

Performance appraisals in Australian universities – imposing a managerialistic framework into a collegial culture

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ABSTRACT

As a result of federal government pressure in the late 1980's Australian universities now find themselves embracing managerial practices at the expense of their traditional collegial practices. The application of managerialism into the university sector has seen the inculcation of business practices, including the widespread application of performance appraisals, into an environment which has in the past, been self-regulatory. Performance appraisals as a tool of managerialism, have provided university administrators with a mechanism which provides a sense of compliance with private sector practices. But has it worked? This paper examines the nature of performance appraisals and its usage within one university and questions how successful the introduction of such practices has been. In doing so, it identifies areas of further research.

Introduction

Historically, universities have been subjected to limited control by government. Since the late 1980's however, universities in Australia have been put on notice by government: either align yourself more to the interests and practices of the business sector or suffer the financial consequences. In order to survive the crisis brought about by cutbacks to university funding, as well as to remain economically competitive in the global marketplace, universities have moved away from their traditional role to one more closely aligned to the business sector. With this alignment we have witnessed the inculcation of business practices into academe. In this 'new' university, students are now viewed as 'clients', deans are regarded as 'managers' and knowledge is marketed as a commodity, to be bought and sold. One outcome of this commercialisation of education is that universities are now being subjected to ever increasing levels of accountability, part of which has involved the widespread application of performance appraisal systems.

Performance appraisals which have a high degree of social legitimacy because of the implicit accountability factor, have been implanted into an environment which has in the past, been self-regulatory. This paper examines the nature of performance appraisals and their value within one Australian university.

Performance appraisals and its critics

The performance of work by employees has long been evaluated. Grint (1993) identifies performance appraisals going back to the 3rd century in China. Historically these performance appraisals were largely unsystematic, simple in their calculation and focused solely on the time, effort and resources expended by employees in the production of output. Indeed, there have been attempts, over the last 100 years, to measure and control the work of the academic through the use of various forms of inspection, quality control and payment by results but they have all failed dismally (Smyth 1989). The move to corporate managerialism comes straight out of the nineteenth century and uses products or outcomes as the sole arbiters of efficiency or effectiveness (Smyth 1989).

In its contemporary application, performance appraisals have become more ambitious in range and expected benefits. Performance appraisal is

‘... a process that identifies, evaluates and develops employee performance to meet employee and organizational goals... the appraiser identifies performance through observation and the collection of performance-based information, evaluates this performance against set criteria and or indicators, and develops performance by eliminating performance problems, providing training and development activities and establishing higher goals (Dessler, Griffiths, Lloyd-Walker & Williams, 1999:452).’

Unlike its predecessors, performance appraisals today are designed not only to account for current and foreseeable expenditure of time, resources and effort but also encapsulate future goals and expectations of both the organization and the individual. Despite the widely acclaimed benefits of this new form of performance appraisal, their value has been widely criticised. Newton and Findlay (1996) after a wide ranging study, concluded that performance appraisals rarely benefited the individual. This was because they are predominantly concerned with surveillance, accountability and control. This view is echoed by Townley (1992) who believes that performance appraisals are a pseudo- scientific management tool designed to manipulate and control staff. Performance appraisals, according to Grint (1993:69) are flawed because ‘they don’t so much *discover* the truth about the appraised, as *construct* it... In some cases the impact has been negative.’

In addition to these criticisms the *process* of performance appraisals have also been criticised. (Grint 1993, Swan 1991, Cipolla & Trafford 1995, Stone 1998 and Longenecker & Gioia,1988). To these criticisms can be added the underlying assumption that the appraiser has the requisite skills and abilities to do it well. I think there is sufficient evidence in the literature to support a justified skepticism of the utility of performance appraisals. Given the wide ranging criticisms, one can only wonder if Grint is perhaps understating the case when asserting of performance appraisals that ‘rarely in the history of business [has] such a system promised so much and delivered so little’ (1993:64).

The nature of universities

Only the Church and the monarchy of England have longer traditions than universities. Dating back to medieval times, European universities saw themselves distanced from the functional needs of the society in which they operated. From this tradition has grown the belief that universities are autonomous, liberal academies committed to independence, neutrality and the advancement of knowledge without deference to politics or religion. Often referred to as an ‘ivory tower’, universities were seen to be impregnable to outside forces which might seek to influence the role the university played in society. ‘The ivory tower... is more than a romantic ideal; it is at the core of the academic value system and to a very large extent, represents our comparative advantage as truly independent institutions of teaching and research’(Kearns 1998:154).

The latter part of the 20th century saw an erosion of the ivory towers of academe, globally. In Australia, it came about as a result of Dawkins higher education policy reforms of the early 1990’s. Despite the fact that the federal government had no constitutional power over universities, by offering ‘tied grants’ to the states it effectively corralled universities under the direct control of a central administration in Canberra. As a result of the changes to the Australian university system, the work done by academics has undergone a shift away from the previous collegial model to a corporate-managerial model of mission statements and performance management. In assessing these changes Mahony (1990) contends that these changes did considerable damage to the fabric of the existing higher education system.

Dawkins’ proposals, represented a major shift from the state influencing decisions about the nature of educated labour to one of the state controlling (under a good deal of financial duress) decisions by individual educational providers about what counts as higher education (Smyth 1991). Part of the reason for the introduction of the new managerialist approach to higher education was the desire for accountability and predicatability. Smyth (1991) cites 4 examples as evidence of moves to introduce ‘predictability’ into universities.

First the centralisation of control in Canberra saw the move away from a collegiate model within universities in which decisions were made by groups of peers engaged in robust argument. Second,

the desire by the central administration for ‘predictability’ saw the introduction of performance appraisal systems in to universities. Third, the same bureaucratic desire for predictability saw a concomitant expansion in the size of administrative cadres within universities, often at the expense of teaching and research activities. Finally, the development of redundancy procedures within universities enabled vice chancellors to disregard time-honoured tenure arrangements which had long been the backbone of academic freedom.

These changes were not unique to Australia. They were part of a global trend where specific social, economic and political agendas underpinned the emergence of this new system of managing universities. These agendas included the political priority to be economically competitive in the global marketplace. Universities were seen to be integral to the achievement of these national goals. Managing universities therefore became a key priority for governments. This growing desire for control by the state over the university could be seen as evolving from two sources: the development of the mass university and an unfavourable economic environment which necessitated government expenditure to be judiciously distributed and used to maximum effect (Neave, 1982). Within this climate we witnessed the subtle transformation of universities; a transformation oriented to the marketplace.

Locke (1990:8) refers to this trend in universities as signifying ‘the rise of edubis’. He defines “edubis” as an approach to managing the university as one which “assesses the value of a university to society in figures of a balance sheet with the short term objective of feeding its graduates into the job market”. He goes on to assert that the voice of the university no longer represents values of academe but rather the values of business and business leaders and this importation of ideas is leading to a decline in both academic influence and in ethical standards. The inculcation of business practices into academia has also imbedded new criteria for measuring and assessing academic work. In this environment, ‘efficiency’, ‘accountability’ and ‘productivity’ are directly linked to defined and targeted markets for academic courses. While corporate managerial practices may deliver significant cost efficiencies to the university, managerialism comes at a significant cost, particularly for those academics with a strong sense of professional identity (Nixon, 1996). It has caused major problems for academics for whom a different logic drives their behaviour. “The universities institutional logic - the ideal liberal academy- is one of resistance to the needs of the State and the criteria of the marketplace in shaping the organisation and the conduct of learning” (Townley 1997:276). This institutional logic is reinforced by academic work which is highly discretionary, defines and implements its own goals, sets performance standards and sees those standards are maintained. Over generations, universities have therefore generated a rationale for how professionals should be managed. They have developed a resistance to interference by external sources particularly when it threatens their independence. For these reasons academics, anecdotally, view performance appraisals as threatening their professional discretion and expertise as well as introducing a degree of standardisation and rationalisation to their work.

Academics derive high levels of satisfaction and motivation from both the intrinsic rewards of their job and their perceptions of academic freedom, freedom in which to create and disseminate knowledge (Adams, 1998). Introducing managerialism in to this environment, may deliver some economic benefits but one adverse consequence might be academics exhibiting low levels of commitment to their organisation as a result of the perceived organisational rigidity and a culture of stifled learning and creativity (Winter *et al.*, 2000).

There is an interesting dichotomy taking place in universities. As universities research and teach about the changing nature of organisations today they are in fact watching themselves move in the opposite direction. Despite the fact that many organisations are deserting Tayloristic principles and turning towards more worker-participative procedures, higher education is being forced to desert its collaborative and collegial model and move towards a management structure which bares an unhealthy resemblance to the ideas of Frederick Winslow Taylor. Today increased managerial control is well advanced under the guise of restoring international competitiveness. Academic skills are becoming increasingly isolated and fragmented to make the work more specific and therefore more easily codified and measured for performance appraisals. Ideological control of the work of the academic is shifting to one of technical control over contexts that are framed by the norms and values of business (Smyth & Hattam 2000).

How has this shift in control happened? In the past university administrators were often distinguished academics who not only understood the history but the role of the university. In the corporatised university of today, administrators are just that, administrators. They are professional managers who see their role as applying business principles to every element of the university and measuring their success in terms of technical efficiency alone. Most administrators would acknowledge that universities are complex organisations. Part of this complexity comes from the varying foci that universities have in terms of research and teaching. Even in one a single university, research and teaching attached to different disciplines, require different organisation and support. How naïve it is to think that the uniformity and line control evident in business or industrial organisations can be applied to universities and not diminish creative or academic productivity. One could ask why does it appear that academics have been complicit in the move to a managerialistic environment? The answer lies in the fact that the commodification of higher education has become so imbedded in university culture and been part of the professional discourse to such an extent that many academics may not readily realise the extent to which they are implicated (Nixon *et al.*, 2001).

Universities and performance appraisals

Universities are now under immense pressure to generate increasing portions of their own income. As has been identified, this has resulted in a reorientation of traditional management practices to one that has seen universities engage with business more intimately and in doing so replicate many of its management practices. The widespread adoption of performance appraisals in the university sector has been one such practice. The introduction of performance appraisals into universities is driven by the perception that not only will it provide predictability it will also provide accountability. In countering that argument, Stone (1998:265) says that ‘not only is there a belief that performance appraisals are not appropriate for academics, they are also seen as an attack on academic freedom as well as a potential tool to monitor and control staff, preventing unpopular research or discussion not popular with the university.’ Lonsdale (1998:303) supports Stone’s position. ‘Past approaches to ... appraisal and performance management in higher education have had limited and confused purposes and their contribution to enhanced institutional performance and quality has been minimal.’

Generally speaking, performance appraisals serve 4 key functions ; to assist with compensation, promotion, training and performance feedback. Davidson & Griffin (2003), Henderson (1997), Jones, George & Hill (2000) Robbins (1997) Scarpello & Ledvinka (1988), Hind & Baruch (1997). More specifically, performance appraisals,

...increase motivation, foster productivity, improve communications, encourage employee growth and development and help solve work related performance problems. In addition it can provide a systematic basis for compensation, promotion, transfer, termination and training and development (Longenecker & Gioia 1988:41).

Using one university as a case in point, this paper considers how well these diverse expectations of performance appraisal are realised within the academic environment.

Are performance appraisals used for determining individual forms of remuneration amongst academic staff ? The answer is no. The university sector is covered by the National Tertiary Education Union (NTEU) which negotiates on behalf of all academic employees certified agreements with individual universities. The wages and conditions of academics are therefore determined on a collective basis and make no reference to the outcomes of individual performance appraisals. This is unlikely to change in the foreseeable future as the NTEU has a long held belief that performance-based pay schemes are merely devices seeking to intensify the work effort and increase the control of management” (Stone 1998:265). A critical factor that Bryman, Haslam & Webb (1994) identified in their study of British universities was the recognition of the importance of organisations implementing appraisal recommendations. In acknowledging the failure of universities to implement appraisal outcomes they argue that it was not necessarily a result of indifference on the part of appraisers or universities but rather an inability to resource the range of outcomes identified in the performance appraisals. This failure to implement appraisal outcomes, for what ever reason, has the potential to jeopardise the whole appraisal system. This applies equally to Australian universities as it does to UK ones.

The recession of the late 1980's and early 1990's changed the dynamics and value of performance appraisals in business organisations (Kennedy 1999). A good performance appraisal didn't necessarily mean more money. Weren't employees lucky to still have a job? "Once organisations began to disconnect raises from performance the appraisal process was on the ropes. Not only did the connection between reviews and rewards suffer but as organisations flattened, the connection between reviews and promotions diminished as well" (Kennedy 1999:51). If the appraisal process was 'on the ropes' when organisations disconnected raises from performance appraisals, how then does academia in Australia fair when there has never been that connection?

Are performance appraisals in universities used to determine directly, who should be promoted? At the university in question, the answer is no. Most Australian academics are paid and promoted on a four grades scale – Grade A (associate lecturer), Grade B (lecturer) Grade C (senior lecturer) Grade D (associate professor). Within grades A-C there are a number of levels. In academia, promotions occur when an individual has reached the top of the scale for their grade. Even then promotion is not automatic, and is usually based on certain research, teaching and administrative criteria being achieved to the satisfaction of the promotion panel. The actual performance appraisal plays a very small role, if any, in determining whether someone is promoted to the next level. Once an academic has reached the next level they climb the incremental ladder without deference to the performance appraisal which is carried out annually. So it does not matter whether the academic is the best or worst researcher or teacher, there is very little direct link between pay, performance and promotion.

Given that one of the key functions of performance appraisal is to identify training needs, is this reflected in academia? Again, in the university in question, the answer is no. In the pursuit of achieving organisational goals one would expect the universities to be highly active and financially forthcoming in allowing academic staff time off and funding their training deficits. Such is rarely the case. When it does occur, for example, it is usually training related to the introduction of new information technology, and is typically undertaken regardless of performance appraisals. The training necessary to be promoted from one grade to the next typically involves more time and resources than most universities are prepared to provide. The acquisition of PhD's are usually undertaken at the personal prerogative of the academic rather than to satisfy a measurement standard in a performance appraisal. The issue of teaching skills is rarely identified in performance appraisals and is usually covered in the probationary period of an academic's appointment and are no longer an issue once the academic moves from the probationary period. Annual performance appraisals then become at best, the opportunity to ask for some minor training – often computer related - and usually with no direct link to pay or promotions.

Do academics get performance feedback in their performance appraisals? Yes they do but, "...in a performance oriented company there is no room for egalitarianism. Inadequate performance cannot be tolerated... employees who achieve want to be recognised and rewarded for their efforts. To motivate performance, outstanding performers must be identified and rewarded accordingly" (Stone 1991:150). Unless managers have a range of options to access after performance appraisals, then the value of performance appraisals to the organisation is limited. In the egalitarian confines of academia, the value of performance appraisals is almost negligible. For over a 100 years in education there have been attempts to measure and control the work of the academic through the use of various forms of inspection, quality control and payment by results but they have all failed dismally (Smyth 1989).

Smyth (1989) sees collegiality as a counter discourse to managerialism and with that goes the implicit arguments against performance appraisals. First he argues, the basis of collegiality is one of sharing, trust and participation compared with distrust, control and retribution. Second, collegiality in universities has a different tenet to management and control. It is about individuals who share and 'connect' with one another and everyone is aware of that connectedness ie those who do the work have the responsibility for assessing the work and making judgements about its worthwhileness. "Collegial judgements...are no less rigorous than highly quantitative, authoritarian and impositional forms of knowledge" (Smyth 1989:153).

Conclusion

Performance appraisals as a tool of managerialism, have provided university administrators with a mechanism which provides a sense of compliance with private sector practices, internal accountability and control in addition to a means to standardise and rationalise behaviour. Given the apparent flaws inherent in performance appraisals universities would be better placed to focus on what they had; a model which was highly participatory in nature, reflected the culture and environment in which it operated, was no less rigorous in its intent and which had served the academic community well in the past.

However, while there is extensive research regarding performance appraisals in private sector workplaces, the empirical evidence as to the effectiveness of performance appraisals in academia, is silent. While this paper has presented one position regarding the applicability of performance appraisals in academia it has also identified the paucity of empirical research in this specific area. Hopefully this paper has provided a platform for further examination of performance appraisals in the academic environment.

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