

## Individualism and collectivism within the academic employment relationship: A changing Australian higher education employment relations agenda

Amanda Williamson

The University of New England, Armidale, Australia  
amanda.williamson@une.edu.au

***Abstract:** An increase in labour market insecurity, the diminution of collectivist institutions such as award structures, and the introduction of more individualised employment regulation (such as Australian Workplace Agreements) under the Workplace Relations Act has resulted in some employers seeking to utilise individualised employee relations that promise increased flexibility and productivity by restricting the intervention of third parties, such as unions, and allowing employers and employees to negotiate their own contract of employment. The higher education industry is one industry that has been undergoing such change of more recent times, which has been strengthened by the Coalition Government's proposal of a range of industrial reforms aimed at individualising the academic employment relationship. Furthermore, the introduction of more aggressive reforms than those previously posed by the Government seems somewhat more of an imminent reality, given the recent sentiments expressed by the Government in relation to obtaining the Senate majority. It is the aim of this paper to assess the changing nature of the academic employment relationship, particularly with respect to performance management and employment contract management, and to explore and comment upon the future of the academic employment relationship in the changing environment of employment relations.*

***Keywords:** individualism, collectivism, academic employment relations*

### Introduction

Within employment relations generally, a trend towards de-collectivisation has been evident in recent times with the simplification of the award system, and an increase in the use of individual employment arrangements, including Australian Workplace Agreements and other forms of individual contracts (Deery and Mitchell, 1999; Deery and Walsh, 1999): 115). Whilst a dominant utilisation of individual contracts has not yet been witnessed in the tertiary education sector, there have been several moves towards individualisation on the part of the Coalition Government, including the weakening of the Higher Education Contract of Employment (HECE) Award, Kemp's Workplace Reform Programme (which linked funding to a series of tests, including the use of individual contracts), and more recently, Nelson's Backing Australia's Future package which attempted to introduce legislation that would tie funding to the achievement of certain workplace relations outcomes (including the use of Australian Workplace Agreements). The objection of the Opposition and independent political parties to such schemes, as well as the strength of union presence within the sector (including such groups as the

National Tertiary Education Union) and the breadth of enterprise bargaining at tertiary institutions has essentially diffused this attempt at individualisation thus far. However, the outcome of the most recent Federal election, including the victory of the Coalition in obtaining the Senate majority from July 2005 onwards, will undoubtedly result in a renewed push at the Federal Government level to continue along the path towards individualisation of employment relations.

More individualised employment relations are also being considered within institutions as well, and throughout the sector, a greater trend towards performance management is evident (Marginson & Considine, 2000). This has partially been driven by the need to meet external performance indicator-driven funding entitlements, such as research quantum (Taylor, 2001), but also via an internal desire to become more competitive in an increasingly corporatised academic arena (Marginson and Considine 2000; Considine, 2001). The role of performance management as a tool to pursue individualisation and to fracture collectivism has been explored widely throughout human resource management literature (Guest, 1987; Storey, 1992; Sisson, 1993; Townley, 1994; Legge, 1995; Deery & Walsh, 1999; Waring, 2000), and the evidence is clear that certain systems of performance management are aligned with a 'hard' human resource management strategy, reflecting a cost reduction approach which can potentially result in higher turnover, increased casualisation, and absenteeism (Sisson, 1993). The distinction between 'hard' and 'soft' models of human resource management will be explored further in this paper.

This growing trend towards individualisation, through performance management and employment contract management, on behalf of both the Government and individual institutions, raises many questions about the changing agenda of employment relations within academia. Specifically, is the future of academia and collegiality as we know it under threat from such planned individualisation? The purpose of this paper is to consider the changing nature of the academic employment relationship in light of this drive for individualisation, focusing upon issues of performance management and employment contract management. The paper concludes with an assessment of the implications of such individualisation upon academic employment.

### **Employment relations within higher education**

A strong collectivist employment relations history is prevalent within the higher education industry, and this has been illustrated in many ways. The strength of the National Tertiary Education Union (NTEU), and indeed, other university-related trade unions, is unmatched in many other industries (some institutions boast a rate of over 60% union membership, compared with an Australian workforce-wide rate of approximately 23% - Australian Bureau of Statistics: 2003). Enterprise bargaining within universities is also a very communal procedure, with collective union-involved bargaining in place at most institutions in Australia. The strength of such collective employment relations, it is contended, is supported by the collegial nature of academia, and academic employment. Whilst somewhat of a nebulous concept, the idea of collegiality is cited by many as being at the heart of academic employment, developed over centuries, and encapsulating notions such as academic freedom, and identification with a group of scholars in a similar field, knowledge community (Bergquist, 1992) or as Shils (1984: 35-37) puts it, 'intellectual corporation'.

Some would argue though that the concept of collegiality is no longer the sole culture existent within universities, and that a range of other cultures can now be seen emerging within universities, including bureaucratic, enterprising and corporate cultures as well as the traditional collegial culture (Bergquist, 1992; McNay, 1995; Taylor, 1999; Silver, 2003). Considine (2001: 145) notes that it is difficult to pinpoint when managerial cultures began creeping into universities, but notes that '...somewhere around the early 1990s the mood changed and the earth moved; university management became a conscious act of self-invention'. Whilst there is some debate about the precise nature of university 'culture' in

Australia, it is clear that the university in the 21<sup>st</sup> Century is removed from the concept of the university of old, possessing a culture that is informed by not only traditional academic collegial roots, but also influenced by the pressures of corporatisation, increased managerialism and bureaucracy. Nonetheless, it is clear that the employment relationship between the individual academic and the university is still largely controlled via collectivist channels, and it is this collectivism which assists to preserve the general collegiality within academia.

However, recent initiatives such as Nelson's 'Backing Australia's Future' legislative reform package have placed this collectivism under fire. Nelson's reform package, an extension of agendas such as the Kemp reforms before it, suggested that universities had to ensure that their enterprise agreements did not preclude the ability to offer Australian Workplace Agreements in order to obtain additional funding grants. Moreover, the package also provided for a 'Workplace Productivity Programme', which, amongst other reforms, provided for the tying of funds to the implementation of flexible working arrangements generally, as well as achieving specific human resource management outcomes, including 'evidence of a fair and open performance management system which links access to salary movements to an individual's performance and evidence that an institution is actively offering individual employment arrangements to employees'. It was noted that such reforms would exist to encourage institutions to 'pursue a broader workplace reform agenda' (Department of Education, Science and Training, 2003: 1).

This legislative package was altered significantly in the Senate, and the industrial reforms noted above were watered down significantly in the final product, the *Higher Education Support Act*. The main requirement that universities had to abide by in order to receive increased funding was a simple clause in their enterprise agreements that reflected an ability to offer Australian Workplace Agreements. Despite this, the Workplace Productivity Programme is scheduled to begin in 2006, and whilst the guidelines of this program are still to be finalised, the bonus of a Senate majority for the Coalition will mean that they will essentially have the ability to pass whatever requirements for funding within the Programme that they see fit. This would undoubtedly include provisions for performance management schemes, as previously discussed by Nelson. Finally, the Senate majority will also give the Coalition Government the ability to review any aspect of the relevant legislation, which could potentially include the introduction of a more rigorous requirement for universities to offer Australian Workplace Agreements, and restrictions on industrial action.

At this point then, it seems that the academic employment relationship, largely characterised by a strong collectivist focus, is at risk of becoming individualised through a range of Government initiatives which seek to not only tie the granting of funds to pay-for-performance schemes, but to also encourage the usage of individual contracts. It would seem therefore that the nature of the academic employment relationship would potentially be forced to change to meet this Government agenda, possibly at a cost to academia and academic employment. It is the aim of the research contained within this paper to uncover the potential impact of individualisation upon the academic employment relationship.

## Research methodology

The research contained in this paper is initial exploratory work that is part of a broader doctorate research project which seeks to examine individualism and collectivism within academia, and the changing nature of the academic employment relationship. The research involved the conduct of semi-structured qualitative interviews with human resource management staff and NTEU delegates at four universities in Australia, in addition to the analysis of key documents such as legislation, case law, policy documents, enterprise agreements and Australian Workplace Agreements (Australian Workplace Agreements). Interview questions sought to elicit both managerial and staff perspectives on enterprise bargaining, human resource management, and the use of individual contracts. The universities were selected as

they each offered a different industrial perspective on academic employment relations: one already has Australian Workplace Agreements in place for senior staff (University A), another utilises a non-union collective agreement for senior staff (University B), and another two utilise individual performance based common law contracts for senior staff (Universities C and D).

Within this paper, the research concerning performance management and the use of individual contracts will be focused upon. There are many other issues connected to the research associated with this paper, including academic freedom, as well as the nature and characteristics of academic employment, which could not be explored in full within this paper.

### **Human resource management, individualism and collectivism generally**

It has been noted that the exclusion of external forces, such as unions and external regulation, and the promotion of a 'common purpose' are key motivators for seeking individualised employment relations for certain organisations (Hamberger, 1995). It is contended that where external forces are removed from the employment equation, there is room for consultation, communication, and teamwork; that is, a *collective*, or high trust model of human resource management (Hamberger, 1995). Such practices are aligned with the 'soft' side of human resource management (Storey, 1992; Legge, 1995), which is aimed at achieving commitment from employees and fostering a 'high trust' relationship through human resource management practices that assist in the development of the employee's skills and abilities. The soft model is more closely aligned with 'developmental humanism' (Legge, 1995: 36), whereas the hard model focuses on the relationship between human resource management and the overall strategy of the business, emphasising the management of the employee purely as a resource for the business (Deery & Walsh, 1999), a more *individualised* model. There is clearly some tension between both the hard and soft models of human resource management, and the theories of individualism and collectivism that underpin them. However, these definitions have been utilised throughout this paper to appropriately characterise different human resource management approaches.

#### Performance management and individual contracts

Some human resource management practitioners argue that the management of performance is necessary to 'identify, evaluate and develop' employee performance to meet the goals of the organisation and the individual employee (Dessler, Griffiths et al. 1999). It is largely concentrated however on the individual, as it seeks to make employees visible to management which is only achieved through a process of differentiating employees from one another (Townley, 1989). One way of aligning performance management with the softer, more collective side of human resource management however is to broaden the reward base for performance. Individual reward systems have been identified as such things as individual bonuses, individual performance related pay, piecework and commissions, as well as skill and merit based pay. On the other hand, more collective reward systems include profit sharing and ownership schemes, measured day-work and team bonuses (Kessler, 1995).

One issue that has been examined in the few Australian case studies concerning individualism is whether workplaces that utilise individual contracts also utilise 'high trust' human resource management practises. The evidence suggests that individualised workplaces (that is, workplaces who have a majority of non-managerial employees on individual contracts) are not practising 'high trust' human resource management, contrary to Hamberger's (1995) assertions. Deery and Walsh (1999: 119) studied a number of workplaces in an attempt to determine the character of individual employment relations and what form of human resource management practices they subscribed to, and concluded that such high trust human resource management strategies as 'extensive training, worker participation, less rigid work design and the decentralisation of managerial tasks' were not implemented in the workplaces studied

(1999: 126). On the contrary, a range of hard performance management practices were followed, such as performance related pay and bonus schemes, that were more closely aligned with an individualised human resource management scheme.

Furthermore, other studies have identified that the use of Australian Workplace Agreements in particular can be linked to a decrease in certain conditions of employment. Evidence has shown in some cases, whilst an initial raise in remuneration is provided, other conditions have been eroded in a trade-off, including access to dispute resolution procedures and further access to wage increases (van Barneveld & Arsovska, 2001; van Barneveld & Waring, 2002). Finally, it has also been suggested that whilst Australian Workplace Agreements in theory promote negotiation between the employer and the individual employee, in reality, the level of negotiation that actually takes place in some cases is minimal, and that often, a standardised Australian Workplace Agreement is offered to employees instead (Waring, 2001; van Barneveld & Waring, 2002).

### **Performance management within Australian universities**

Within all universities interviewed within this study, a performance management culture was evident, however it was the view of the various NTEU delegates at each of the campuses that such performance management systems could be kept 'in check' so long as staff, by way of the union, had input into the performance management process. At University A for example, a performance scheme is in place, linked to the enterprise agreement, which contains an extensive goal setting and performance review scheme focusing on staff development. Whilst the scheme fed into salary increases as one of the requirements necessary to advance to another salary increment, the focus of the scheme is primarily upon the professional development of the academic. However, one human resource management staff member at this university commented that the performance review process was "too soft", and that it was "almost impossible to fire an academic staff member for not performing".

Bright and Williamson (1995), drawing upon research in the British higher education system, argue initially that university staff 'are no different from anyone else', and that they too are motivated by increased remuneration, promotions and professional recognition (1995: 71). They limit this argument however by noting that the academic role is unique, and it is this uniqueness that directly impacts upon the motivation of academic staff, and how the performance of staff within academic institutions should be managed. Thus, whilst the motivations may be similar for academic staff and other employees, the management of performance to attain rewards should be sensitive to the uniqueness of the academic role. Bright and Williamson note that traditional business oriented approaches to performance management are not suitable for the academic world, and that simple offers of financial inducements to encourage performance are not as effective as 'more creative use of funding' or 'time for research, secondments and special projects' within the academic culture (1995: 84).

Considine (2001: 147) argues that a performance culture 'driven by the quantification of outputs' threatens, rather than engenders, academic excellence. Considine (2001:149) notes further that educational and scholarly goals can also be 'challenged and often displaced' and that collaborative and collegial networks can be 'crowded-out' by performance control. In a case study of academic staff evaluation at the University of Queensland, Moses (1988: 275) remarks that academic staff are not averse to evaluation, so long as the process is seen as being legitimate and fair. Performance appraisal is however a largely individualised process, and whilst there are some case studies that canvass examples of performance appraisal focused upon group and team performance management (Leece, 1997), the most common form is that of the employee being appraised or assessed by their supervisor or manager.

Given that such a hard, pay-for-performance management culture has not yet penetrated academia, and given that the Government is potentially seeking to require the use of such hard systems in return for funding under the Workplace Productivity Programme, what does this spell for academia, where many scholars have suggested the use of such hard performance schemes is inappropriate? When questioned as to what might happen to performance management if the Coalition Government requires the implementation of more rigorous systems tied directly to pay, under the Workplace Productivity Programme, a human resource management staff member from University B stated "...we are struggling, we need the money, we'll do what we have to do to get the additional funding". This attitude was echoed at most of the universities interviewed.

### **Employment contract management within universities**

When asked whether a shift to more individualised contracts would result in the reduction of conditions under the employment contract, all human resource management staff indicated that it would not be their wish to do so. As a human resource management staff member from University B stated:

"This is the ridiculous thing...the last thing we want to do is to be on the front page of the paper for shafting employees, if you want to attract and retain the best staff you can't have a culture of shafting people!"

A staff member from University D commented that they "didn't understand what an Australian Workplace Agreement would give us over and above a common law contract", and due to the administrative difficulties in managing Australian Workplace Agreements, they would prefer to remain with enterprise bargaining.

Nonetheless though, it was felt by most human resource management staff at the universities interviewed that there was too much procedure within the enterprise agreement. As a staff member from University C commented:

*"Why we have 14 pages in here for the process of dealing with unsatisfactory performance is the real question that anyone from the outside world would ask – 14 pages of process! This sector is tied up all the time in process!"*

Most human resource management staff interviewed indicated that if they had their druthers, it would be their wish to remove as much procedure as possible from their enterprise agreements. The fear enunciated by union staff delegates interviewed in relation to this matter was that if an Australian Workplace Agreement were used, the university could remove staff input into valuable procedures, such as disciplinary procedures surrounding academic freedom matters. Therefore, where the ability to use an Australian Workplace Agreement is present, the temptation to remove staff input into procedures and hence destroy rights to procedural fairness and justice may be too great. The evidence from other industries would indicate that this is a potential risk where Australian Workplace Agreements are used (van Barneveld & Arsovska, 2001; van Barneveld & Waring, 2002).

### **The future of the academic employment relationship?**

If a performance related pay system is encouraged through the Workplace Productivity Programme, coupled with the removal of staff input into such schemes (through enterprise agreements), then there may be a risk that harder, pay-for-performance schemes could be introduced into universities, especially if there is an incentive to do so for increased Government funding. Further, whilst the human resource management interviewees at each of the universities stated that it was not their intention to drive down

conditions of employment, there was a clear sentiment that the removal of procedures (especially where grievances were concerned) was necessary, adding to this risk the possibility of reduced avenues to dispute resolution.

Evidence from University A, which utilises Australian Workplace Agreements for some senior staff, would indicate that this risk could potentially be realised. One staff member there on an Australian Workplace Agreement spoke of the existence of a much harder performance review system within their Australian Workplace Agreement document, as compared to the system available for staff under the enterprise agreement (and what was previously enjoyed by them). In particular, the lack of justice, fairness and opportunities for personal development was noted. Basically, someone who was equal to the staff member in position status, and only senior in terms of length of service, conducted the performance review, and it was solely tied to performance and remuneration, rather than personal growth and development. In addition, there was a clear reduction in dispute resolution procedures and redundancy provisions under the Australian Workplace Agreement as compared to the enterprise agreement. There was also no perception of negotiation, in that the employer refused to bargain on certain conditions in the Australian Workplace Agreement, and the individual employee was not able to exert significant pressure on their own to force any negotiation. Finally, it was noted that under the Australian Workplace Agreement there was no real increase in remuneration or other benefits for the staff member compared with the conditions offered under the enterprise agreement, and generally no avenue for the negotiation of an increase in such conditions. The document has only served to secure managerial prerogative over the staff member, and to instil a culture of performance management fear for this individual:

“If they wanted to, they could get rid of me at any time. With a peer, you know, someone more or less equal to me, conducting my performance review, if that person didn’t like me they could say I under-performed, and that’s it, I’m gone”.

Clearly, the Australian Workplace Agreement in this case is not fostering a high-trust human resource management environment, and it must be said that it would be difficult to do so in any institution if the Government continues to drive the development of a hard pay-for-performance culture that universities will be forced to meet. It is also clear that it has resulted in the employee being no better off than they were under the enterprise agreement, although a reduction in dispute resolution and redundancy procedures must surely be classed as a detriment.

## Conclusion

Given that the precise nature of the Federal Government’s employment relations agenda for higher education will not be known for some time, this paper can be at best speculative. The limitations on detailing lengthy qualitative research in such a brief paper, and restrictions on generalisability where such research is conducted, are also noted. However, some tentative conclusions can be drawn about individualism within the academic employment relationship. Firstly, it is clear that the bulk of the push to individualise is an agenda owned by the Federal Government, and that universities are generally reluctant to change the current status quo, unlike other industries where the drive to individualise has largely been on the part of the employer (Waring, 2000). There is a perception that at most institutions, university management is not enamoured by this agenda, however there seems to be a level of managerial desire to remove certain elements of procedure and to tighten up performance management schemes. The motivation for this at this stage is unclear. On the surface, managerial staff assert that their wish to remove such procedure and to install performance management is to make the employment relationship more efficient, but the genuineness of this assertion has not yet been tested.

Should the Federal Government tie the increased use of Australian Workplace Agreements and harder pay-for-performance measures to the ability to obtain further grant funding, it is clear nonetheless that universities, starved of funding, will most likely have to comply. Whilst initial findings suggest that universities are reluctant to utilise Australian Workplace Agreements broadly, predominantly due to administrative inconvenience, there may be a case of the Government forcing their hand. This may well mean the implementation of hard performance measures that some would argue are not suited to the academic employment arena, as well as the temptation for management to remove vital procedure from employment documents (especially if these are Australian Workplace Agreements, where it is possible that no staff negotiation will take place), sacrificing procedural justice, fairness and ultimately academic freedom. This temptation may well be amplified by the presence of more and more of what Considine (2001: 149) terms 'executive managers', who are 'spearheading the internal transformation of universities' to a culture of performance control.

Ultimately, the future for the academic employment relationship is not clear, and it is confounded by uncertainty. The only thing that is certain is that there will be interesting and challenging times ahead!

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