This might be explained by the fact that many universities handle issues to do with 'unsatisfactory performance' within the performance review process, while 'employee discipline' is addressed outside the performance review process. This provides support to Hoare's (1995, p 17) recommendation that '*...decisions on matters such, increments, tenure, contract renewal and the management of diminished or unsatisfactory performance...currently undertaken in a disparate manner, should be brought together*'. Half the respondents indicated that unsatisfactory performance is discussed at performance reviews. That is a large number, particularly when the reviews are supposed to be developmental in nature. It may be that either, this group have experienced discussions related to employee discipline as part of their performance

review or know of its inclusion while the remainder have not had such discussions or they did not know if it is included or, assume it is not included.

Table 8.5 Items related to discipline and unsatisfactory performance

Discipline and Unsatisfactory Performance	Is included	Don't know	Is not included
Employee discipline	23.7% (18)	34.2% (26)	42.1% (32)
Unsatisfactory performance	51.9% (40)	32.5% (25)	15.6% (12)

8.4.6 Workloads

With universities now under financial pressure to produce quality research outcomes, it is not surprising that research output appears in 86% of academics performance reviews. Administrative responsibilities also rates very highly with 70% of academics indicating that this is an integral part of their review process. Such administrative responsibilities can be expected to appear in more performance reviews as universities respond to government demands for greater accountability and quality improvement both of which are monitored through agencies such as AUQA. Community work, or Service as it is sometimes referred too, also rates highly in performance reviews while industry placement discussions are rare. As identified previously, while some teaching loads are discussed in performance reviews, many universities have these discussions in other forums, hence the reason for only a 56% response rate to this question. Somewhat surprising was the high response for 'Other', the nature of which was not identified in the instrument. However, it is possible that this included Outside Studies Program (OSP) or sabbatical leave neither of which were listed in the question.

Table 8.6 Items related to workloads

Workload Items	Is included	Don't know	Is not included
Teaching loads	56.6% (43)	6.6% (5)	36.8% (28)
Research output	85.9% (67)	3.8% (3)	10.3% (8)
Community work	61.5% (48)	10.3% (8)	28.2% (22)
Industry placement	3.9% (3)	28.2% (22)	67.9% (53)

Table 8.6 Items related to workloads (continued)

Workload Items	Is included	Don't know	Is not included
Administrative responsibilities	70.5% (55)	5.1% (4)	24.4% (19)
Other	50.0% (6)	33.3% (4)	16.7% (2)

8.5   Summary

This study found that the needs of the university predominate performance review discussions. In terms of objective setting, academics indicated that their performance reviews were a combination of both mandated and mutual objective setting. Rewards emanating from performance reviews are mainly limited to areas such as incremental salary progression with more direct financial rewards being limited to a few senior academics. Some universities have attempted to include personal development and career development within their performance reviews but this is not widespread and the support mechanisms that underpin such development, namely, coaching counselling, mentoring and 'remedial' assistance, are lacking. It is also evident that a large number of academics are unsure about the content of their performance review, indicating a lack of communication from either HR or their supervisor, about the function of the process. However, a surprisingly high number of academics indicated that unsatisfactory performance was in their performance reviews. Whether this knowledge was from direct experience or knowledge about the process is unclear.

Historically, administrative tasks required of academics were incidental to their teaching and research. Evidence here shows that administrative tasks are now an intrinsic part of an academic's workload.

8.6   Performance reviews in respondents' universities

As well as asking academics what elements made up their performance review they were also asked their views on the review process. These questions that make up this section relate to objective setting, focus of their review and their relationship with their supervisor.

8.6.1 Objective setting

Several questions were repeated, in different ways, throughout the survey with the intention of trying to ensure internal validity. Objective setting was one such question. In table 8.2 respondents indicated that they had mutual objective setting (74.5%) and mandated objective setting (60.5%). In this instance (table 7.7), the choices were broken down into three options; joint decision, set by myself or set by someone else. Academics indicated that their objectives were set jointly with their supervisor (64%) and this reflects a similar response for 'mutual' objective setting (74.7%). While no explanation can be provided for the small difference it is indicative that, for a large majority of academics, they are involved in joint objective setting. There is however, a large cohort who indicated that someone else set their objectives (37%) and a larger group (44%) who indicated they alone set their objectives. The previous question (table 7.2) did not give this latter group the opportunity to indicate that they set their objectives and some may have chosen to tick the 'mutual' box in lieu. Regardless of who set the objectives a large number (76%) indicated that their review focussed on their goals for the forthcoming year as well as identifying any performance issues (63%).

When asked about their relationship with their supervisor the majority of academics indicated that their supervisor was supportive of them (68%). However, only half the respondents believe their supervisor is adequately trained or their review provides the opportunity for a meaningful discussion. Nearly a third of respondents however, believe their supervisor is not adequately trained or that they have a meaningful discussion. While only a third of academics believe their supervisor is concerned with achieving organisational goals, there is a large cohort (44%) who think otherwise.

Table 8.7 Questions relating to objective setting, focus and relationship with supervisor

Who Sets the Objectives?	Generally agree	Neither agree nor disagree	Generally disagree
My performance review objectives are a joint decision between myself and my supervisor	64.0% (55)	10.5% (9)	25.6% (22)

Table 8.7 Questions relating to objective setting, focus and relationship with supervisor (continued)

Who Sets the Objectives	Generally agree	Neither agree nor disagree	Generally disagree
My performance review objectives are set by myself	44.3% (39)	19.3% (17)	36.4% (32)
My performance review objectives are set by someone else	37.2% (32)	18.6% (16)	44.2% (38)
Focus of Performance Management System	**Generally Agree**	**Neither agree nor disagree**	**Generally disagree**
My performance review focuses on my goals for the year ahead	75.9% (66)	4.6% (4)	19.5% (17)
My performance review identifies performance issues	62.8% (54)	12.8% (11)	24.4% (21)
Relationship with Supervisor	**Generally agree**	**Neither agree nor disagree**	**Generally disagree**
The person conducting my performance review is supportive	67.8% (59)	12.6% (11)	19.5% (17)
My performance review allows for a meaningful discussion with my supervisor	47.1% (40)	14.1% (12)	38.8% (33)
The person conducting my performance review is trained in the process	47.0% (39)	22.9% (19)	30.1% (25)
The person conducting my performance review is only concerned with me achieving organisational goals	33.7% (29)	22.1% (19)	44.2% (38)

8.6.2   Outcomes of performance review

The questions related to the outcome of performance reviews (table 8.8) provide some insight into what academics think of their performance reviews.

Performance reviews are not viewed positively by many academics. Few believe that their review leads to either financial (28%) or non- financial (22%) rewards, with 60% strongly disagreeing that either of these options are available to them.

Less than half the academics (43%) indicated that resources are available for those who need skill development and half the respondents believe that a poor performance has negative consequences. Even if skill development is required, outcomes of reviews are

not acted upon in many instances (38%). These results reflect the comments in Chapter Seven that noted the failure of universities to follow through on the outcomes of performance reviews. While some academics believe that their performance review is useful (36%), half the respondents (49%) believe it is a waste of time.

Table 8.8 Questions related to the outcome of performance reviews

Outcome of Performance Reviews	Generally agree	Neither agree nor disagree	Generally disagree
A poor performance review leads to negative consequences	53.7% (44)	25.6% (21)	20.7% (17)
My performance review is a waste of time	48.8% (42)	15.1% (13)	36.0% (31)
Resources are available for those academics who need skill development	43.4% (36)	18.1% (15)	38.6% (32)
My performance review is not acted upon	38.1% (32)	20.2% (17)	41.7% (35)
My performance review is useful	35.6% (31)	16.1% (14)	48.3% (42)
A positive performance review leads to financial rewards	28.2% (24)	11.8% (10)	60.0% (51)
A positive performance review leads to non-financial rewards	21.7% (18)	18.1% (15)	60.2% (50)

8.7   Summary

When asked about their performance review experiences, many academics indicated that although their supervisor was supportive they lacked sufficient training to do it well. Academics indicated that their review focussed on their goals for the year ahead as well as performance issues and that, for half the group, those discussions were meaningful.

Overall, however, their experiences were not positive with half the cohort indicating that poor reviews lead to negative consequences and that, for many, the outcome of their review is not acted upon. If an academic has a good review then there is little opportunity for either financial or non-financial rewards. Should they require skill development, then less than half those surveyed indicated that there are resources available to support them. While a third of those sampled indicated their review was useful, half the respondents believed that their review was a waste of time.

8.8 Formative and summative analysis

As was the case in Chapter Seven, results could be broken down into both formative (developmental) and summative (controlling) universities. In addition, results from both formative universities (F1 and F2) and summative universities (S1 and S2) could also be analysed in order to identify interesting differences within, as well as across cohorts.

Some, but not all, of the items in this section have been broken down into formative and summative responses where interesting differences were noted. There were no noticeable differences between the formative and summative groups to the items related to objective setting and focus of performance review in the respondents' university. However, academics from the formative cohort registered a higher Generally Agree across all questions.

8.8.1 Elements in performance review

While the majority of elements in performance reviews were very consistent across both groups, there were some interesting findings.

8.8.1.1 Rewards

The majority of academics do not have access to performance-related pay. A large cohort of the formative group indicated (table 8.9) it was not available in their performance reviews (61.5%), and this was statistically significant compared to the summative group (85.3%). While it would appear that performance-related pay was virtually non-existent in the summative universities with only a small percentage of summative respondents (2.9%) indicating that it was included, this was considerably different to the formative response rate (30.8%) that indicated that performance-related pay was included in their performance review.

There was also a statistically significant difference in responses to the question of financial rewards, with summative responses (84.8%) indicating no financial rewards, compared to the formative cohort (47.2%). Similarly, only a small cohort of summative respondents (6.1%) said they received financial rewards compared to a larger formative response (36.1%), that indicated they did. It would appear therefore that financial rewards may only be available to select academics at summative universities however, a

greater number of academics at formative universities have access to financial rewards. Small percentages in the summative universities may be accounted for by a comment from a summative respondent: '*Financial rewards tend to go to people doing higher duties and research output. All of this is not very transparent.*" Of those academics (N=16) who indicated that financial rewards were available, ten came from University F1. Bonuses as such, do not appear to be offered except to a very small cohort of formative respondents (not shown).

Perhaps one of the most important elements, from an academics perspective, is that of promotion. With performance reviews not linking to either financial or non-financial rewards, one might have hoped that, at least, performance reviews linked directly into the promotion process but this is clearly not the case for most academics.

Table 8.9 Formative and summative analysis of reward questions

Reward Questions	Is included		Don't know		Is not included	
	Form	Summ	Form	Summ	Form.	Summ.
Performance-related pay	30.8% (12)	2.9% (1)	7.7% (3)	11.8% (4)	**61.5%* (24)**	**85.3%* (29)**
Links to financial rewards	36.1% (13)	6.1% (2)	16.7% (6)	9.1% (3)	**47.2%** (17)**	**84.8%** (28)**
Links to promotion	36.8% (14)	22.9% (8)	18.4% (7)	20.0% (7)	44.7% (17)	57.1% (20)

* statistically significant at 0.05 ; **statistically significant at 0.01

8.8.1.2 Employee Development

There were consistent differences between both groups for all the elements related to employee development (table 8.10). These elements were more likely to be included in the formative group and they registered a high 72.7% for personal development plans however, the mechanisms to support such development are clearly lacking. On every indicator the formative group registered a higher response than the summative cohort. What is a concern across all of these questions is the very high number of respondents who do not know if an element is included in the performance review.

8.10 Formative and summative analysis of employee development questions

Employee Development	Is included		Don't know		Is not included	
	Form	Summ	Form	Summ	Form	Summ
Coaching and mentoring	36.8% (14)	20.6% (7)	7.9% (3)	11.8% (4)	55.3% (21%)	67.6% (23)
Career management	47.4% (18)	35.3% (12)	13.2% (5)	2.9% (1)	39.5% (15)	61.8% (21)
Personal development plans	72.2% (26)	55.9% (19)	8.3% (3)	5.9% (2)	19.4% (7)	38.2% (13)
Employee counselling	25.0% (9)	8.8% (3)	22.2% (8)	20.6% (7)	52.8% (19)	70.6% (24)

8.8.2   Relationship with supervisor

From a formative and summative analysis, there were some interesting findings in regard to the relationship with the supervisor, the outcomes of performance review and the content. Although not statistically significant, there were large differences when comparing cohorts, across the three questions related to the relationship with the supervisor (table 8.11).

Both groups reported that their supervisor was supportive and not intent on just ensuring the academic achieve organisational goals. One respondent noted, *' my supervisor is great, but her recommendations are ignored by personnel higher up the organisation.'* However, only half the formative group believed the supervisor was sufficiently trained in the process and 40.5% of the summative group supported that proposition.

Table 8.11 Formative and summative analysis of relationship questions

Relationship Questions	Generally agree		Neither agree nor disagree		Generally disagree	
	Form	Summ	Form	Summ	Form	Summ
The person conducting my performance review is supportive	72.5% (29)	59.5% (22)	12.5% (5)	13.5% (5)	15.0% (6)	27.0% (10)
My performance review allows for a meaningful discussion with my supervisor	55.0% (22)	35.1% (13)	12.5% (5)	18.9% (7)	30.0% (12)	43.2% (16)
The person conducting my performance review is trained in the process	52.5% (21)	40.5% (15)	30.0% (12)	10.8% (4)	10.0% (4)	45.9% (17)
The person conducting my performance review is only concerned with me achieving organisational goals	35.0% (14)	32.4% (12)	15.0% (6)	29.7% (11)	50.0% (20)	37.8% (14)

8.8.3 Outcome questions

When broken down into formative and summative responses (table 8.12) results indicate that some academics at some formative universities have the opportunity for financial rewards as an outcome of their performance review, while the chances for similar at the summative universities are unlikely with only people in senior positions having access to such rewards. Universities were further broken down into Formative 1 (F1) and Formative 2 (F2) and Summative 1 (S1) and Summative 2 (S2). University F1 stands out from the other universities with 52.6% of academics having the opportunity to be rewarded, 17.6% of academics have the opportunity at F2, 7.4% at S1 and 0% at S2.

When examining the academic level of the recipients of rewards it was Senior Lecturer (Level C) respondents (23.8%) and Associate Professor (Level D) (50%) respondents who had the greatest opportunity for rewards. Only 1 Professor (Level E) (9.1%) indicated that a positive performance review leads to reward. Such a small number at Level E might be accounted for by the fact that most appointments at this level have negotiated terms and conditions including above load remuneration.

At best then, only one third of academics at formative universities are likely to be rewarded financially and between 50% and 70% of academics at summative ones, are not likely to be rewarded as an outcome of their performance review. Poor performances however appear to result in negative consequences, certainly at the summative universities, with 59.5% of respondents indicating such an outcome.

For those identified in performance reviews as needing some skill development the formative universities at least offered assistance to half the respondents unlike the summative universities where it appears that such opportunities are the exception rather than the rule with only 29.7% indicating resources are available. When asked if they felt their performance reviews were a waste of time, half the formative group generally agreed with the statement. Surprisingly, this was a higher response rate than the summative group (46%). When also asked if their reviews were useful, the formative group provided a consistent response to the 'waste of time' question with only 30% believing they were useful while 41% the summative group said they felt performance reviews are useful.

There was no evidence of real differences between the formative and summative cohorts in the other questions in this block.

Table 8.12 Formative and summative analysis of outcome questions

Outcome Questions	Generally agree		Neither agree nor disagree		Generally disagree	
	Form.	Summ.	Form.	Summ	Form	Summ
A positive performance review leads to financial rewards	37.5% (15)	13.5% (5)	12.5% (5)	13.5% (5)	50.0% (20)	70.3% /(26)
A poor performance review leads to negative consequences	37.5% (15)	59.5% (22)	32.5% (13)	18.9% (7)	22.5% (9)	18.9% (7)
Resources are available for those academics who need skill development	50.0% (20)	29.7% (11)	20.0% (8)	16.2% (6)	25.0% (10)	51.4% (19)
Performance reviews are a waste of time	50% (20)	45.9% (17)	20% (8)	10.8% (4)	30% (12)	43.2% (16)
Performance reviews are useful	30% (12)	40.5% (15)	20% (8)	10.8 (4)	50% (20)	48.6% (18)

8.8.4 Content questions

An examination of three of the 'content' questions (table 8.13) reveals considerable differences between the formative and summative groups. Clearly, the summative universities appear to make more use of student evaluations than do the formative. On the issue of career and skill development, summative universities do not have a strong focus on development while only half the formative respondents indicated that career and skill development forms part of their performance review. Summative respondents on the other hand gave very strong 'generally disagrees' to the suggestions that career development (51%) or skill development (68%) form part of their performance review.

Table 8.13 Formative and summative analysis of content questions

Content Questions	Generally Agree		Neither Agree nor disagree		Generally Disagree	
	Form	Summ	Form	Summ	Form	Summ
Student evaluations of teaching form part of my performance review	70.0% (28)	94.6% (35)	10.0% (4)	2.7% (1)	20.0% (8)	2.7% (1)
Career development forms part of my performance review	50.0% (20)	37.8% (14)	12.5% (5)	5.4% (2)	37.5% (15)	51.4% (19)
Skill development forms part of my performance review	45.0% (18)	24.3% (9)	22.5% (9)	8.1% (3)	32.5% (13)	67.6% (25)

8.9   Summary

Results indicate that, on paper, it is better to work in a formative university than a summative one. Personal development plans, coaching and mentoring, career management, links to promotion and personal development plans are more evident in the formative universities. In saying this however, the opportunity to access these, even in the formative universities are still very low and do not appear to provide the support network necessary. A strong focus on research output is evident in the formative universities compared to the summative universities, as is community work. While conference leave and conference travel do not rate highly in terms of inclusion in the performance review, academics are more likely to receive it at the formative universities than the summative universities. Opportunities to be rewarded for good performance are

available in some the formative universities but virtually not at all in the summative group.

If an academic requires skill development then their chances of receiving support are not high at a formative university but virtually impossible at a summative one. Summative universities have higher responses than formative universities in the links to salary progression, unsatisfactory performance and employee discipline.

On these results, one might expect a more positive response from the formative group to the questions related to their perception of the value of performance reviews. While half the formative cohort do not think performance reviews are a waste of time there is a considerable percentage who do think they are a waste of time (30%). The reason for this is unclear. They might however, relate to the failure of the universities to manage the outcomes of performance reviews, appropriately.

In the universities sampled, performance reviews are used to focus on goals for the forthcoming year, identify any performance issues and to set individual objectives. Respondents identified that objective setting was a joint decision between the academic and the supervisor. When the respondents were later asked if the objectives set were 'mandated' or 'mutually' set, there appears to be some contradictory responses, with individuals ticking more than one box in this regard. This could be explained by comments proffered later about the supposed setting of 'mutual' goals that, in reality, were more prescriptive than individually focussed.

Despite the majority of academics believing that the person conducting their performance review is supportive of them and not overly concerned with them achieving organisational goals, when broken down into formative and summative groups, it was clear that supervisors in the formative group appeared more supportive than supervisors in the summative group. Only half the respondents believe that their supervisor is trained in the review process and that they have meaningful discussions with them, when analysed, it is again the formative group who are more positive.

8.10 Qualitative responses to questions on performance reviews

Respondents again identified the bureaucratic nature of the review process, the need for compliance and, 'ticking the box' was identified in more than one response. Supervisors also came under criticism as being disinterested and even those with training, apparently, do not do it well. This is interesting given the overall finding that most academics believed that their supervisors were supportive. Clearly, those who feel aggrieved by the failure of their supervisor to support them, have chosen to comment on this fact. Lack of resourcing and support for improvement, were also criticisms levelled at the process. Terms used to describe the review process include, 'a stupid system', 'a tawdry process', 'too short term oriented', 'often arbitrary', 'one sided, counterproductive, condescending and demoralising'.

There were no positive comments related to the review process. What comments there were can best be summarised by the following: ' *the performance review ... is some kind of management phoney instrument collecting erroneous information transmitted to management who does not address any issues pointed out by academics.'* And*, 'it is an utter waste of time that is destructive to genuine scholarship and staff morale.'*
 The comments from one academic are particularly telling. " *As an old professor who has served as dean and head of school in several universities and now wants no part of that, my answers are unlikely to be mainstream as my scepticism has grown over the years and I will be retiring soon.'*

8.11 Discussion of findings

An examination of the elements present in performance reviews reveals that organisational needs predominate, most notably research output and student evaluation of teaching. Unfortunately, despite the supposed focus on developmental aspects of performance, career development is not regarded as a major focus in performance reviews nor are those elements that could be regarded as support mechanisms such as counselling, coaching and mentoring and this supports the findings of Aper and Fry's (2003) study in US universities.

A contentious issue regarding performance reviews relates to the outcomes. Positive outcomes from performance reviews in this study are, at best disappointing, at worst, non-existent. Bryman, Haslam and Webb (1994) found that failure to implement appraisal outcomes was not the result of indifference by supervisors or management but rather a lack of resources to match the variety of needs emanating from the performance appraisal process. This study also supports the findings of McNaught and Anwyl 1992, Bryman, Haslam and Webb 1994, Casey 1997 and Stavretis 2007, who identified the failure to provide sufficient resources and follow up on review outcomes. Most academics believe that their supervisors are supportive however, they also identify that even those academics who are trained in the process, do not do it well. This might be accounted for by Paget et al's (1992, p. 69) finding that, ' *there is as yet no adequate definition of either the duration or the content and practical experience which should form the basis of an appropriate training process.*' Paget et al. (1992 p. 69) advocated the need for a review system to ensure that supervisors 'are technically and personally competent' and this view was later reinforced by Hoare (1995). Clearly, this is still a major issue in the current systems. Additionally, positive performance reviews do not lead to either financial or non-financial rewards in the majority of cases, with links to promotion only evident in some instances. Poor performance reviews however, have negative consequences.

Comments proffered by the formative group were just as critical of the review process as the summative group indicating that despite the organisational rhetoric of developmental reviews, in reality, many academics were not supportive of the process. Again this reflects scepticism identified in earlier studies, that performance management systems neither enhance professional nor career development or performance (Bryman, Haslam & Webb 1994; Lonsdale 1998; Down, Hogan & Chadbourne 1999; Simmons 2002; Stavretis 2007).

Rewarding in academia has always been a contentious issue not the least because of union opposition to performance-related pay. The previous chapter identified that most academics do not believe their performance management system motivates them to achieve while in this chapter the study shows that the majority of academics do not get rewarded for their efforts but are made to be accountable if they have a poor review. Not surprisingly therefore, only a quarter of academics surveyed indicated that they felt

motivated to achieve. These findings also paralleled the findings of Bryman, Haslam and Webb (1994) who found that only 28.6% of academics felt their performance appraisal improved their motivation.

Lack of motivation may be attributable to the lack of rewards available. Previous research (Armstrong 1993; Smith 2008) has indicated that motivation will only occur when the individual perceives that performance is fairly measured, that rewards are worthwhile and that the likelihood of receiving such rewards are high. With no rewards on offer, motivation then becomes problematic, made more so when Stavretis (2007, p 229) identified the use of 'informal practices for rewarding staff' in the form of conference leave, increments and promotion, workloads, administration support and equipment purchases, as '*examples that Heads used as being within their discretionary control to use as informal rewards.*' Use of such 'informal practices' is neither fair nor transparent and may account for the cynicism of academics to the process and outcomes, of their review. Such cynicism is reflected in the belief that for many, performance reviews are a waste of time and while this reflects earlier studies (Bryman, Haslam & Webb 1994; Lonsdale 1998; Aper & Fry 2003) the consequence is that this jeopardises the whole performance management system (Bryman, Haslam & Webb 1994).

Not surprisingly then, academics may go through the motions of performance management (Bryman, Haslam & Webb 1994) with managers 'fudging' the ratings for their 'own good reason' (Houldsworth & Burkinshaw 2008) resulting in a 'dance of compliance' (Stavretis 2007) that neither motivates nor develops staff (Fletcher 1997) and that sees appraisal schemes degenerate into 'worthless routines and rituals' (McNaught & Anwyl 1992).

8.12   Conclusion

Academics are accepting of the need to review their performance but they are clearly not happy with the process or outcomes that they experience. Performance reviews can address as many as 24 different elements resulting in divergence across universities. As a consequence, there is no consistency across performance reviews other than to say that university related needs dominate. It would appear that what started as a process aimed

at developing academic staff has evolved into a process that, for the most part, seeks to meet organisational needs first and academic needs second.

Some performance reviews appear to be integrative in that they link some aspects of their performance review process, namely, promotion, incremental salary progression, leave entitlements and, for some, financial rewards. These linkages are, however, in the minority of instances, indicating that universities have not fully embraced the concept of performance management as an integrative process that links aspects of performance reviews with other key HR activities.

From the academic's perspective, the opportunity to have access to HR functions that either directly, or indirectly, advance their careers, is more likely in a university that has taken a formative approach to their performance management system. However, in saying that, results here show that such opportunities are limited, even in the formative universities, and virtually non-existent in those tagged summative. Training is a key HR activity. Failure to adequately train supervisors in the performance review process is another indicator of the disconnect between the rhetoric of universities in relation to their performance management processes and the HR functions that enable such a process to be accepted by academics and achieve organisational goals. Failure to strategise or action the outcomes of performance reviews has resulted in academics viewing performance reviews with cynicism, disinterest and disengagement. This is further evidence of the disconnect between the rhetoric espoused by universities and the reality experienced by the academics.

Chapter 9

Findings and Conclusion

9.1   Introduction

This thesis has shed light on the unexplored area of how Australian universities implement their performance management system, both from a strategic and operational perspective.   What began originally as a focus on performance appraisal has since evolved into an overall approach to performance management, and while the literature is quite robust in its analysis of this area, there is a paucity of empirical data in relation to performance management in universities.

Performance appraisal for Australian academics was introduced in 1991 as part of a two-tier wage agreement with the Australian Industrial Relations Commission (AIRC) who mandated that it should be developmental in purpose. Since that time, a number of political and economic factors have impacted on universities and on the management of their staff. At the commencement of this study, anecdotal evidence suggested that there had been a shift in focus away from the development of the academic to a process that has as its focus, organisational needs.

A thorough literature review revealed differences in the discourse of performance management, namely definitional differences, the multi-faceted nature of the process and different discipline perspectives (De Nahlik 2008; Smith and Goddard 2008). The dual purpose of performance management, namely, formative (developmental) and summative (controlling), was one of the most strongly debated areas of performance management. What emerged from the literature was the identification of the sparcity of empirical research related to the performance management of academic staff. In particular, there is limited empirical data on how Australian universities utilise their performance management systems, from a strategic and operational perspective, and most importantly how it is perceived by academics.

As a result of an examination of the literature, a number of questions were developed which were used to frame this research.

1.   Are the PM systems in Australian universities formative or summative in intent and application?

2.   Do performance management systems in Australian universities demonstrate links between key HR areas?

3.   Do Australian universities demonstrate alignment, integration and credibility with their PM systems?

4.   Are PM systems in Australian universities effective in achieving both individual and organisational goals?

9.2   Findings

9.2.1   Key Informant Interviews

When asked, both the National Tertiary Education Union (NTEU) and Management representatives had a desire to know if current performance management systems were successful. The NTEU was keen to know if academics believed that performance management actually 'value-added' anything for the academic while the Management interviewees were less clear about the specifics of 'success'. Both groups also provided similar, anecdotal evidence about aspects of performance management in universities. What this demonstrates is that key participants, involved with staff and the management of universities, do not have evidence of the efficacy, or otherwise, of systems that directly impact on staff and on which they engage as part of Enterprise Bargaining Agreement (EBA) discussions. In addition, it would appear that universities implement such systems without the empirical data to support their usage or any evidence as to the 'best' style of system to use. It is also not clear if the purported benefits of performance management, either to the academic or the organisation, actually occur.

Both groups indicated that the Higher Education Workplace Requirements (HEWRR), introduced in 2005, under the Commonwealth Grants Scheme, was the major political factor that has impacted on universities, in particular performance management; most notably the need for all universities to amend their EBAs to align with the Howard Coalition government's industrial relations agenda. Coalition Government interference

in the form of increasing quality controls was seen by the NTEU as a major factor impacting on workloads of academics. Management's failure to acknowledge academic workloads as an issue reflects a lack of awareness of the impact that increasing workloads has on the quality of performance of the academic.

9.2.2 Enterprise bargaining agreement analysis

Analysis of EBA data using the Hoare Report (1995) revealed that, on paper, there is diversity in approach to the performance management of academic staff. Hoare (1995, p 17) recommended that '*the aims of any performance management system, which must be based on agreed performance and developmental objectives for the individual*' should first demonstrate links between organisational and departmental strategic objectives and staff performance and skill development; second, incorporate appropriate feedback mechanisms; third, identify areas of future staff development and career progression; and finally data generated from the process should be used for other matters including reward, dealing with unsatisfactory performance, and integration of policies. Such matters, currently covered in a disparate manner, should be brought together.

Hoare's report was published in 1995. In 2005, the Commonwealth Grant Scheme Guidelines for 2006, was published and indicated that first, all universities must comply with the Higher Education Workplace Relations Requirements (HEWRR),
 second, those universities that had EBAs expiring during 2005 had until November 2005 to ensure that their forthcoming EBAs complied with HEWRR in order to access grant money. Third, in order to be eligible for annual grants, universities, had to demonstrate that their workplace agreements include a 'fair and transparent performance management scheme.' The EBAs analysed for this research were for the period 2006-2008. It is likely therefore, that some of the EBAs analysed for this study were hurriedly implemented in order to comply with, and have access to, grant funding. This may account for some of the minimalist performance management sections in some of the EBAs examined. This being said, analysing the relevance of collective agreements where compliance and financial imperatives were drivers for implementation, may been seen as a limitation of this aspect of the research.

Findings from this section revealed some universities have attempted to frame their EBAs to comply with Hoare's recommendations, to a greater or lesser degree, and to meet HEWRR guidelines. However, there are clearly some universities who have given little consideration to either Hoare's recommendation or what their performance management system might look like other than to ensure it complies with HEWRR. It is possible, given the period of analysis studied, that some of these universities have hastily included some reference to performance management in order to fulfil the needs of HEWRR and to ensure eligibility for future grants. Nevertheless, failure to have fully articulated performance management systems in place, fifteen years after the introduction of performance appraisals into universities, indicates a lack of real commitment to either the process or the development of the academic and suggests a 'control' rather than 'commitment' approach to managing staff (Arthur 1994).

9.2.3   Survey of academics

Academics surveyed had a good understanding of what a performance management system should do, possibly because they came from Business Schools. They were also able to articulate what their university was attempting to achieve with their performance management system and where it was failing. According to the academics, performance management systems should have, as their central focus, the development of the academic. Over time, this focus on academic needs appears to have been supplanted by the need to focus on organisational needs first and foremost.

It appears that Government policies that have reduced recurrent funding over time and increased discretionary funding through legislation or targeted grants, such as HEWRR, while at the same time demanding improvements in quality of teaching and research, have forced universities to take a pragmatic approach to performance management. Universities must demonstrate compliance to performance management requirements and their documentation, '*must be simple, flexible and principle-based documents which avoid excessive detail and prescription*' (Commonwealth of Australia, 2005, clause 7.25.35) and universities must provide 'relevant documents' (Commonwealth of Australia, 2005, clause 7.20.25) when requested. So, for all intents and purposes, all

universities can provide documentary evidence of performance management systems and some can demonstrate formative intent.

Unfortunately, the experience of the academics is in contrast to the expressed views of the universities. Academics in this study see little or no value in their performance management systems. Universities are failing to train supervisors adequately, do not provide rewards for those who demonstrate achievement nor provide resources to support outcomes reflecting what Arthur (1994) calls a control strategy. Many academics are critical of increased workloads and increased demand for quality research and teaching without any recognition of the impost this puts on to their overall performance. So while some universities espouse a 'commitment' approach to staff, the reality is that those universities studied demonstrate otherwise.

This has resulted in most academics being cynical of a process that neither motivates nor develops them, and, has resulted in academics engaging in, what Stavretis (2007) has termed, 'a dance of compliance.' resulting in a lack of commitment to the process that is reflected in earlier studies (Bryman et al. 1994; Khoury & Anouli 2004; Stavretis 2007).

Such a result should not be surprising. As Moses (1988) argued, prior to the introduction of performance appraisal, academics were intrinsically motivated by their ability to choose the direction of their work and extrinsically motivated by acknowledgement and recognition of their peers. It could be argued that when that collegial culture was stripped away, and supplanted by a managerial framework that directed the nature of academic work, it also stripped away any mechanism to motivate and hence reward staff. As Casey, Gentile and Bigger (1997) argue, while over reliance on external rewards can be counterproductive, the use of rewards is important because they convey the goals of the organisation and as such are a major influence on motivation as they shape the direction in which individuals seek the demonstrate achievement. As a consequence, performance management systems are no more successful today than when Lonsdale (1998) indicated that performance management for developmental purposes had been largely unsuccessful and that there was no evidence of enhanced organisational performance.

Formative (developmental) and summative (controlling) approaches to performance management is a major area of debate in the literature including Lonsdale 1991; Townley 1992; Casey, Gentile and Bigger, 1997 and Simmons 2002, to name a few. Identifying universities as being either formative or summative on the basis of their EBA documentation could have been problematic, as identified in Chapter Three.

Results however, from the survey, indicate that academics working at those universities tagged 'formative' have some chance of personal development but there is limited evidence of the infrastructure to support that development. While there is a strong focus on research in formative performance management systems, it is salary progression, unsatisfactory performance and employee discipline which appears to dominate at the summative universities. On the basis of this one might have expected that academics in the formative universities might have been, if not extolling the virtues of their system, at least been supportive of it. This does not appear to be the case, with these academics being critical of the outcomes of their reviews; in particular, they indicated a lack of motivation, lack of commitment to the system and with many viewing it as a waste of time. Not surprisingly, these views were also echoed in the summative group. Some universities therefore are attempting, albeit in a small way, to have performance management systems that are developmental in nature, but failing to deliver in the eyes of the academics.

Studies into higher education have identified that most academics accepted that their performance should be measured in some way (Lonsdale et al 1988a; Simmons 2002; Mercer 2005; Stavretis, 2007) and this research supports these findings. However, while previous studies identified confusion about the purpose of performance management in universities (Paget et al.1992; Aper & Fry 2003; Simmons 2002 and Stavretis 2007) this research was able to identify that the academics surveyed had a very clear understanding that the purpose was to meet organisational goals and the development of the academic. It also revealed that despite these findings, the academics felt that, in their university, it was used to meet organisational goals but that it did not develop the academic. As a consequence, academics were supportive of the concept but critical of its implementation. Lack of credibility with academics, of any of the systems examined here, is a major finding of this research.

9.3 What Makes an Effective Performance Management System?

A body of literature is building about what makes 'effective' performance management systems. Drawing upon the work of others, Hughes and Sohler (1992) identified nine key features including the need to action recommendations quickly, adequately train managers and the need to link the program to career development. They acknowledged that, these features were yet to be verified in the public sector and that their applicability in the higher education system was also yet to be tested. Since then, research into the public sector in Australia (MAC 2003; ANAO 2004/5) has been undertaken, that support their findings. This research too has identified that failure by universities to address the three areas of actioning recommendations, training managers and linking programs to career development, has resulted in dissatisfaction amongst academics with their performance management system.

Simmons (2002) suggested that Winstanley and Stewart-Smith's (1996) approach of involving key stakeholders in the development of objectives and measures is one means of developing an effective and ethical performance management system. This current study identified some 'confusion' in determining if the setting of objectives were mandated or in fact were set by the individual. This was highlighted by one comment that indicating the individual set their objectives in good faith only to have them altered to more closely align with the views of others. This reinforces the difficulty in achieving 'stakeholder consensus' in the selection of performance measures acceptable to the various interest groups (Simmons 2002). An inability to develop appropriate measures and develop a collaborative culture have been identified as being major barriers to effective performance management systems (Busi & Butitci, 2006) and, as this research attests, little has changed since both Hoare (1995) and Lonsdale (1998) noted the failure of academic performance appraisals, from the academic point of view, to specifically identify measures of performance or what constitutes appropriate training for supervisors. Paralleling findings of this study, McNaught and Anwyl (1992), Bryman et al (1994), Aper and Fry (2003), Khoury and Anouli (2004), all identified a lack of commitment to the process by academics caused in part by insufficient resources to fund outcomes as well as a lack of appraiser competence resulting in for many, low morale, dissatisfaction and demotivation.

Nankervis and Compton (2006) are quite specific in terms of what they believe constitutes a good performance management system. Such a system, ' *has strategic alignment of organisational and employee goals and outcomes; user friendliness; consistency equity and transparency; and clear links between appraisal and salary review, human resource development, coaching and succession plans. The less attractive systems either fail to reflect these qualities or provide inadequate communication, employee feedback or appraisal training*' (Nankervis & Compton 2006, p 99). Consideration of whether the universities studied have these attributes is best done by examining the key attributes of performance management systems as identified by MAC (2003) and ANAO (2004/5), namely alignment, integration and credibility.

9.3.1   Alignment, Integration and Credibility.

Evidence to date has shown that it is not enough that universities adhere to Hoare's (1995) recommendations for their performance management systems. If they want commitment to the process by academics then they also need to consider the suggested success factors of alignment, credibility and integration (MAC 2003; ANAO 2004/5). Stavretis (2007) in her study considered such factors and there appears to be differences in her findings compared to this study as evidenced in the following.

9.3.1.1 Alignment

Alignment requires the performance management system to be '*based on a detailed understanding of the outcomes sought by government and stakeholders, the nature of the business, its goals, clients and performance measures, as well as its culture, history and where a CEO wishes to take the organisation.*' (MAC 2003, p.5). Stavretis (2007, p.261) found that ' *existing PM systems in the Australian higher education sector palpably fail on these dimensions*'. This research finds otherwise. It is clear from this study that many universities have considered the issue of alignment and this is evidenced in the analysis of their EBA documents which identify some performance management systems are strategically aligned to organisational goals, while others are not. Findings from the ANAO (2004/5) Report noted similar variation across the public sector, in terms of alignment of performance management systems with goals and organisational priorities.

In addition, University EBAs reflect government directives that they should have clearly articulated performance management systems, as well as including reference to factors that directly relate to stakeholder ie academic, needs and the role they play in the performance management framework. Possible reasons for the differences in the findings could be accounted for by the difference in time between both studies; some universities may have attempted to improve alignment since Stavretis undertook her study.

9.3.1.2 Integration

Integration involves '*ensuring that performance management is part of the overall corporate management structure of the organisation, that there is a 'clear line of sight' for staff between their responsibilities and the objectives of the organisation and that the implementation needs be planned carefully with an adequate training component*' (MAC 2003, p.5).

Stavretis (2007) again, found this element wanting in her study. She found that performance management systems were 'outside the overall management structure of universities' and were seen as an 'onerous add-on' by reviewers. This study has found that universities, to a greater or lesser degree, have attempted to integrate their performance management systems within the overall management structure of the university. Different findings might have occurred because Stavretis' research was based on case studies while this research undertook a different methodological approach.

However it was found that those universities identified as 'formative' were more successful in linking PM systems, not just within the overall management structure, but more importantly, linking key elements of HR to their performance management systems. A further examination of data from the EBAs revealed that there is no consistency across any university in terms of how performance management data is used. While the Hoare Report (1995) recommended that performance appraisal data should be used to inform five areas, it is quite clear that many universities have chosen to use it as a mechanism to inform other decision making processes. Some universities articulate a wide range of uses for data collected while others demonstrate minimal usage. The most frequent usage identified for performance review processes was for the

management of diminished or unsatisfactory performance. This is not surprising given this was a specific use of performance appraisals as articulated in the Hoare Report (1995).

One area that appears not to have improved since Stavretis' study relates to the allocation of resources to train and remedy performance issues. Training is an important pre-requisite for, and possible outcome of, performance management systems. Respondents in this study commented on the failure of supervisors to be adequately trained in the process and they also noted the failure of their system to provide developmental opportunities. An examination of EBA documents in this study found that despite Hoare recommending that performance management systems should '*identify areas of future development for staff and formulate action plans for fostering their career development*', that this recommendation was not addressed in many EBAs and, where it was addressed, the latter part of the recommendation was ignored. In other words, some universities talked about developing their staff but very few actually considered 'formulating action plans' to ensure it happened.

Not surprisingly, academics in this study also indicated that integration was lacking as there were no resources to develop staff, objectives were not followed through and performance reviews were generally regarded with scepticism and seen as a waste of time. This then leads directly into the 3rd element of the MAC (2003) and ANAO (2004/5) reports – credibility.

9.3.1.3 Credibility

Credibility is about '*winning the support and confidence of staff through transparency, fairness, simplicity, progressive implementation, CEO and management commitment, reducing the gap between rhetoric and reality and by addressing poor performance*' (MAC 2003, p.5). This goes to the heart of the matter of any performance management system. Without credibility, organisations do not have commitment by staff to the process or to its outcomes. As a consequence, it is unlikely to achieve its intended goals as employees go through the motions rather than engaging with the process.

So, do academics value their performance management system? Do university performance management systems provide transparency, fairness, simplicity, management commitment and with little gap between the rhetoric and the reality? Do academics feel it provides them with the opportunity for development and growth and in so doing, add to the productivity of the university? This, after all, was the intention of the AIRC when it introduced performance appraisals into academia. Results from academics surveyed indicate disillusionment and frustration with a system that promises development, yet does not deliver because of lack of focus or resources to support performance review outcomes. While most academics surveyed accept the need for performance management in principle, they are extremely dissatisfied with how it is implemented. Criticisms about the bureaucratic nature of the process, its controlling rather than developmental focus, are evident in responses from academics at both formative and summative universities.

An examination of the first two elements of effective performance management systems, namely alignment and integration, revealed some advances in universities since Stavretis (2007) undertook her research. An examination of this final element – credibility-reveals little has changed. Stavretis (2007, p. 262) found that '*universities patently do not engage and win the support and confidence of staff*'. These views parallel the findings of this study, including the view that staff perceived a gap between '*the rhetoric and the reality*'. This criticism by academics of their performance management systems appeared specifically and implicitly, in the comments offered by academics. While performance appraisals for developmental purposes, were mandated, there appears to be an apparent contradiction between the universities' positions and the views held by those academics surveyed.

A majority of universities articulated the need to develop staff as part of their performance management process but few mentioned any plans on how to operationalise it, as suggested by the Hoare Report (1995). This developmental focus was contradicted by survey results that showed academics believe that the purpose of performance management was to achieve organisational goals while career development factors came a long way down the list of considerations.

The disconnect between the 'rhetoric and reality' was also specifically noted in the ANAO report, the consequences of which is the difficulty in establishing credibility with employees. In summary then, findings from this research do not indicate that performance management systems are transparent or fair but are perceived as 'a tawdry process'. Effective performance management systems show a link between performance and rewards (Nankervis & Compton 2006). This is clearly not happening across the universities studied and even where some rewards are available, access to them is limited. Failure to provide sufficient training as well a failure to provide resources or follow-up from the review process is a strong indicator of lack of management commitment and merely serves to sharpen the focus of academics on the gap between the rhetoric of the universities and the reality they experience. In summary then, the performance management systems have little or no credibility with the majority of academics surveyed, and as a consequence the universities are unlikely to achieve their desired outcomes.

9.4   Addressing the research questions

Returning to address the research questions posed in Chapter One, the following outcomes were identified.

1.   Are the performance management systems formative or summative in intent and application?

An examination of EBA documents identified that some universities could be classified as being either formative (developmental) or summative (controlling) on the basis of the information provided in the performance management section. Results indicate that some universities articulated the need to develop staff as the focal point of their performance management system and some provided quite detailed information on how their system would operate. On the other hand, there were many universities who displayed summative intent in relation to their performance management system, indicating that such a system was about the achievement of organisational goals and compliance of academics to that end. Others were quite diffident in relation to providing specific information on their performance management system. While it would appear that, on paper at least, there are universities who are formative in intent, they do not

demonstrate formative behaviour. Truss et al. (1997) might well attribute such differences to organisations choosing to articulate the 'soft' (or 'commitment') model of managing human resources but, it is the 'hard' (or controlling) model that pervades. This is supported by Mills and Hyle (1999) who believe that when procedures and goals are conflated, this inevitably leads to a summative review resulting in confusion and ineffective reviews.

Universities are under great financial duress and meeting government expectations in a myriad of areas creates tensions, particularly when one demand conflicts with another and financial resources are limited. Invariably compromises have to be made but universities then run the risk of alienating key stakeholders, in this case, academics. If universities want academic 'buy-in' to the performance management process and they are committed to the developmental aspect, they will have to provide the resources to enable it to be successful, namely appropriate training for supervisors, funding of outcomes and rewarding those who achieve. Clearly there are those universities who prefer a summative approach to their performance systems. The consequence of embracing such an approach, including the ability to retain good staff, is yet to be borne out.

2. Do performance management systems demonstrate links between key HR areas?

Some universities have identified that they link key HR areas with their performance review processes. What is evident is that there is no consistency across the sector in relation to what links emanate from performance reviews. For many universities, performance reviews are separate from HR areas, such as training or career development, with no links evident into areas such as the promotion process or leave entitlements.

3. Do universities demonstrate alignment, integration and credibility with their PM systems?

The critical success factors of alignment, integration and credibility have already been discussed, so it is suffice to say that most universities need to give greater consideration

to alignment and integration if they hope to ensure credibility of their performance systems with academics.

4. Are PM systems effective in achieving both individual and organisational goals?

No evidence has been forthcoming that any university's performance management system has assisted in the achievement of organisational goals. Yet universities persist with their performance systems. This is clearly an area for further research. From the academic perspective this research shows no evidence that performance management systems are effective in achieving individual goals. On the contrary, results indicate that most academics believe their performance management system is a waste of time, does not motivate them, and can in fact be counterproductive, resulting in cynicism of a process that is time consuming and neither motivates, rewards nor develops academics.

9.5   Limitations

A number of limitations of this research have emerged. Although purposive sampling is an appropriate means to gather information from a large group (Bouma 2000), generalising findings across the group can be problematic. Babbie (2009) argues that even though generalizability is not possible, purposive sampling can mirror the profile of the targeted group. In this case, generalising some findings across all universities on the basis of the surveys can be seen as a weakness. In order to determine if these findings are representative of all universities, then more extensive research is required.

While a rationale was provided for the selection of the universities sampled for the survey, no such rationale was provided for the selection of interviewees other than to select the same School in all four universities as a point of comparison. It needs to be noted however that as these respondents all came from a business school, that they may have a better understanding of performance management systems than academics in other Schools or Faculties. As a consequence results may have been different had another School or Faculty been chosen.

A further limitation relates to the analysis of the enterprise bargaining agreements. Analysis of these documents revolved around determining each university's approach to performance management. Compliance with the introduction of performance appraisal

was linked to financial imperatives. This factor might weaken the analysis of the EB agreements with some universities possibly inserting performance management clauses in their EBA at the last minute in order to obtain funding rather than be committed to the process.

9.6   Implications of this research

This research has identified that performance management systems do not achieve their purpose, i.e. the development of academics. As a consequence the systems have little credibility with academics. Academics surveyed are informed in relation to what performance management systems are meant to do. In particular, they know that, ideally, it should be about their development and the achievement of organisational goals. Forced to participate in their performance management system, academics are becoming increasingly cynical about a process that promises so much and delivers so little. The longer a person is exposed to such a situation, the greater the likelihood they will disengage both from the process and the organisation, thereby demonstrating the potential counter-productive nature of the exercise. While some universities may give little credence to the worth of such a process and choose to merely continue with it in order to comply with government demands, they would be well advised to consider the possible negative consequences.

Universities are clearly under pressure from government to be compliant. Taking a pragmatic approach, universities appear to comply with government directives on policies and processes but failure to adequately resource areas, such as performance management systems, sees a lot of time and money wasted on a process that does not appear to achieve its objectives other than to create a paper trail.

While sparse, there have been empirical studies in universities around the world that have identified problems with performance management systems (McNaught & Anwyl 1992; Bryman, Haslam & Webb 1994; Simmons 2002; Aper & Fry 2003; Khoury & Anouli 2004; Wood & De Jarlais 2006; Stavretis 2007). It would appear that Australian universities seem comfortable in perpetuating processes that are clearly flawed without deference to earlier studies. If universities continue down this path it is unlikely they

will achieve one of the key aims of performance management processes, namely to improve university performance.

While universities once could have been described as 'homogenous' in nature, the introduction of individual EBAs is resulting in many differences across universities, including how they manage the performance of their staff. With some universities demonstrating summative approaches to managing performance and others attempting to be formative, universities might find that staff are attracted, or not attracted to them, on the basis of how they manage performance. Indeed, the fact that individual differences occur across universities perhaps lends itself to a more contingent approach to performance management (Simmons 2002). In suggesting that if an organisation is desirous of a performance management system that achieves credibility amongst academics, it needs to be one that offers greater focus on qualitative factors in performance reviews, supports individual development including mentoring/training, provides resources to support the outcomes of performance and where the rhetoric of the university matches the lived experiences of academics.

It is evident that universities are developing their own 'identity' with a range of nomenclatures emerging such as the Group of Eight, Sandstones, Red Bricks, Unitech and New Universities (Marginson & Considine 2000) all being used to reflect differences between universities. Such differences, in time, might also carry over to their performance management systems, with Townley (1990, p. 43) suggesting that differences occur in appraisal because of the way PM is constructed:

> '…the significance of appraisal lies in its construction. It is a social phenomenon, both reflecting and engendering different interests and interpretations whose significance is constructed and emerges from a context. The pressures which give rise to appraisal can be both numerous and conflicting, they can also be different from those which are used both in its formal justification and its operation and functioning…seeing appraisal in the context in which it operates also points to the diversity of functions with which a single system may be invested…the same appraisal system may be used to serve a variety of ends and may be used…in different ways.'

In other words organisational culture and environmental forces have the capacity to influence the type of appraisal system implemented. What is evident from this research

is that different systems are evolving in Australian universities. All universities are exposed to the same environmental forces but some are better able to deal with these forces than others.

Another factor that might be contributing to the development of specific types of performance management systems is the institutional history of the organisation. Townley's (1997, p. 278) research found that those organisations that were previously Colleges of Advanced Education, taught technical subjects and had no research tradition were more accepting of the controlling system of performance management. This suggested, in part, that '*the structures and identity gained when the organisation was founded, reinforced through practise, may be an important factor influencing responses to isomorphic change*'. Isomorphic change is change that results when '*an organisation alters its structure or policies in accordance with socially legitimated myths. In so doing it increases their legitimacy, enhances their organisational resources and increases their survival prospects*' (Townley 1997, p. 161).

Analysis of the data of this research identifies not only differences between those universities identified as formative or summative, but also differences between those regarded as summative, in particular. As one of the two summative universities was previously a College of Advanced Education it would be interesting to break down the data further and see if Townley's findings also apply in this case. This could be the focus of future research.

9.7   Framework of analysis revisited and further research

The framework of analysis shown in Chapter Four (see figure 4.1) presents the development of performance management systems in Australian universities diagramatically. The model shows the political, economic and industrial forces that were the catalyst for the introduction of performance appraisal of academics in the late 1980s. What began as performance appraisal for academics has evolved into university performance management systems.

Such systems developed in response to a range of political, economic and industrial stimuli during the 1990s and 2000s. The introduction of EBAs and the political demands of the federal government of the day, most notably the Howard Coalition Government, saw the development of performance management systems that, while complying with government demands, were also unique to that university.

The aim of this research was to determine what Australian universities' performance management systems looked like today: how they managed their performance management systems from a strategic and operational perspective. In order to do this, performance management systems needed to be examined first, using the Hoare Report (1995) and second, by applying key criteria of the MAC (2003 and ANAO 2004/5) Reports.

Results revealed a disparity in all four elements of the Hoare Report (1995) across 37 universities. In addition, the universities were also identified as being either formative or summative in intent in relation to their PM systems. When the key characteristics of effective PM systems, namely alignment, integration and credibility (MAC 2003; ANAO, 2004/5) were applied to the PM systems this too revealed inconsistency across all elements in the four universities surveyed.

The significance of these findings is the identification of university performance management systems that are not only diverse, but emergent in nature (see figure 9.1). What we are seeing is the development of PM systems that have very different characteristics, for example, these systems are quite distinctive in the way they manage their human resources. Such variation may reflect the strategic capabilities of universities, and they are likely to continue to evolve in response to political and industrial pressures, thereby providing a point of differentiation between universities. Such differentiation may, or may not, be used by universities to enhance their competitive advantage. Regardless, the previous homogenous view of universities is disappearing as heterogeneous models emerge in response to rapidly changing environmental pressures.
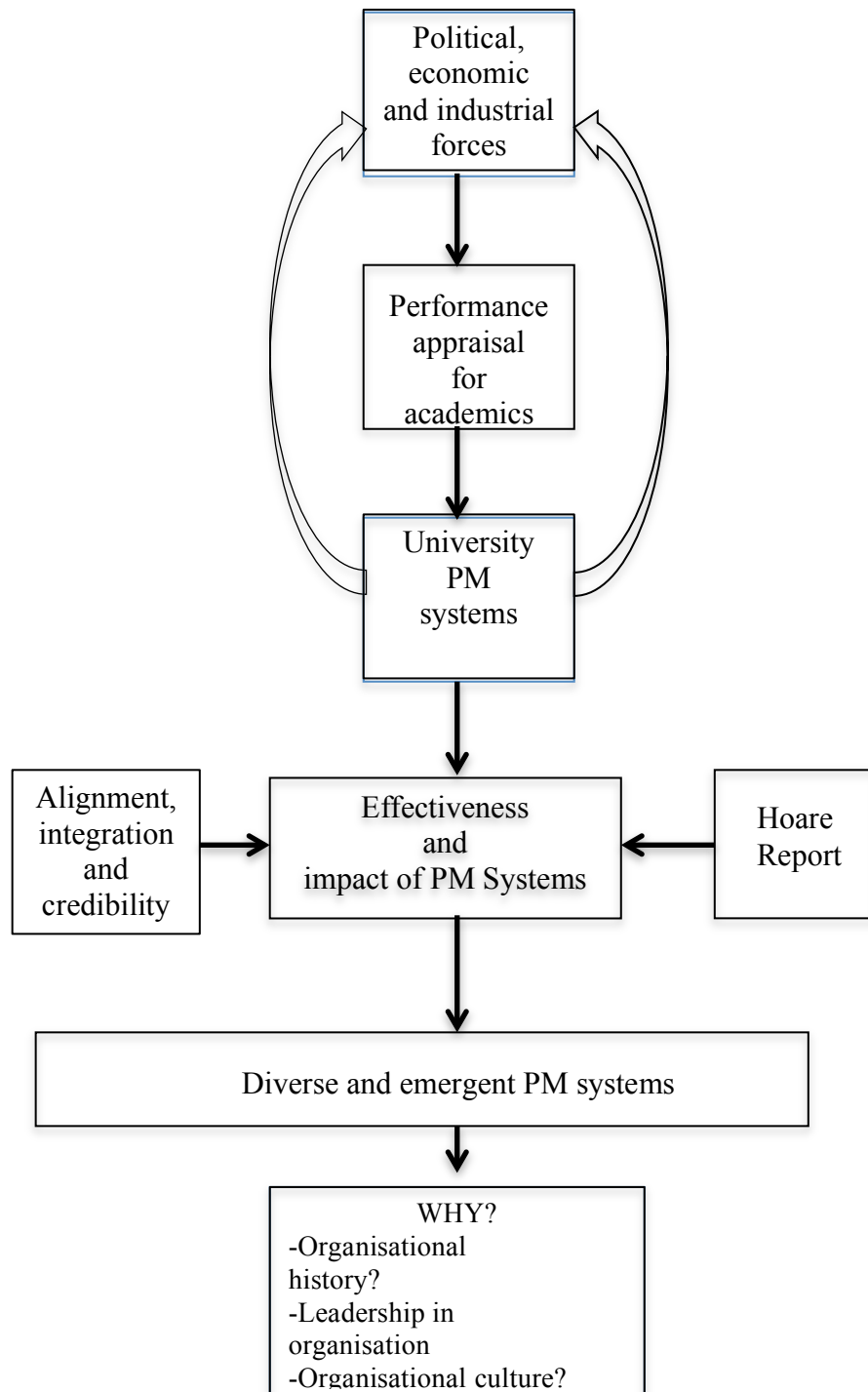
Figure 9.1 Amended framework of analysis
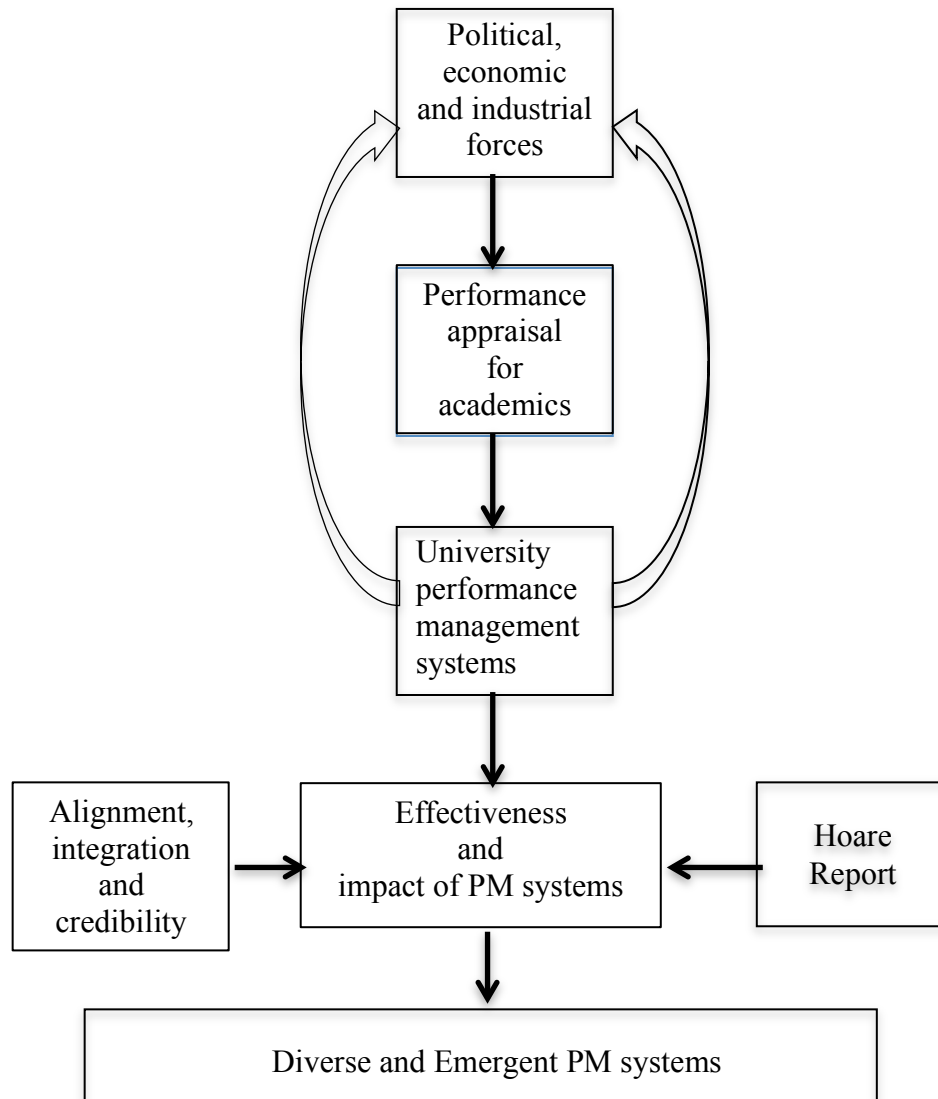
The aim of this research was to ascertain how universities implement their performance management systems. It has sought to shed light on what is an under researched area. The research was limited in relation to the number of academics surveyed, the faculty that these respondents came from, and the amount of information on performance management provided by some universities in their EBA documents. A strength of the

research is however that for the first time since performance appraisal was introduced into Australian universities, a substantial number of academic voices have been heard in relation to their performance management systems.

While some of the findings are not generalisable across all faculties in all universities, some findings are transferable. Analysis of the data has led to the conclusion that performance management systems are developed with different purposes, processes and outcomes. However, no system has been identified as satisfying academic development needs.

In reviewing the outcomes of this research the need for further research is evident (see figure 9.2). All universities are under the influence of the same environmental forces, yet they are all developing performance management systems that are quite distinctive and diverse. Further research is required to determine if factors such as culture of the organisation, style of leadership, or the universities historical antecedents are the variables that have directly influenced not only the type of performance management system implemented, but its acceptance or otherwise, by academics. In addition, ascertaining the role, attitude and behaviour of line managers involved in this process would further enhance current knowledge about the performance management of Australian academics.

Figure 9.2 Proposed framework of analysis

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                    ┌─────────────────┐
                    │   Political,    │
                    │    economic     │
              ┌────▶│  and industrial │◀────┐
              │     │     forces      │     │
              │     └─────────────────┘     │
              │              │              │
              │              ▼              │
              │     ┌─────────────────┐     │
              │     │  Performance    │     │
              │     │   appraisal     │     │
              │     │      for        │     │
              │     │   academics     │     │
              │     └─────────────────┘     │
              │              │              │
              │              ▼              │
              │     ┌─────────────────┐     │
              │     │   University    │     │
              └─────│      PM         │─────┘
                    │    systems      │
                    └─────────────────┘
                             │
                             ▼
┌──────────────┐   ┌─────────────────┐   ┌──────────────┐
│  Alignment,  │   │  Effectiveness  │   │              │
│ integration  │──▶│      and        │◀──│    Hoare     │
│     and      │   │ impact of PM    │   │   Report     │
│ credibility  │   │    Systems      │   │              │
└──────────────┘   └─────────────────┘   └──────────────┘
                             │
                             ▼
        ┌──────────────────────────────────────────┐
        │      Diverse and emergent PM systems      │
        └──────────────────────────────────────────┘
                             │
                             ▼
                ┌────────────────────────┐
                │         WHY?           │
                │  -Organisational       │
                │  history?              │
                │  -Leadership in        │
                │  organisation          │
                │  -Organisational culture?│
                └────────────────────────┘
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In summation, further research is required to:

1   Ascertain if the findings of this research reflect the views of the broader population of academics.

2 Identify whether there is any link between organisational antecedent history and type of performance management system.

3 Determine a) the culture of each university and b) examine the nature of respective performance management systems.

4 Investigate the leadership styles within universities in an attempt to find the style most likely to enhance performance management outcomes.

9.8   Conclusion

This study set out to identify how universities implement their performance management systems from a strategic and operational perspective. In so doing it has identified differences in the purpose, processes and outcomes of performance management in the universities studied. Importantly, the voices of academics have been heard in relation to their performance management system.

While it is not possible to apply these findings to all universities, it is possible to make some generalisations across the sector. Academics surveyed have identified that their current performance management systems are not meeting their needs, nor one suspects the needs of the organisation. Current systems lack credibility with academics, brought about in part by failure of management to commit resources necessary for its successful implementation and processes that appear to be flawed. Despite some universities attempting to have performance management systems which, on the surface, appear to be formative in nature, academics are quick to advise that the rhetoric does not match the reality, and this is borne out by an examination of performance review systems. These systems show diversity in content and a failure in many cases to link important HR areas, such as promotion and rewarding, to performance review outcomes.

A number of possible reasons exist for the failure of universities to develop systems that have expunged the faults of performance management systems identified in previous empirical studies. Environmental factors have been shown to have a significant influence on all universities but this cannot account for the differences across universities as all universities are exposed to the same forces. Further investigation is needed to determine other factors influencing the development of performance

management systems. Some possible causes might be the historical antecedent of the university, and the organisational culture and leadership style within universities. In an ideal world, one would hope that universities would embrace the concept of the development of its academics as the best form of performance management, recognising the intrinsic and extrinsic values in so doing. In reality however, universities like other organisations make such decisions, taking into account all stakeholder considerations.

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Appendix A - Ethics Approval

	Memorandum
LA TROBE UNIVERSITY	

ACADEMIC SERVICES
Faculty of Law and Management
La Trobe University
Victoria 3086 AUSTRALIA
Telephone: 9479 1603 Fax: 9479 1484

To:	Leanne Morris
From:	Mrinali Clarke, Secretary, Faculty Human Ethics Committee
CC:	Dr Pauline Stanton
Date:	12 December 2006
Subject:	**Ethics Approval No. 65/06R**
Title:	Performance management of academic staff in Australian universities

Dear Leanne

The Faculty Human Ethics Committee (FHEC) has assessed your application as complying with the National Health and Medical Research Council's *National Statement on Ethical Conduct in Research Involving Humans* and with University guidelines on *Ethics Approval for Research with Human Subjects*.

The Committee has granted approval for the period 12 December 2006 to 12 December 2008.

Please note that the FHEC is a sub-committee of the University's Human Ethics Committee (UHEC).   The decision to approve your project will need to be ratified by the UHEC at its next meeting. Consequently, approval for your project may be withdrawn or conditions of approval altered. However, your project may commence prior to ratification. You will be notified if the approval status is altered.

The following special conditions apply to your project: **This approval is conditional upon receipt by the FHEC of a letter of authority from the institutions involved in the research.**

The following standard conditions apply to your project:

Complaints. If any complaints are received or ethical issues arise during the course of the project, researchers should advise the Secretary of the FHEC by mail or email: mrinali.clarke@latrobe.edu.au.

Limit of Approval. Approval is limited strictly to the research proposal as submitted in your application, while taking into account the conditions and approval dates advised by the FHEC.

Variation to Project. As a consequence of the previous condition, any subsequent variations or modifications you may wish to make to your project must be notified formally to the FHEC. This should be done using *Application for Approval of Modification to Research Project* Form, which is available from the FHEC Secretary. If the FHEC considers that the proposed changes are significant, you may be required to submit a new Application Form.

Progress Reports. You are required to submit a *Progress Report* annually (if your project continues for more than 12 months) and/or at the conclusion of your project. The completed form should be returned to the Secretary of the FHEC. Failure to submit a Progress Report will mean that approval for this project will lapse. An audit may be conducted by the FHEC at any time. **Your final Progress Report is due on or before 12 January 2009.**

If you have any queries, or require any further clarification, please contact me at the Faculty of Law and Management on 9479 1603, or by e-mail: mrinali.clarke@latrobe.edu.au

Yours sincerely,

Mrinali Clarke
Secretary, Faculty Human Ethics Committee

Victoria University Ethics Approval

MEMO

TO	Prof Pauline Stanton School of Management & Information Systems City Flinders Campus	DATE	22/10/2009
	Miss Leanne Morris School of Business & Law Victoria University		
FROM	Professor Michael Muetzelfeldt Chair Faculty of Business & Law Human Research Ethics Committee		
SUBJEC T	Ethics Application – HRETH 09/154		

Dear Prof Stanton and Miss Morris,

Thank you for submitting your application for ethical approval of the project entitled:

HRETH 09/154   Performance Management of Academic Staff in Australian Universities.

The proposed research project has been accepted and deemed to meet the requirements of the National Health and Medical Research Council (NHMRC) 'National Statement on Ethical Conduct in Human Research (2007)', by the Chair, Faculty of Business & Law Human Research Ethics Committee. Approval has been granted from 22 October 2009 to 01 March 2010.

As a final advisory, it was noted that Question 19 of the Questionnaire does not provide a space for participants to leave a forwarding address. While further action is not expressly required for research to commence, it is suggested that a 'Question 20' be added in a similar format to the pre-existing 'Question 18'. If this further change is made, please forward a copy of the finalised questionnaire to Lauren.Donley@vu.edu.au.

Continued approval of this research project by the Victoria University Human Research Ethics Committee (VUHREC) is conditional upon the provision of a report within 12 months of the above approval date (by **22 October 2010**) or upon the completion of the project (if earlier). A report proforma may be downloaded from the VUHREC website at: http://research.vu.edu.au/hrec.php

Please note that the Human Research Ethics Committee must be informed of the following: any changes to the approved research protocol, project timelines, any serious events or adverse and/or unforeseen events that may affect continued ethical acceptability of the project. In these unlikely events, researchers must immediately cease all data collection until the Committee has approved the changes. Researchers are also reminded of the need to notify the approving HREC of changes to personnel in research projects via a request for a minor amendment.If you have any queries, please do not hesitate to contact me at Michael.Muetzelfeldt@vu.edu.au.

On behalf of the Committee, I wish you all the best for the conduct of the project.

Prof. Michael Muetzelfeldt
Chair
Faculty of Business & Law Human Research Ethics Committee

Appendix B - Key Informant Letter of Request

<Insert LaTrobe Letterhead>

Dear

 I am currently undertaking a PhD at Latrobe University under the supervision of Dr Pauline Stanton. Dr Stanton is an Associate Professor in the Graduate School of Management. I am interested in finding out how performance management of academic staff is undertaken in Australian universities.

Prior to conducting in-depth interviews in a number of universities I need to ascertain the issues that are regarded as important considerations in the process. To this end I am undertaking some preliminary key informant interviews. The information gleaned from these interviews will be used to frame questions for my major research.

I am writing to you in the hope that you might be prepared to offer your perceptions, via an informal interview, as to important issues in the area of performance management in universities. Participation is of course entirely voluntary. The expected duration of the interview will be forty-five (45) minutes.

If you agree, the interview will be recorded by means of audio-tape to ensure accuracy. If at anytime you want to withdraw from the interview you are free to end your participation and any data collected will be destroyed. No findings will be published which will identify any individual participant. The purpose, as I have indicated, is to identify a range of issues which will be used to frame questions for the major research.

I would appreciate hearing back from you as to your availability or otherwise and can be contacted on either my work number 03 52272315 or via email leanne.morris@deakin.edu.au.

Yours sincerely,

Leanne Morris

Appendix C - Key Informant Participant Information Letter

PARTICIPANT INFORMATION SHEET

Project: PERFORMANCE MANAGEMENT OF ACADEMIC STAFF IN HIGHER EDUCATION

Researchers:

Ms Leanne Morris, PhD student, Graduate School of Management, La Trobe University, VIC, 3086, email: morrisl@deakin.edu.au, Telephone 03 52272315

Dr Pauline Stanton, Associate Professor, Graduate School of Management, LaTrobe University VIC, 3086, email: p.stanton@latrobe.edu.au Telephone 9479 3123

Dr Suzanne Young, Senior Lecturer, Graduate School of Management, LaTrobe University VIC, 3086, email: s.h.young@latrobe.edu.au Telephone 9479 3140

This project is the first stage of a larger PhD study to explore performance management of academic staff in selected Australian universities. We aim to conduct key informant interviews with union and university personnel in this stage.
This study forms the basis for a qualitative case study approach investigating performance management in higher education for a doctoral thesis**.** Performance management and more specifically performance appraisals were introduced in to Australian universities in 1988 as a mechanism for managing academic work. Since the mid-1990s there has been no identifiable empirical data as to the use of performance appraisals in Australian universities. At the same time, universities have undergone further changes in relation to the management of staff.

   The objectives of this study are to:
   ➢ To explore the history, models and approaches to performance management
   ➢ To identify key staff performance issues in the Higher Education sector
   ➢ To identify academic staff performance management approaches in Australian universities

We are holding key informant interviews which explore the issues identified above.
We seek your participation in one of those interviews.
Participation is of course entirely voluntary. We do not anticipate any personal risks to be involved in the research.
The expected duration of the interview will be forty-five (45) minutes.

If you agree, the interview will be recorded by means of audio-tape to ensure accuracy.
If at anytime the interview causes you distress you are free to end your participation and

any data collected will be destroyed. No findings will be published which will identify any individual participant.

Anonymity is ensured by the use of coding both for individuals and organisations. Access to data is restricted to the researchers identified above. The coded data and audio tapes and interview notes will be securely stored for a period of five (5) years in accordance with La Trobe University Ethics Guidelines. After that time all research data will be destroyed.

The final result of the research will form the basis for a doctoral thesis. This research is then expected to be presented at academic conferences and published in journals and book chapters and books. Results from the study will be available to participants on request.

Please understand that you are free to withdraw from active participation from this research at anytime. You are entitled to require that all records of your participation be either returned to you or destroyed.

Any questions regarding this project may be directed to Leanne Morris on (03) 52272315 email: morrisl@deakin.edu.au

If you have any complaints or queries that the investigator has not been able to answer to your satisfaction, you may contact:
The Secretary, Faculty Human Ethics Committee, Faculty of Law and Management, La Trobe University, Victoria, 3086. Email: mrinali.clark@latrobe.edu.au

Appendix D - Key Informant Consent Form

CONSENT FORM

"I…………………………………………have read (or, where appropriate, have had read to me) and understood the participant information sheet and consent form, and any questions I have asked have been answered to my satisfaction. I agree to participate in the project realising that I may withdraw at any time. I agree that research data provided by me or with my permission during the project may be included in a thesis, presented at conferences and published in journals on the condition that neither my name nor any other identifying information is used."

Name of Participant (block letters):

Signature: **Date**

Name of Investigator (block letters):

Signature: **Date**

Name of Student Supervisor (block letters):

Signature: **Date**

Appendix E - Key Informant Interview Questions

1. What do you understand by the term 'performance management'?

2. What are the contextual factors that have impacted upon performance management in the university sector?
   - IR
   - Political
   - Fiscal
   - Education policy

3. What is the purpose of performance management in the university sector?
   - managing poor performance?
   - rewarding – what forms?
   - OSP and other leave?
   - promotion?

4. What do you see as the benefits of performance management in relation to the:
   - members
   - management
   - union

5. What do you perceive to be the problems of performance management?

6. Are there any universities which demonstrate 'best practice' in relation to performance management?

7. What question would you like me to ask academics about their performance management system?

8. Are there any other issues or comments you would like to raise?

Appendix F - Letter of Invitation to Academics

Victoria University letterhead

<Insert Date>

Dear Colleague

I am writing to invite you to participate in a survey that aims to better understand how Australian universities utilise their performance management system.

The aim of this research is to compare the stated intent of the universities, with regard to performance management as evidenced in the Enterprise Bargaining Agreements, with the lived experiences of the people who are the focus of that process; the academics. To date, all Enterprise Bargaining Agreements (EBAs) have been analysed and coded against a range of criteria related to performance management. On the basis of this, a purposive sample was identified.

This survey is the second stage of a PhD study exploring performance management of academic staff in Australian universities. Performance management and, more specifically performance appraisals, were introduced into Australian universities in 1988 as a mechanism for managing academic work. Since that time there has been only limited research into this area. At the same time, universities have undergone considerable changes in relation to the management of staff.

The questionnaire covers four areas. First, it asks about the perceived purpose or aim of performance management. Second, it seeks views on performance management in general. Third, it seeks information regarding performance reviews. The final section is demographic information.

Participation involves filling in a short online questionnaire that will take approximately 15 minutes to complete. Participation is voluntary. If you do not wish to take part, you

are not obliged to do so. If you decide to take part and you later change your mind you are free to withdraw from the project at any stage up until the data is analysed.

You will be sent an email in a week with instructions on how to complete the questionnaire. In the meantime, if you have questions about the data collection you can contact either:

Ms Leanne Morris, PhD student, School of Management and Information Systems incorporating Victoria Graduate School of Business, Victoria University, Flinders Street Campus, Level 10, 300 Flinders St, Melbourne Vic, 3000. Email: leanne.morris1@live.vu.edu.au, Telephone: 0417 578 646.

Professor Pauline Stanton, Head, School of Management and Information Systems including Victoria Graduate School of Business, Victoria University, Flinders St. Campus, Level 10, 300 Flinders St, Melbourne, Vic. 3000. Email: Pauline.Stanton@vu.edu.au, Phone: 03 9919 1542.

Thank you for taking the time to consider our request to participate in this study.

Yours Sincerely,

Leanne Morris

Pauline Stanton

Appendix G - Email to Academics

EMAIL

Dear Colleagues

A week ago I wrote to you seeking your assistance with a doctoral survey investigating performance management of academics in Australian universities. In that letter I indicated that I would be contacting you via email inviting you to participate in an online survey.

To refresh your memory the survey seeks to examine performance management from the perspective of the people who are the focus of that process – the academics.

The Survey

- The survey questions cover four areas. First, it asks about the purpose or aim of performance management. Second, it seeks feedback on performance management in general. Third, it seeks information regarding performance reviews. The last section is demographic information.

- Participation only involves filling in a short online survey that should approximately 15 minutes of your time. Participation is voluntary. If you do not wish to take part, you are not obliged to do so. If you decide to take part and you later change your mind you are free to withdraw from the project at any stage up until the data is processed.

- The survey will be anonymous and not even the researchers who analyse the data will know who you are – your name will not appear on the survey unless you choose to provide such detail. Under Victoria University Ethics Guidelines data will be stored securely for five (5) years after results are published. Contact information is provided below if you are interested in ascertaining how the data is stored and privacy is maintained.

 Please find attached the Information to Participants document. If you would like more information you are welcome to contact us at anytime. For specific details about the research please contact either Leanne Morris or Professor Pauline Stanton.

Contact details are:

Ms Leanne Morris, PhD student, School of Management and Information Systems incorporating Victoria Graduate School of Business,Victoria University, Flinders St. Campus, Level 10, 300 Flinders St, Melbourne Vic, 3000. Email: leanne.morris1@live.vu.edu.au Telephone 0417 578 646

Professor Pauline Stanton, Head, School of Management and Information Systems incorporating, Victoria Graduate School of Business, Victoria University, Flinders St.

Campus, Level 10, 300 Flinders St, Melbourne, Vic. 3000. Email: Pauline.Stanton@vu.edu.au, Phone: 03 9919 1542.

Any queries about your participation in this project may be directed to the Principal Researcher Professor Stanton. If you have any queries or complaints about the way you have been treated, you may contact the Ethics and Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 phone (03) 9919 4148

In order to complete the questionnaire, please go to <>

The link will remain open for x days.

Thank you for taking the time to consider my request and, hopefully, filling in the survey.

Yours sincerely

Leanne Morris

INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

You are invited to participate in a research project entitled: *Performance Management of Academics in Australian Universities.*

This project is being conducted by a student researcher, Leanne Morris, as part of a PhD study at Victoria University under the supervision of Professor Pauline Stanton, from the School of Management and Information Systems incorporating Victoria Graduate School of Business, Victoria University.

Project explanation

This project invites you to participate in an online survey. The survey seeks to examine performance management of academics from the perspective of the people who are the focus of that process – the academics.

What will I be asked to do?

One week after receiving this letter you will receive an email inviting you to participate and providing a link to the online questionnaire.

- The questionnaire covers four areas. First, it asks about the purpose or aim of performance management. Second, it seeks feedback on performance management in general. Third, it seeks information regarding performance reviews. The last section is demographic information.

- Participation only involves filling in a short online questionnaire that should take no more than 15 minutes of your time. Participation is voluntary. If you do not wish to take part, you are not obliged to do so. If you decide to take part and you later change your mind you are free to withdraw from the project at any stage up until the data is processed.

- The survey will be anonymous and not even the researchers who analyse the data will know who you are – your name will not appear on the survey unless you choose to provide such detail. Under Victoria University Ethics Guidelines data will be stored securely for five (5) years after results are published. Contact information is provided below if you are interested in ascertaining how the data is stored and privacy is maintained.

What will I gain from participating?

This survey is the second stage of a PhD study exploring performance management of academic staff in Australian universities. Performance management and more specifically performance appraisals, were introduced into Australian universities in 1988 as a mechanism for managing

academic work. Since that time there has been only limited research into this area. At the same time, universities have undergone considerable changes in relation to the management of staff. By participating in this research you will be providing rich data that can then be examined to determine how universities utilise their performance management systems.

How will the information I give be used?

> The information you provide will be used in a number of ways. First it will identify what academics believe is the aim or purpose of performance management in their university. Second it will provide information on how universities manage their performance management system including the use of performance reviews. Lastly it will be used to identify if there is divergence or convergence between the stated views of the universities with the lived experiences of the academics.

What are the potential risks of participating in this project?

To the best of my knowledge there are no potential risks of participating in this project as all information is strictly confidential.

How will this project be conducted?

> Data will be collected using Limesurvey which is a list survey. It has two databases a 'questionnaire' database and a 'token' database. Each respondent is assigned a "token" in the token database - usually a random string of numbers and letters. This token is used to make sure only a listed respondent can fill out the questionnaire, and also to track if the respondent has completed the questionnaire. A separate database is created to store the data collected from the questionnaire (the "questionnaire" database). When a respondent completes the questionnaire using the token provided, the data from the questionnaire is stored in the "questionnaire" database, and the "token" database is updated to note that the questionnaire is complete. There is no link between the two databases, and no other information that could link them, such as the date of completion, is stored in the "token" database (only a field which specifies whether the questionnaire is complete or not).
>
> The data will then be coded and analysed using standard statistical methods aimed at producing information and estimates about the population. Aggregated responses will be obtained and so data is analysed at the sample level and is not concerned with specific individuals.
>
> All responses are anonymous unless the respondents choose to provide contact information for follow-up questions. All such responses are kept confidential.

Who is conducting the study?

Professor Pauline Stanton, Head, School of Management and Information Systems incorporating Victoria Graduate School of Business, Victoria University, Flinders St. Campus, Level 10, 300 Flinders St, Melbourne , Vic. 3000. Email: Pauline.Stanton@vu.edu.au, Phone: 03 9919 1542,

Ms Leanne Morris, PhD student, School of Management and Information Systems incorporating Victoria Graduate School of Business, Victoria University, Flinders St .Campus, Level 10, 300 Flinders St, Melbourne Vic, 3000. Email: leanne.morris1@live.vu.edu.au Telephone 0417 578 646

Any queries about your participation in this project may be directed to the Principal Researcher listed above.

If you have any queries or complaints about the way you have been treated, you may contact the Ethics and Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 phone (03) 9919 4148.

Appendix I - Acknowledgement Email

Dear Academic,

This email is to confirm that you have completed the questionnaire titled Performance Management of Academics in Australian Universities and your response has been saved. Thank you for participating. If you have any further questions about this email, please contact Academic Surveys Australia at surveys@acspri.org.au.

Sincerely, Academic Surveys Australia

.

Appendix J - Questionnaire

Performance Management of Academics in Australian Universities

To facilitate your interpretation of the questions being asked in this questionnaire, working definitions of terms used are as follows:

Performance Management: An holistic approach to managing employees which includes mutually setting goals, reviewing performance, rewarding achievements, and supporting development and growth. All of this is linked to other key HR activities reflecting organisational strategic needs.

Performance Review: Sometimes known as performance appraisal. The annual or bi-annual discussion between an academic and his/her supervisor during which a range of topics may be discussed including feedback, review, goal setting and career development. It is a subset of performance management.
Click here to see the Information to Participants Document (PDF)

There are 20 questions in this survey

Questionnaire

1 From your point of view what are the aim/s or purpose/s of performance management *in your university?*

Please choose the appropriate response for each item:

	Strongly Disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree
To meet organisational goals	◯	◯	◯	◯	◯
To identify poor teachers	◯	◯	◯	◯	◯
To manage workloads	◯	◯	◯	◯	◯
To assist with determining promotion	◯	◯	◯	◯	◯
To ensure individuals meet work goals	◯	◯	◯	◯	◯
To address unsatisfactory behaviour	◯	◯	◯	◯	◯

	Strongly Disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree
To assist individuals with career development	○	○	○	○	○
To provide review and feedback to staff	○	○	○	○	○
To identify good teachers	○	○	○	○	○
To improve productivity	○	○	○	○	○
To facilitate discussion between individuals and supervisors	○	○	○	○	○
To ensure clarity of roles and responsibilities of academics	○	○	○	○	○
To identify good researchers	○	○	○	○	○
To provide rewards or recognition	○	○	○	○	○
To assist with determining incremental salary progression	○	○	○	○	○
To address misconduct	○	○	○	○	○
To assist with probation decisions	○	○	○	○	○
To identify poor researchers	○	○	○	○	○
Other	○	○	○	○	○

2 Are there any comments you would like to make in relation to the aim/s or purpose/s of performance management in *your university*?

Please write your answer here:

3 Below is a list of statements that address performance management *in your university*.

Please indicate whether you Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree or Strongly Agree.

Please choose the appropriate response for each item:

	Strongly Disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree
Academic performance should be appraised	○	○	○	○	○
My performance management system is used to meet organisational goals	○	○	○	○	○
My performance management system motivates me to achieve	○	○	○	○	○
My university uses its performance management system to develop staff	○	○	○	○	○
My performance management system has helped me achieve my potential as an academic	○	○	○	○	○
My university uses its performance management system to control staff	○	○	○	○	○
I am happy with my university's performance management system	○	○	○	○	○

4 Below is a list of statements that address performance management in general.

Please indicate whether you Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree or Strongly Agree.

Please choose the appropriate response for each item:

	Strongly Disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree
The focus of performance management systems should be the attainment of organisational goals	○	○	○	○	○
The main objective	○	○	○	○	○

	Strongly Disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree
of performance management systems should be to motivate staff					
Quantifiable measures of performance are essential to assess academic performance	○	○	○	○	○
The focus of performance management systems should be the development of the academic.	○	○	○	○	○
Both qualitative and quantitative measures are essential to assess academic performance	○	○	○	○	○
The focus of performance management systems should be a combination of both the development of the academic and attainment of organisational goals	○	○	○	○	○
Qualitative measures of performance are essential to assess academic performance	○	○	○	○	○
Performance management outcomes for academics should be distanced as far as possible from pay-for–performance systems	○	○	○	○	○

5 Are there any comments you would like to make in relation to *performance management in your university?*

Please write your answer here:

6 Below is a list of statements that address performance reviews *in your university*.

Please indicate whether you Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree or Strongly Agree.

Please choose the appropriate response for each item:

	Strongly Disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree
My performance review objectives are set by me	○	○	○	○	○
My performance review objectives are set by someone else	○	○	○	○	○
My performance review objectives are a joint decision between myself and my supervisor	○	○	○	○	○
My performance review focuses on my goals for the year ahead	○	○	○	○	○
My performance review identifies performance issues	○	○	○	○	○
My performance review allows for a meaningful discussion with my supervisor	○	○	○	○	○
The person conducting my performance review is supportive	○	○	○	○	○
My performance review is useful	○	○	○	○	○
My performance review is not acted upon	○	○	○	○	○
The person conducting my performance review is only concerned with me achieving organisational goals	○	○	○	○	○
My performance review is a waste of time	○	○	○	○	○
The person	○	○	○	○	○

	Strongly Disagree	Disagree	Neither Agree nor disagree	Agree	Strongly Agree
conducting my performance review is trained in the process					
Skill development forms part of my performance review	◯	◯	◯	◯	◯
A positive performance review leads to financial rewards	◯	◯	◯	◯	◯
Student evaluations of teaching form part of my performance review	◯	◯	◯	◯	◯
Research output forms part of my performance review	◯	◯	◯	◯	◯
A positive performance review leads to non-financial rewards	◯	◯	◯	◯	◯
Career development forms part of my performance review	◯	◯	◯	◯	◯
A poor performance review leads to negative consequences	◯	◯	◯	◯	◯
Resources are available for those academics who need skill development	◯	◯	◯	◯	◯

7 Are there any comments you would like to make about *performance reviews in your university?*

Please write your answer here:

8 How often is your performance review cycle?

Please choose **only one** of the following:

- ○ Annual
- ○ Twice yearly
- ○ Other

9 Other, please specify:

Only answer this question if the following conditions are met:
° Answer was 'Other' at question '8 [8]' (How often is your performance review cycle?)

Please write your answer here:

10 What other elements form part of your performance review process?

Please choose the appropriate response for each item:

	Is not Included	Don't Know	Is Included
Mutual objective setting and review	○	○	○
Mandated objective setting and review	○	○	○
Performance-related pay	○	○	○
Bonuses	○	○	○
Coaching and mentoring	○	○	○
Career management	○	○	○
Personal development plans	○	○	○
Employee counselling	○	○	○
Employee discipline	○	○	○
Links to incremental salary progression	○	○	○
Links to promotion	○	○	○
Links to financial rewards	○	○	○
Links to leave entitlements	○	○	○
Remedial assistance	○	○	○
Teaching loads	○	○	○
Research output	○	○	○
Community work	○	○	○

	Is not Included	Don't Know	Is Included
Unsatisfactory performance	○	○	○
Industry placement	○	○	○
Conference leave	○	○	○
Conference travel	○	○	○
Administrative responsibilities	○	○	○
Other	○	○	○

11 Are there any comments you would like to make about the content of your university's performance review process?

Please write your answer here:

Demographics

To assist me further could you please provide the following demographic information:

12 Are you?

Please choose **only one** of the following:

- ○ Female
- ○ Male

13 What is your age range?

Please choose **only one** of the following:

- ○ 25 or less
- ○ 26-35
- ○ 36-45
- ○ 46-55
- ○ 56-65
- ○ Over 65

14 What university are you in?

Please choose **only one** of the following:

- ○ Australian Catholic University
- ○ University of Canberra
- ○ Australian National University

- ○ Australian Defence Force Academy
- ○ Charles Sturt University
- ○ Macquarie University
- ○ University of New England
- ○ University of New South Wales
- ○ University of Newcastle
- ○ Southern Cross University
- ○ University of Sydney
- ○ University of Technology
- ○ University of Western Sydney
- ○ University of Wollongong
- ○ University of Melbourne
- ○ Monash University
- ○ Royal Melbourne Institute of Technology
- ○ Swinburne University of Technology
- ○ La Trobe University
- ○ Deakin University
- ○ University of Ballarat
- ○ Victoria University
- ○ Bond University
- ○ Griffith University
- ○ James Cook University
- ○ University of Queensland
- ○ Queensland University of Technology
- ○ University of Southern Queensland
- ○ University of the Sunshine Coast
- ○ Central Queensland University
- ○ Curtin University of Technology
- ○ Edith Cowan University
- ○ Murdoch University
- ○ University of Western Australia
- ○ University of Notre Dame Australia
- ○ University of Adelaide
- ○ Cranfield University, Defence College of Management and Technology
- ○ Flinders University
- ○ University of South Australia
- ○ Carnegie Mellon University, Heinz School Australia
- ○ University of Tasmania
- ○ Charles Darwin University

15 What School are you in?

Please choose **only one** of the following:

- ○ Law School
- ○ Nursing School
- ○ Medical School
- ○ Business School
- ○ Marketing School
- ○ Teachers College
- ○ Pharmacy School
- ○ Accounting School
- ○ Engineering School
- ○ Actuarial School
- ○ Management School
- ○ Politics School
- ○ Economics School
- ○ Employment Relations School
- ○ Information Systems School

16 What position do you currently hold?:

Please choose **only one** of the following:

- ○ Level E
- ○ Level D
- ○ Level C
- ○ Level B
- ○ Level A
- ○ Sessional/contract

17 Do you have responsibility for conducting performance reviews?

Please choose **only one** of the following:

- ○ Yes
- ○ No

18 Would you allow me the opportunity to discuss further with you some of your answers or comments, if I thought that it would be of benefit to my research?

Please choose **only one** of the following:

- ○ Yes
- ○ No

19 **Could you please indicate below your contact details including your name, email address and any other contact details you are willing to share. Please be assured, as indicated in the Information to Participants sheet, that all personal details provided remain strictly confidential.**

Only answer this question if the following conditions are met:
° Answer was 'Yes' at question '18 [17]' (Would you allow me the opportunity to discuss further with you some of your answers or comments, if I thought that it would be of benefit to my research?)

Please write your answer here:

20 Please indicate if you would like a copy of my research:

Please choose **only one** of the following:

- ◯ Yes, I would like a copy.
- ◯ No, I would not like a copy.

2009-11-18
Submit   your   questionnaire.
Thank you for completing this survey.

COMMONWEALTH GRANT SCHEME GUIDELINES – EXTRACT FROM CHAPTER 7, INCREASES IN ASSISTANCE FOR HIGHER EDUCATION PROVIDERS MEETING CERTAIN REQUIREMENTS (SECTION 33-15)

Incorporating Amendment Number 6 to the CGS Guidelines

Federal Register of Legislative Instruments (FRLI) - 21 July 2006

(FRLI registration number: F2006L02398)

Date of Effect - 22 July 2006

7.20   HIGHER EDUCATION WORKPLACE RELATIONS REQUIREMENTS FOR PUBLICLY FUNDED INSTITUTIONS AND PRIVATE PROVIDERS WITH APPROVED NATIONAL PRIORITY PLACES - PREAMBLE

7.20.1   Access to increased Commonwealth Grant Scheme funding is determined annually.   Higher education provider's workplace arrangements, including collective and individual workplace agreements and workplace policies and practices, are to comply with the HEWRRs as detailed below.

7.20.2   The HEWRRs apply to all workplace agreements:
(a) made and approved or certified after 29 April 2005 and before 27 March 2006; and
(b) lodged on or after 27 March 2006.

Requirements for increases in 2006

7.20.5   Higher education providers, with existing agreement(s) which are collective agreement(s) that have been subject to a concluded ballot as at 29 April 2005 and have subsequently been certified by the Australian Industrial Relations Commission, with a nominal expiry date on or before 30 September 2005, must have in place, on or before 30 November 2005, a certified agreement(s) and workplace policies and practices that comply with the HEWRRs.

7.20.10   Higher education providers, with existing agreement(s) which are collective agreement(s) that have been subject to a concluded ballot as at 29 April 2005 and have subsequently been certified by the Australian Industrial Relations Commission, with a nominal expiry date on or after 1 October 2005, must have in place, on or before 30 November 2005, workplace policies and practices that comply with the HEWRRs, except where compliance with the HEWRRs would be directly inconsistent with the higher education provider's obligations under its existing agreement(s) as at 29 April 2005.

7.20.11   A higher education provider may not contravene the requirements of 7.20.5, 7.20.10 and 7.25.1 because it did not offer to an

employee and Australian Workplace Agreement before 30 November 2005 for the reason only that the employee had left employment with that higher education provider before an Australian Workplace Agreement was in operation or could have been offered to that employee.

Requirements for increases in 2007 and later years

7.20.15 To qualify for the increase in Commonwealth Grant Scheme funding available in 2007 and later years, all workplace agreements, policies and practices higher education providers have in place by 31 August of the year prior must comply with the HEWRRs.

Private Providers

7.20.20 Higher education providers which operate as non-Table A providers with funding for national priority places, who employ all staff on individual arrangements, will be assessed on the content of their workplace agreements, policies and practices, for compliance with the HEWRRs. Table A providers are specified in section 16-15 of the Act. These non-Table A providers will be required to comply with the HEWRRs by 30 November 2005, and by 31 August in later years, to qualify for the increase in Commonwealth Grant Scheme funding available in 2006, and later years respectively.

Qualifying for Increases

7.20.25 In order to qualify for any given year's increase in Commonwealth Grants Scheme funding, submissions must be supported by a statement signed by the Vice-Chancellor, or person in an equivalent position, of the relevant higher education provider at the relevant time outlining their compliance status with each of the HEWRRs. The submission must include reference to relevant clauses and sections in workplace agreements and in other relevant documents, such as workplace policies, practices and guidelines. Higher education providers must provide the Department of Education, Science and Training with access to the relevant documents, including any template for and or common elements of their individual agreements, as requested.

7.20.30 A higher education provider must comply with the HEWRRs during any year in which the Provider receives an increase in the basic grant amount under section 33-15.

7.20.31 At the request of the Department of Education, Science and Training, a higher education provider must at any time (and whether before or after the Minister makes a determination under section 33-15(c)):

> (a) allow the Department or its representative full access to the premises and staff of the higher education provider; and
> (b) during the access described above, provide all assistance requested,

to enable the Department or its representatives to undertake a detailed specific assessment of the higher education provider's compliance with the HEWRRs.

7.20.32 The Department of Education, Science and Training may choose not to undertake a specific assessment or to undertake more than one assessment. Assessments may be undertaken at any reasonable time. Assessments may be used by the Minister for Education, Science and Training to decide if he or she is satisfied that the higher education provider has complied with the HEWRRs for the purposes of making a decision under section 33-15(c) of the Act, or otherwise to asses compliance by the higher education provider with the HEWRRs.

7.20.33 If a higher education provider succeeds in meeting the HEWRRs and the National Governance Protocols in 2005 and receives the increase in assistance (being the basic grant amount) in 2006 but then cannot, for whatever reason, continue to meet the requirements of section 33-15(1) for 2006, an increase in assistance will not be approved for 2007. The same principle will apply with respect to later years. There will be no retrospective increases in assistance.

7.20.35 Any statement found to be false and misleading relating to the higher education providers compliance with the HEWRRs may result in the requirement to repay the Commonwealth Grant Scheme increase, or a reduction of future Commonwealth Grant Scheme funding, at the discretion of the Minister for Education, Science and Training.

7.25 HIGHER EDUCATION WORKPLACE RELATIONS REQUIREMENTS (HEWRRs)

7.25.1 ***HEWRR 1 Choice in Agreement Making:*** the higher education provider must provide employees with genuine choice and flexibility in agreement making by offering Australian Workplace Agreements (AWAs) to all new employees employed after 29 April 2005 and to all other employees by 31 August 2006. Until 30 June 2006, higher education providers are exempt from offering Australian Workplace Agreements to casual employees engaged for a period of less than one month.

7.25.5 The higher education provider's certified agreements, made (or varied) and certified after 29 April 2005 and before 27 March 2006, are to include a clause that expressly allows for AWAs to operate to the exclusion of the certified agreement or prevail over the certified agreement to the extent of any inconsistency. The following clause is recommended:
*The **[insert higher education provider's name]** may enter into AWAs with its employees. Those AWAs may either operate to the exclusion of this certified agreement or prevail over the terms of this certified agreement to the extent of any inconsistency, as specified in each AWA.*

7.25.10 ***HEWRR 2 Direct relationships with employees:*** the higher education provider's workplace agreements, policies and practices must provide for direct consultation between employees and the higher education provider on workplace relations and human

resources matters. The involvement of third parties representing employees must only occur at the request of an affected employee.

7.25.15 Workplace relations consultative committees and associated committee processes must include direct employee involvement. Employee involvement in negotiations and discussions on workplace relations and human resources issues must not be restricted to third party representation only.

7.25.20 ***HEWRR 3 Workplace Flexibility:*** the higher education provider's workplace agreements, policies and practices are to facilitate and promote fair and flexible arrangements. Higher education providers must have working arrangements and conditions of employment which are tailored to the circumstances of the higher education provider and which benefit both the higher education provider and its employees.

7.25.25 The higher education provider's workplace agreements should expressly displace previous workplace agreements and relevant awards.

7.25.30 The higher education provider's workplace agreements, policies and practices are not to inhibit the capacity of the higher education provider and its employees to respond to changing circumstances. The higher education provider's workplace agreements, policies and practices must not limit or restrict the higher education provider's ability to make decisions and implement change in respect of course offerings and associated staffing requirements, including not placing limitations on the forms and mix of employment arrangements.

7.25.35 The higher education provider's workplace agreements must be simple, flexible and principle-based documents which avoid excessive detail and prescription.

7.25.40 ***HEWRR 4 Productivity and Performance***: the higher education provider's workplace agreements, policies and practices must support organisational productivity and performance.

7.25.45 The higher education provider's workplace agreements, policies and practices must include a fair and transparent performance management scheme which rewards high performing individual staff. Consistent with this, the higher education provider's workplace agreements, policies and practices must also include efficient processes for managing poor performing staff.

7.25.50 ***HEWRR 5 Freedom of Association:*** the higher education provider's workplace agreements, policies and practices must be consistent with freedom of association principles contained in the *Workplace Relations Act 1996*. Higher education providers must neither encourage nor discourage union membership.

7.25.55 The higher education provider must not use Commonwealth Grant Scheme funds to pay union staff salaries, or fund union facilities and activities.

7.30 DATE TO MEET THE HIGHER EDUCATION WORKPLACE

RELATIONS REQUIREMENTS (PARAGRAPH 33-15(1)(c))

7.30.1   Dates to meet the Higher Education Workplace Relations Requirements ("**HEWRRs Compliance Dates**") for a higher education provider to receive an increase in its basic grant amount for a year under the Commonwealth Grant Scheme are:

Grant year	Funding Increases	Dates for meeting the requirements
2006	5.0%	30 November 2005
2007 and later years	7.5%	31 August 2006 and 31 August in later years

The increases for each year are specified in subsection 33-15(2) of the Act.