Performance appraisals in Australian Universities – where are we now?

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Abstract

This paper examines performance appraisals in Australian universities. It identifies the political imperatives which drove the changes in higher education and saw the inculcation of managerial practices, one of which was performance appraisals, into academia. The paper then briefly examines the history of performance appraisals in Australian universities and identifies questions for further research.

Keywords: Australian universities, performance appraisal, performance management, higher education,

INTRODUCTION

When John Dawkins, then Minister for Employment Education and Training, introduced his policy reforms of higher education in the late 1980’s, he did so under the guise of it being in the "national interest". As part of their restructuring of higher education the federal government advocated greater university/industry links in order to make Australia more globally competitive. The development of these linkages occurred within a market ethos. Terms such as "efficiency", "productivity", "accountability" and "profitability" came into the lexicon of universities. Under the guise of efficiency and productivity, funds were cut to universities and they were forced to become oriented to the market place or face annihilation (Buchbinder and Newson, 1992). This alignment with the business sector saw the inculcation of business practices into academe.

One aspect of this commercialisation mentality is the need to be accountable. Performance appraisals which have a high degree of social legitimacy because of the implicit accountability factor, have been implanted into an environment which had in the past, been self-regulatory. This paper considers performance appraisals and then identifies the political imperatives which drove the changes to higher education. In examining the history of
performance appraisals in Australian universities this paper also raises questions about how they operate; their purpose, structure and implementation.

PERFORMANCE APPRAISALS

The performance of work undertaken by employees has long been appraised. Originally unsystematic and simple in application they focussed on the time, effort and resources expended by employees in the production of output. Performance appraisals today are more sophisticated both in purpose and structure. Designed not only to account for current and foreseeable expenditure of time, resources and effort they also encapsulate future goals and expectations of both the organisation and the individual (Wiese and Buckley, 1998). The function of performance appraisals has been widely discussed in the literature with two conflicting purposes emerging: a managerialist or judgemental purpose and a developmental purpose. The concept of managerialism is one which entails a tightly regulated and managed regime of discipline and control (Blackmore 1992). It is shrouded in the language of efficiency and aims to reshape the organisation into one tightly controlled by the bureaucrat to the detriment of the worker (Albin 1995). A managerialist approach to performance appraisal measures efficiency and then links that measure to external rewards and punishments; its primary focus being the organisation’s desire for control. A developmental approach sees performance appraisals used to improve organisational efficiency by assisting staff to make decisions about their productivity, career goals and aspirations. In so doing, organisational benefits accrue from the individual’s commitment to and trust in the scheme (Townley, 1997).

In Australian academia, these conflicting perspectives have led to considerable debate. Lonsdale (1998:40) 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.”
The problem with having different perspectives related to the use of appraisals is that it is unlikely that organisations will undertake two performance reviews – one to review performance of the individual and the other to develop the individual. Difficulties occur when organisations have to choose one or the other. The result of having two divergent roles for performance appraisal is that they differ in terms of purpose, procedures, criteria, control, the type of information involved and the manner in which information is used (Lonsdale, 1990).

At the heart of the debate over the developmental approach is the question as to whether individuals can be developed through procedures that are also used to deal with performance problems. When organisations use the judgemental approach to performance appraisals for discipline, pay increases and promotion, it is likely that they are regarded with some scepticism and apprehension by staff. In addition, they can generate resistance to the process, impact directly on motivation and staff morale which then has a flow on effect to productivity (Blackburn and Pitney, 1988; Ryan, 1991). Lonsdale (1991) argues that in the attempt to determine developmental issues other important issues might be ignored. These issues include developing the relationship between individuals and teams within the workplace, goal setting for performance as well as team building and departmental planning. Lonsdale (1991) further contends that while there is considerable evidence that organisations that support a developmental approach do so believing that the organisation accrues benefits from individual commitment to the scheme, that there is little evidence that a process which involves reviewing performance assists in the identification of activities and motivates staff to pursue them.

Despite the acclaimed benefits of performance appraisals there is also a strong body of evidence criticising them. 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. (Longenecker and Gioia, 1988, Swan 1991, Grint 1993, Cipolla and Trafford 1995, Bergmann et al., 1998). More recently, Milliman et al. (2002) in an exploratory study of performance appraisals across ten countries, identified that the purposes of performance appraisals were not implemented as intended or desired and that they vary considerably between different nations. Given the wide ranging criticisms, one can only wonder if Grint (1993:64) 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’.

Academia has not been quarantined from exposure to such practices. 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 (Smyth, 1989). Despite this however, there has been a resurgence in the attempt to codify and measure the work of academics in recent times.

THE NATURE OF UNIVERSITIES

Before moving to look at contemporary performance appraisal systems operating in the Australian university sector, it is first worthwhile reviewing how universities more generally have traditionally managed their academic employees. Historically universities were seen as autonomous, liberal academies committed to independence, neutrality and the advancement of knowledge without deference to politics or religion. They were seen to be impregnable to outside forces which might seek to influence the role the university played in society (Wiese and Buckley, 1998).
The latter part of the 20th century saw an erosion of the supposed ‘ivory towers’ of academe, globally. University independence and academic freedom have come under increasing coercion in many countries (Lonsdale, 1998; Pratt and Poole, 1999). In Australia, it came about as a result of Dawkins’ higher education policy reforms of the late 1980’s, 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.

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). 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. 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).

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 and Hattam 2000).

Universities in the UK, New Zealand, USA and Canada, as well as in Australia, all underwent restructuring characterised by the new managerialism. In this environment universities witnessed changes not only to the nature of their governance but, principles of the marketplace permeated their day to day practices (Pratt and Poole, 1999; Blackmore, 2002). Universities, now under pressure to generate increasing portions of their income have sought to reorientate their traditional management practices to those more closely aligned to the business sector. Coaldrake and Stedman (1999) in their examination of academic work in Australian universities in the 21st century, identified some of these practices which include: the use of corporate strategies to determine the direction the university as a whole will proceed rather than allowing departments or faculties to determine their own direction; the term ‘quality assurance’ entering the lexicon of universities and includes student evaluations;
external accountability which now rests at the organisational level rather than at the individual academic level as was the case in the past; and the embracing of an entrepreneurial approach to managing funding where universities ‘sell’ their ‘product’ to the ‘clients’. Perhaps the biggest criticism by academics of the introduction of such practices has been the increased administrative workload, particularly that related to quality assurance and demands for accountability (Coadrake and Stedman, 1999).

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.

PERFORMANCE APPRAISAL IN AUSTRALIAN UNIVERSITIES

Driven by political imperatives for efficiency and higher productivity in the higher education sector as well as the introduction of government policy initiatives, performance appraisals were introduced into Australian universities in 1988 through the wage determination system (known as an ‘Award’) of the Australian Industrial Relations Commission (AIRC). As part of this Award, salary increases were conditional upon the introduction of a performance assessment system. But what form should performance appraisals take – developmental or judgemental?

Considerable debate ensued in the academic arena as to the most appropriate form of performance appraisals. The AIRC determined that performance appraisals for academics should have a developmental focus and in 1990 and amendment to the Award was implemented to this effect. Despite the apparent ‘victory’ to have developmental forms of appraisal Ryan (1991: 91) noted that, “…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”. He suggests that the use of performance appraisals for developmental purposes in a managerialist framework implicitly assumes providing support and ‘development’ to remedy performance deficiencies or to enhance individual capabilities to align more closely to organisational goals, rather than cooperating with the individual to develop their skills to achieve self-fulfilment, and in so doing achieve individual and organisational goals.

A number of reviews examined performance appraisals in higher education in the early to mid 1990’s. Paget et al. (1992) reviewed the implementation of staff appraisal procedures for academic staff in higher education institutions nationally. Their study found considerable variation in implementation across Australia as well as confusion about the requirements and purpose of the performance appraisals. In 1995 the National Steering Committee on Staff Appraisal for Developmental Purposes (Rothwell and Crook, 1995), identified that performance appraisals were needed for the ongoing improvement of staff, and that these performance appraisals should focus on individual developmental needs.

As Lonsdale (1998 :305) noted:

“The National Steering Committee on Staff Appraisal 1995 found 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 in and...there was no evidence of performance improvement…”

Several studies have examined performance appraisals in schools (Ingvarson and Chadbourne 1997, Down et al., 1999) and Hughes and Sohler (1992) undertook a review of performance appraisals for general staff at the University of NSW. They all found confusion and lack of clarity in the purpose of performance appraisals and a mismatch between rhetoric and reality. This resulted in sceptism by staff and a failure of the performance appraisal system to become
imbedded in to existing work practices (Hughes and Sohler, 1992). The implementation of performance appraisals in to universities was done so on the premise that it would provide predictability and accountability and in doing so yield considerable benefits. But has this been the case? Lonsdale (1998:303) has suggested that performance appraisals 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”. He also found that staff appraisals for developmental purposes were rarely successful and that there was little evidence of performance improvement occurring in those universities that had embraced them (Lonsdale, 1998).

Running parallel to the debate over performance appraisals in universities was the introduction of the Enterprise Bargaining in Workplace Relations Act 1996. Since that time, University Enterprise Bargaining Agreements (EBAs) have been negotiated collectively at the local level by the National Teachers Education Union (NTEU). This new industrial environment has meant that universities can now determine their own form of performance appraisals which can vary considerably between universities and may include for the first time, some form of performance based pay. Additionally, the introduction of Australian Workplace Agreements (AWA’s) into universities in 2006 has reduced the control that the NTEU has on the terms and conditions of academics. For university administrators AWA’s have provided management with a mechanism to slowly introduce the ‘flexibility’ they need with regard to academic terms and conditions, in so doing enhancing external accountability and efficiency.

So how have all these changes played out in universities? What has been the impact on academics? We do not know. The literature is silent. Given the turbulent environment that academics have found themselves in it is surprising therefore that since the mid 1990’s there has been a paucity of research in to how academics view performance appraisals, how they are implemented and how successful they have been.
CONCLUSION

Performance appraisals as a tool of managerialism have provided university administrators with a mechanism which provides both a sense of compliance and accountability as well as a means by which to focus output to better serve the needs of the university. Given the apparent flaws in performance appraisals it is not surprising that their introduction into academia initially revealed some major issues regarding their implementation and purpose. What is surprising is that despite considerable changes in the academic work environment over the last decade the empirical evidence as to the effectiveness of performance appraisals in academia, is silent. What this reveals is the need to examine the current status of performance appraisals in Australian universities and a number of questions emerge. What do performance appraisal systems look like in Australian universities today? How is the changing environment – political, financial and industrial – impacting on the design and implementation of performance appraisal systems? Are there different types of performance appraisal systems emerging in universities with different foci? What role/impact are the unions having in relation to the purpose and use of performance appraisal systems? Most importantly are performance appraisal processes being used for developmental or managerialist purposes? How do they fit within the performance management framework of the university? As all universities now engage in performance appraisals we need to know more about how they operate; their purpose, structure and implementation. This paper raises a number of questions which will form the basis of ongoing research in this area.
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