Staff Perception on the Impact of Management Control System Changes in Altering Operating Behaviour to Align with Strategic Imperatives – A University Case Study

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Dedication

To my dear mother Mosammat Nurunissa Zaman, my dear father Md. Atiquzzaman and my dear brother A.B.M. Faisal Maruf Billah … I miss you a lot every day.
Acknowledgements

I would like to express my deepest gratitude to my supervisors Dr. Colleen Puttee, Dr. Philip in completing this thesis. I am in debt to Colleen personally and academically as she guided me from nowhere to this stage, always encouraged me, and accompanied me with her great support during my difficult times. Phil has been a remarkable Head of School and supervisor from whom I have always enjoyed great support in many ways; whenever a difficulty arose, Phil always had a quick and effective solution. I feel extremely lucky and privileged to have had him as my academic and PhD supervisor. A person of his calibre with vast knowledge and experience was a blessing for the study. I am deeply indebted to Garry and still believe that the journey would have remained a dream without him. I would like to thank you, Garry, for your tremendous support and guidance right through to today.

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Finally, I acknowledge the support of my wife Tania, my children Eusha, Fariba and Parisa for being my source of energy and happiness and comfort for my eyes.
Statement of Authentication

The work presented in this thesis is, to the best of my knowledge and belief, original except as acknowledged in the text. I hereby declare that I have not submitted this material, either in full or in part, for a degree at this or any other institution.

A B M Mamun Billah

Signature
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<tr>
<td>AUQA</td>
<td>Australian Universities Quality Agency</td>
</tr>
<tr>
<td>CAE</td>
<td>College of Advanced Education</td>
</tr>
<tr>
<td>DEST</td>
<td>Department of Education, Science and Training</td>
</tr>
<tr>
<td>DVC</td>
<td>Deputy Vice-Chancellor</td>
</tr>
<tr>
<td>HOS</td>
<td>Head of School</td>
</tr>
<tr>
<td>HREC</td>
<td>Human Research Ethics Committee</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>MCS</td>
<td>Management Control System</td>
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<tr>
<td>MS</td>
<td>Microsoft</td>
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<tr>
<td>NA</td>
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Abstract

The thesis explored the attempts of management to respond to stakeholder pressures through selection of strategies supported by revised management control systems. Particular emphasis was on understanding the implementation of the management control system in its organisational context. As part of that, the study examined the effectiveness of these efforts to realigning staff behaviour to match the strategic goals.

Over the past three decades the rapid changes in political and economic environmental (external and internal) factors put pressures on the universities to adopt strategies, policies and performance measurement systems similar to any business organisation and this was also reflected in the change in leadership (management) positions within the organisation. The replication of the private sector performance measurement systems in the newly adopted MCS has significantly changed the reporting structures, responsibility and accountability measures of universities by replacing the traditional collegial-based model with a much more centralised management-imposed style. However, it is not known whether staff equally perceived the same pressures as legitimate enough for the implementation of the dramatic reconstitution and there is very little understanding of staff perceptions on how many of these factors were responsible for strategic changes in the higher education sectors. The motivation for the research therefore originated from curiosity to understand whether/how the staff at different levels perceived the impact of those strategic changes and whether they have significantly changed operational behaviours.

An element of this case study was to identify, from staff perceptions, the major external and internal factors responsible for strategic changes of a university and their consequential impact on the Management Control Systems (MCS). It also addressed whether and/or how the change in the MCS has changed the operational behaviour of staff to achieve the University’s strategic goals. The study is based on a social constructionist approach and has utilised the intellectual merits of Institutional Theory and Resource Dependence Theory to understand the legitimacy and resource dependency aspects of the change process. The two main theories have been complemented with the use of Silence Theory to understand the changes in staff
operational behaviours. It is expected the in-depth understanding provided by the study would help in future strategy development and the implementation process with a stronger focus on the behavioural aspects of change.

The major findings of the study show that the three groups of interviewees displayed a mix of attitudes towards identifying the major influential factors. The Government influence was identified as the strongest external factor that regulated the University’s responses to the remaining influential factors. It was identified that staff attitudes towards any external factor was not influenced by the merit of that factor but rather the way the University implemented the changes within the organisation. Some staff at both the mid-level and the operational level displayed negative attitudes towards how the strategic changes were implemented.

The study identified perception gaps among the three levels of staff on the impact of the Management Control Systems on staff operational behaviours. It was identified that the overall impact of the MCS changes tended to show the behaviour of the operating level group was often goal incongruent although the formal reporting indicators showed the opposite. The internal resource allocation process had been used as the major lever of control. Tone of communication had also been used by the top management as a control tactic. Decoupling behaviours emerged from the major external pressure (government) and was adopted by different levels of individuals in different ways. These differences created confusion and contributed to the perception gap between the top management and operating level staff.

One of the most important findings of the study is the level of covert resistance among operating level staff. A significant number of them adopted the ‘silent treatment’ as a resistance strategy that had affected achievement of strategic goals; a behaviour that was overlooked and/or neglected by the management. The study also found that the strategy implementation based on the new business model approach adopted by the University was not accepted by staff as it conflicted with their traditional values. In this case it was found that the emphasis placed on the technical aspects of the MCS was inadequate in addressing the behavioural elements of achieving goal congruence.
**Key Words:** higher education, management control systems, resource allocation, budget, key performance indicators
Chapter 1: Introduction

1.0 Overview

*Australian Universities are being transformed by profound long-term changes. Inevitably these changes are reshaping academic work and the academic profession.* (Marginson, 2000, p. 23)

The study reported in this thesis utilises perceptions of staff at an academic institution to examine how changes in response to economic, political and social environmental pressures impact on an academic institution’s Management Control System (MCS) and how the revised MCS has altered the operating protocols at different levels of the institution. More specifically, based on a social constructionist perspective, the study identifies staff perceptions of the major external and internal factors that are predominantly responsible for strategic changes in a higher education organisation and how the changes in the MCS have influenced the operational behaviours of staff to achieve the strategic goals.

Considering that the MCS is socially constructed by the participants in the change process, this research is undertaken from a social constructionist approach. A university in Australia (the case study university) has been selected to examine the research question. Face-to-face interviews with staff at all levels of the organisation, with a special focus on academic staff, have been chosen as the most appropriate method.

Over the past three decades, the Australian higher education sector (HES) has been continuously adapting to new strategic and policy settings to meet demands from its economic, political and social environment. The most notable of these demands are: increased competition in the global and domestic market; changes to a
market-based philosophy; changes in the government perspective on the higher education sector; greater emphasis on strategic alliances; and increased public interest in higher education. The adoption of new strategies and policies has caused transformative changes (Parker, 2011) in the organisational structures, governance and MCSs of universities in the Organisation for Economic Co-operation and Development (OECD) countries including Australia. In fact, the combined impact of the above-mentioned environmental pressures has been reflected through the role of the Commonwealth Government of Australia (termed ‘government’ from now on) in initiating several higher education reforms or reviews. Government actions have included reduction of funding; pressures to adopt private sector business models; changes in organisation structures, governance and MCSs; and use of new operating measures (Moll, 2003). These pressures have caused universities to adopt new strategic directions and to undertake organisational restructures of their governance and MCSs, implementing different quantitative operating measures, to achieve their intended strategic goals. The transformative changes in strategies and MCSs (with operating measures similar to those in any commercial organisation but often unfamiliar to the internal higher education organisation constituents) have placed pressure on staff to alter their attitudes to positively accept and embrace the changes and to alter their operational actions to conform, at all levels, to those of the organisation. The period 2004–2008 has been chosen as a significant period of change.

However, both preceding and during the 2004–2008 study period, changes occurred so frequently that it was also challenging for management to achieve a strategic alignment between individual staff attitudes and their operational behaviours. To date, contemporary literature has examined the above phenomenon
from a number of different dimensions, for example: the impact of globalisation and internationalisation on the higher education sector (Parker, 2011a; Marginson, 1993, 1997b, 1999; Winter and Sarros, 2002; Canory, 2005; Marginson and Wende, 2006); government linking of desired changes to higher education funding (Marginson, 1997a; Moll and Hoque, 2004; Winter and Sarros, 2002); and strategic and management changes in the higher education sector due to external pressures (Scott, 2004; Parker, 2002). Other dimensions include: higher education policy reforms (Shanks, 2006; Clark, 2000; Marginson, 1998; Meek, 1991); the impact of importing private sector models into the higher education sector (Parker, 2012, 2011); changes in governance, core activities and academic work (Parker, 2002; Winter and Sarros, 2002; Coledrake and Steadman, 1999; Marginson 1993); and the impact on the role of the university council or its equivalent (Dooley, 2007). Research has examined the impact of the MCS on budgeting (Moll and Hoque, 2011; Bobe, 2010; Lasher and Sullivan, 2004; Moll, 2003; Liefner, 2003), with some research conducted on the changes in academic work or roles (Mapsela and Hay, 2006; Taylor, 2006; Jones, 2006) and in employee attitudes and behaviours (Shah and Irani, 2010).

Due to the complex nature of a university, the majority of prior studies have not utilised staff perceptions to identify the influential factors and their impact on the MCS, and very few have considered changes in staff operational behaviours. The current study’s approach is therefore different from the aforementioned studies in that this study looks more closely at the change factors and their consequential impact on the internal organisational environment (i.e. on the MCS) as perceived by staff from various levels, both singularly and collectively. Although some studies have considered staff perceptions on academic work, or on the budget process or
fund allocation (Eedle, 2007; Moll, 2003; Moll and Hoque, 2004, 2011; Taylor et al., 1998); on resistance (Anderson, 2006, 2008); and on academic freedom or jobs evaluation (Kayrooz et al., 2001; Watty et al., 2008; Anderson, 2002). Very few of these studies (except for Moll, 2003; Anderson, 2002; Meek, 1998) have considered staff perceptions on the changes from a qualitative perspective. Moreover, what is missing in these studies is the impact that these strategic changes have had on the MCS and the consequential impact on staff perceptions and, thus, on the operational practices related to the core activities of teaching and learning, research, and engagement. Although some of these studies have considered perceptions of senior staff or of staff generally, they have not considered how reactions differed across roles or what was driving these reactions particularly at lower levels of the university structure. Therefore, this research examines individual staff perceptions through an in-depth face-to-face interview process at different levels of the university to understand how the major influencing factors were interpreted, how they subsequently impacted on the MCS and whether or how they altered the day-to-day operational behaviour adopted to achieve the institutional strategic goals.

As previously mentioned, due to external pressures, universities have also responded to change factors through the introduction of several reorganisations of their governance policies, control structures, internal resource allocation processes and performance evaluation systems. Therefore, another major difference in this study is that changes are examined in a manner which allows the researcher to identify the impact of how these reorganisations have affected the mindset of the participants when they assessed and responded to the latest set of management actions. Based on the above ideas, the overarching influences on this research are to understand from staff perceptions:
First: what are the major environmental factors that have influenced the strategic changes of a higher education organisation?

Second: whether/how the changes in the MCS have impacted on their attitudes and operational actions in relation to the organisation’s strategic goals.

The overall structure of this chapter is presented in Figure 1.1 below.

![Figure 1.1: Structure of Chapter One](image)
1.1. **Background to the Research**

As was mentioned in the previous section, the rapid changes in the political, economic and social environment have brought transformative changes to the Australian higher education sector (HES). These include: increased competition; internationalisation and globalisation of business; reduction of government funding (Bobe and Taylor, 2010); greater emphasis on strategic alliances; increased consumer criticism in terms of the quality of the services including the sophistication of delivery; plus greater public interest in higher education. Demands from external stakeholders especially the series of governments over the past three decades have required that higher education organisations shift their strategic directions quite frequently (Parker, 2002, 2011a, 2012; Winter and Sarros, 2000; Marginson, 1993).

The changes in government perspectives on the sector have led to these pressures, the consequences of which have been mainly reflected in and accompanied by the demand for universities to adopt a neo-liberal (Parker, 2011; Moll, 2003; Moll and Hoque, 2004) market philosophy and to implement new strategy and policy directions (Parker, 2002; Jones et al., 2006) and MCS structures similar to those in most private sector business organisations (Bobe, 2010; Moll, 2003). The government demand on the universities has been for more accountable and responsible handling of public money and for reduced dependency of the universities on the public purse. The government focus has shifted to the philosophy of user pays, value-for-money from government expenditures and devolved decision-making authority. Simultaneously, the government focus has required enhanced accountability and controls, as well as market-based competition (Parker, 2012), and has emphasised the adoption of private sector business models in higher education organisation governance and Management Control Systems (MCSs). Successive
governments have demanded that universities become more efficient and effective in the utilisation of resources while, at the same time, emphasising high-quality output in terms of teaching and learning, research, and engagement (Moll and Hoque, 2004).

Universities in Australia have significantly changed their missions, strategic goals and values and this has been reflected in their newly defined scope, activities, governance and organisational structures (Parker, 2011). The profound transformation process has reconfigured not only universities’ missions, but also their core values and the roles of their academic staff (Parker, 2011). Notable changes in the governance and MCSs are reshaping the size of the governing bodies (also known as the Council or Senate or similar), while changes in the internal resource allocation process are focused on revenue generation and cost efficiency, internal resource allocation processes, changes in accountabilities and reporting responsibilities, and the use of performance measures for staff evaluation. According to Parker (2000), such changes have significantly influenced and transformed many aspects of university governance core activities, stakeholder relationships and academic work.

However, mimicking the private sector business model has been a considerable challenge for higher education organisations as they need to introduce, and want their internal stakeholders to embrace, the new economic rationale. This rationale is unfamiliar to the majority of the internal organisational stakeholders and contrary to the long-standing traditional values of a ‘not-for-profit’ organisation and the management of research and development. In many cases, this rationale has created conflict and philosophical differences in areas such as: conceiving the units
offered as being educational products, considering students as clients and using more quantitative performance measures on the basis of input/output logic which has not been dominant in the sector. Contemporary research has shown that the above-mentioned changes have had a consequential and detrimental impact on staff attitudes (Meyer and Evans, 2005).

As previously mentioned, while external and internal changes in the university sector have been examined from several dimensions and provide an overall picture, there is still a need to understand how and why the introduction of a new emphasis on the neo-liberal approach impacts on staff behaviour. This requires an examination of the associated managerialism adaptation, and what this implies for the way in which management uses the MCS and for the thinking of staff at different levels within the institution in how they respond to the new approaches to their management. What is specifically unique is viewing the impact of the environmental factors, the consequent changes in the MCS, and the consequential changes of operational behaviours from the staff perspective. Such a study should provide an insight into the extent to which the total management control approach achieves strategic alignment.

Therefore, the current research uses staff perceptions to understand how the staff at different levels of the case study university view the environmental factors that are significant for strategic and MCS changes and whether the latter, in particular, has changed their operational attitudes to achieving their teaching and learning, research, and engagement strategic goals. The next section discusses the motivation and justification for this research.
1.2. Motivation and Justification for the Research

1.2.1. Motivation for the research

The motivation for this research, derived from the above discussion, is to understand the following:

\[ i. \text{Adaptation to the rapid change process by the higher education sector (HES)} \]

The above-mentioned changes in the external environment have been relatively rapid and have put pressure on the higher education sector to frequently implement strategic changes and impose the change process on each institution’s internal organisational environment. To implement the strategic changes, universities have had to change their Management Control Systems (MCSs) to appear to be more responsive in addressing rapidly growing stakeholders’ demands. According to Moll (2003), Australian universities at this time adopted a private sector model of organisational structure, MCS and accountability relationships. Specifically, universities had to monitor efficiency and effectiveness through the introduction of long-term strategic planning and the measurement of outcomes. Universities had to place emphasis on developing strategies, policies and performance measurement systems similar to any other business organisation and this was also reflected in the change in leadership (management) positions within the organisation.

It is not known whether staff equally perceived the same factors as legitimate enough for the implementation of the dramatic reconstitution of, as Parker (2011) says, the philosophy and social rules within the organisation. However, there is very little understanding of staff perceptions on how many of these factors were responsible for strategic changes in the higher education sector.
ii. Challenges of implementing private sector philosophies in a higher education environment

Universities have a long-standing traditional view of values and beliefs, and control systems that are significantly different from the private sector. A university, as a complex organisation, has multiple stakeholders, and varied activities, namely, teaching and learning, research, and engagement. The replication of the private sector performance measurement systems in the newly adopted MCS has significantly changed the reporting structures, responsibility and accountability measures of universities by replacing the traditional collegial-based model with a much more centralised management-imposed style.

There is adequate scope to examine how the individual operational staff have adopted/adjusted to the private sector business model based on the neo-liberal economic rationale in their traditionally collegial organisational environment. Figure 1.2 presents a reflection of the conceptualisation of the above phenomenon that is studied in this research.
iii. Successfully altering staff operational behaviour and achievement of strategic goals through strategy alignment

Questions that needed to be asked of staff included: whether the changes in policies were being reflected in their attitudes and operational behaviours and to what extent the changes in their attitudes and operational behaviours helped to achieve the strategic alignment of a higher education organisation? The perception derived from many studies on staff attitudes shows that, in numerous cases, staff have negative attitudes towards the changes, especially academic staff in regard to core academic activities (Houston et al., 2006; Mapsela and Hay, 2006; Taylor, 2006).

Figure 1.2: Conceptualisation of research phenomenon (Source: developed by the researcher)
Contemporary literature covers some elements of the above-mentioned issues, namely, (ii) and (iii), but there is still a need for enhanced understanding of the phenomenon of strategic alignment and the extent to which staff attitudes and operational behaviours are influenced by the context in which the changes are implemented. The above motivation of the research now leads to the justification which is presented in the following section.

1.2.2. Justification for the research

The justification for this research has been identified on economic, theoretical and social grounds.

Economic justification

Investigating staff attitudes towards the environmental factors and their perceptions on the legitimacy of strategic changes will help in the future successful adoption and implementation of strategic changes. It is expected that having an understanding of staff perceptions on the impact of the MCS changes can help to reduce perception gaps among different levels of staff and thus help strategy alignment in the sector in future.

Theoretical justification

It is expected that, in applying the micro and macro perspectives of institutional theory (both old and new) and resource dependence theory (RDT), this study will help to gain an enhanced understanding of the gaps between management expectations on successful strategy implementation and individual perceptions of the strategy, the sustainability of the strategy and whether and/or why institutional changes, due to coercive isomorphism, may not be accepted in the normative sense. In addition, the use of silence theory (ST) may help to understand whether and/or
how the attitude and behaviour elements can be a threat to strategic alignment in the higher education sector as they are less likely to be identified by top management and thus may not be adequately addressed. The theoretical perspective section of this chapter (Section 1.5) will outline these ideas and they are addressed in more detail in Chapter Three.

**Social justification**

It is expected that the identification of perception gaps between different levels of the organisation can help to improve the internal organisational environment in terms of trust, tension, conflict, motivation, politics, strategy, communication and management styles.

The enhanced understanding and appreciation can also help to assess the possible impact on the internal organisational environment in terms of the interplay of politics and power (Lientz, 2003; Thomas, 2000; Parker, 2007) and the tension between organisational units (Parker, 2007; Hermalin, 2004; Meek and Wood, 1998; McInnis, 1995; Coaldrake and Stedman, 1999; Moll, 2003) caused by changes in the MCS impacting on staff attitudes and behaviours. This discussion leads to the development of the problem statements and research questions presented in the following section.

1.3. **Problem Statements and Research Questions**

1.3.1. **Problem statements**

The purpose of this section is to indicate how the above-mentioned events necessitate further examination and analysis of the higher education sector to improve the balance between the overarching strategic objectives of an organisation and those of its stakeholders. This, in turn, can help in better strategic decision-making and strategy alignment for both the organisation and its stakeholders.
Lack of understanding of legitimate strategic changes based on staff perceptions

It is envisaged in this research that, comprehending how individual staff, at different levels of the institution, perceive the environmental/social pressures as being significant enough to warrant changes in the university’s strategic direction and ultimately how this impacts on their operational behaviour, would necessitate the evaluation of the operating measures and the likelihood of the achievement of the new strategic goals. To date, studies in this area have not provided enough evidence to draw any conclusions in this area.

For a university, the comparative evaluation of staff perceptions at different levels is still rare

Moreover, understanding the perceptual gaps among staff at different levels in the staff structure would facilitate better strategic planning and implementation in the future and would lead to higher levels of goal alignment between the university and individual staff.

Need to examine staff evaluation of the implementation of strategic goals

The task of setting new strategic priorities and goals to comply with the demands from external stakeholders, in many instances, induces a negative response from internal stakeholders from the different levels in the organisation. In the past, attempts to implement change have resulted in resistance (overt and covert), organisational conflicts and tensions, and have affected mutual trust. A number of research studies (Parker, 2007; Marginson and Considine, 2000; Trowler, 1998; Nixon, 1996) have argued that, although adopting 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. According to Morris (2005), this has caused major problems for academic
staff whose behaviour is driven by a different logic. Winter et al. (2006) believe that introducing managerialism into this setting may deliver some economic benefits but one adverse consequence may be that academic staff will exhibit low levels of commitment to their organisation as a result of the perceived organisational rigidity and a culture of stifled learning and creativity.

Therefore, based on the above issues, the objectives of this research are outlined in the following section.

1.3.2. Major research questions

This research will explore staff perceptions through the following research questions:

1. What environmental factors are perceived to influence the university's strategic directions and are the subsequent changes viewed as appropriate or legitimate?

2. How have the strategic changes impacted on the Management Control System (MCS) of the university?

3. Whether/how/why the revised MCS changed (or did not change) their operational attitudes and behaviours in implementing the university's strategic priorities?

1.4. Research Objectives

Following the above discussion, the research objectives can be restated as described in this section:

Identify the major environmental pressures (factors) from staff perceptions

Utilising the legitimacy perspective of institutional theory and resource dependence theory (RDT), the study sought to gain an understanding of what staff perceived as the major factors responsible for and/or the major factors that legitimised the
strategic changes during the period of rapid changes in the economic, political and social environment.

**Evaluate the MCS implementation process from the perceptions of staff**

The study sought to determine what approaches, adopted in the revised Management Control System (MCS) to operationalise the strategic goals, were focused on including the implementation styles related to budgeting, performance evaluation and the resource allocation process and whether/how strategic alignment was achieved.

**Analyse the change in operational behaviour towards strategy alignment from staff perceptions**

Many of the new strategic measures were traditionally unexplored or unfamiliar to a university control system or contrary to the long-held collegial traditions. The emphasis on such management control tools, through more frequent reporting, close monitoring and scrutiny in the resource allocation process and performance evaluation related to teaching and learning, research, and engagement, were not expected to be instantly accepted in a uniform manner as the changes replaced many of the traditional value and belief systems. Therefore, this research also sought to understand whether/how the revised MCS changed staff’s operational attitudes and behaviours.

**Enhance theoretical knowledge by evaluating the impact of strategic change on staff behaviour for use in future implementations**

The study sought to determine what implications should be considered in undertaking future MCS changes; that is, what needs to be changed to improve the effectiveness or what can we learn from this experience regarding the design of the MCS of a university?
These four areas of the current research will be explored in Chapter Two and examined in detail in Chapter Five. The following section outlines the proposed theoretical perspectives to be applied in this research.

1.5. **Theoretical Perspectives and Research Methodology**

1.5.1. **Theoretical perspectives**

This research is based on the philosophical understanding that the institutional environment is a socially constructed process; therefore, the research adopts the sociological perspective of institutional theory to understand the social and institutional dimensions (Moll, 2003) of the university and its environment. This theory attends to the deeper and more resilient aspects of social structure. For the purpose of this research, how a university changes its strategic directions due to external pressures, that is, economic, political and social (Meyer and Rowan, 1977; DiMaggio and Powell, 1983; Powell, 1991; Scott, 1991) environmental changes is examined from the viewpoint of staff perceptions. The impact of the pressures in changing the schema, rules, norms and routines (Scott, 2005) and the impact on operational behaviours are also examined from staff perceptions. In evaluating the changes as perceived at different levels in the university such as college/faculty level, school level and unit level, a ‘micro level’ perspective is adopted as can be seen in old institutional theory. On the other hand, changes at the macro level (e.g. changes due to government pressure, increased competition in the local and global market, community expectations, etc.) at the institutional level are studied from the perspective of new institutional theory with its focus on the isomorphic pressures to accommodate and implement changes.
The funding relationship between the higher education sector and the government is examined through the lens of resource dependence theory (RDT) to explain staff perceptions of the changes in the resource allocation process with the strategic changes. Resource dependence theory (RDT) explains how the behaviour of an organisation is influenced by another organisation in the organisational environment where the former is dependent on the latter for the supply of resources for sustainability. As an external stakeholder, the government exerts significant pressures on the universities as it is a major supplier of funds. Consequently, it has power over their strategies and policies due to their dependency on the needed resources. In the same fashion, a university has significant control over its different units and has power over the budget/resource allocation process. How the changes in the MCS, for example, the budget or the resource allocation process, are implemented by management through the levers of control by university operating units is also studied through the lens of resource dependence theory (RDT). This view is also consistent with institutional theory in which the organisation is seen as having a multitude of internal and external stakeholders with competing interests in a continuously changing process. These theories will be discussed in more detail in the theoretical framework chapter (Chapter Three).

Karol and Ginsburg (1980) noted that, compared to other organised sectors, the “HES [had] never been highly effective in organising a lobbying activity aimed at either achieving a more favourable allocation of resources or securing a more temperate application of a compliance requirement” (p. 16). The display of attitudes, titled by Graham (1986) in his model as “principled organisational dissent” (POD), identifies a form of individual behaviour in an organisation that involves a conscientious objection to violations of the legal or social norms within that
organisation. In his model, Graham (1986) proposed six unique forms, two of which involve the degree to which employees remain silent but stay within the organisation or leave quietly (Brinsfield et al., 2009). Contemporary literature has also shown similar staff behavioural responses commencing from when the higher education changes began in Australia. However, staff perceptions were not previously examined or linked to “principled organisational dissent” (POD), as described in the literature, as a form of resistance. This research also studies the attitude of staff using ideas from silence theory (ST) as a unique mode of resistance that may have impacted on strategy implementation.

### 1.5.2. Research methodology

In order to facilitate an in-depth understanding of the research issue, the case study method is applied. A university in Australia was selected as the case in question to examine the major strategic development process during its 2004–2008 strategic plan implementation. The influence of major environmental factors impacting on the organisation’s strategies and MCS changes was identified from individual staff perceptions, using the face-to-face interviewing technique. Interviews were conducted with a number of staff from all levels of the university along with an analysis being undertaken of pertinent documentation for this period. To understand the changes in attitudes due to the changes in the MCS, interviews were undertaken at three distinct levels of the organisation (top management, middle management, and academic and general staff). A questionnaire comprising open-ended questions was developed to analyse staff perceptions on strategy implementation related to the three core activities of teaching and learning, research, and engagement, and linked to the processes of fund allocation, use of performance measures and changes in staff operational behaviours. Chapter Four provides more details of the research design.
1.6. Structure of the Thesis

This thesis consists of seven chapters; structured as follows:

![Thesis Structure Diagram]

*Figure 1.3: Structure of the thesis*
The following section provides an outline of the contents of each chapter.

**Chapter One: Introduction**

Chapter One provides a brief discussion on the background, motivation and research objectives which provides the context for the overarching research questions, followed by the research objectives, justification, theoretical framework and research methodology.

**Chapter Two: Background of the Australian Higher Education Sector**

Chapter Two provides a discussion on the influence of internal and external environmental pressures affecting the changes in the Australian higher education sector context (e.g. changes in governance, organisational structures, operating styles, accountability and management control techniques, as well as strategic goals, behaviour and culture). Based on the three research questions listed in Section 1.3, the analysis in this chapter is divided into three levels. Level One focuses on the external environmental pressures that affect changes in the strategic directions of a university. Level Two focuses on how the external pressures, including different policy reforms by government, impact on universities’ strategy, governance and Management Control Systems (MCSs). The discussion demonstrates how these pressures affect the internal operations of universities around Australia. Level Three focuses on the behavioural impact of the changes in the MCS on individuals at different levels of a university (i.e. issues of power, politics, resistance, conflicts, tension, trust, motivation, organisational values, beliefs, etc., the understanding of which are essential for the design and development of effective MCSs in the Australian higher education context).
**Chapter Three: Theoretical Framework**

Chapter Three presents discussion and evaluation of a number of theoretical frameworks that have been considered for this research. The discussion demonstrates how the selected theoretical framework is used to study organisational factors, such as power, politics, external environment, internal environment, decoupling of rules, resistance, goal congruence, etc., as they influence the MCS and their impact on strategic decisions and implementation throughout the organisation.

**Chapter Four: Research Methodology**

Chapter Four adopts the research onion framework by Saunders et al. (2009) to represent the various layers influencing the outcomes of the study. Based on the six layers of Saunders et al.’s (2009) framework, the chapter covers the philosophical foundations of the research, the research approach that was adopted, justification of using a case study approach and the validity and reliability of the collected data. The details of the data collection techniques are discussed including managing access to the case university for interviewing selected people, viewing the archival documents, selection of the participants for interview, and developing a questionnaire with open-ended questions for the interviews.

**Chapter Five: Development of Strategy and Management Control Process of the Research Context**

Chapter Five covers the concepts of strategy and strategy development, the definition of the Management Control System (MCS) adopted for this research and the strategic development process of the case university since its creation. It is posited in this research that the implementation of the 2004–2008 plans was the outcome of a
continuous strategic development process. In order to understand the influence of the environmental pressures or the reaction of the university’s internal stakeholders, it is essential to understand the prior events. Therefore, this thesis provides a comprehensive background of the case study university. This assists in understanding the major changes over earlier years and in the 2004–2008 period in its structures and control systems, the shift in strategies and the institutionalisation of new routines, as well as staff behavioural changes due to internal and external environmental pressures.

Chapter Six: Interview Analysis and Findings

Consistent with Chapters Two and Three, this chapter is divided into three major parts linked to the three research questions and the three levels of analysis presented in Chapter Two. Part One analyses interviewee perceptions on the major change factors (external and internal). Part Two presents staff perceptions on the impact of the major factors on strategy implementation and MCS changes (i.e. the adoption of the MCS including changes in management control techniques) and on the resource allocation process (through budgeting, performance evaluation and communication), that is, the interplay of power, politics, conflict, motivation and goal congruence in the strategy implementation. Finally, Part Three presents the analysis of interviewee responses on the impact of the changed MCS on staff attitudes and operational behaviours at different levels of the organisation. The study’s findings from the data collection and analysis are intended to help in interpreting how internal and external pressures impact on management control changes, how the unit/individual goals are strategically aligned with the strategies set at the institutional level as well as the impact of changes on staff operational behaviours. An interpretation is provided
based on the data collected and using the selected theories as lenses through which to understand the role of MCS changes in altering staff behaviour to achieve organisational goals.

Chapter Seven: Research Findings, Contributions, Limitations and Areas of Future Research

The final chapter, Chapter Seven, provides a summary of the findings of the research that links back to the original research questions. This is followed by a discussion on the knowledge contribution from the research together with its limitations and the scope for further research.

1.7. Summary and Possible Contributions of the Research

The following two areas are considered to be the major contributions of this research:

*Identifying gaps in the literature*

One major contribution of this research is that it identifies gaps in the literature. There are few research studies on strategic changes in the Australian higher education sector that have explored the overall impact on institutional and organisational change, on resource allocation processes and performance evaluation systems, and on excellence in teaching and learning, engagement, and research (Parker, 2003; Parker and Guthrie, 1993; Moll, 2003; Eedle, 2007; Sardesai, 2014).

The current research utilises the perceptions of staff to examine both the external environmental pressures and the impact on the internal organisational environment: this approach is essential for effective implementation of strategic goals by reducing the perception and implementation gaps among different levels of the staff structure.
Studying resistance from a silence perspective

The second major contribution of this research is that it examines staff perceptions from a resistance point of view by applying the silence theory perspective. The purpose is to understand whether the act of silence, when used as a mode of resistance, affected strategy implementation and whether management underestimated the impact of such inaction.

This chapter has introduced the research study starting with the background which described the changing scenario of the political and economic environment that has impacted on the strategies and MCSs of higher education organisations. The motivation for this research is derived from issues that have emerged due to frequent changes in strategic directions and in the MCS in a higher education organisation, with individual staff needing to adapt their attitudes and operational behaviours to these changes. The lack of understanding about individual staff perceptions on the strategic development and the consequent impact on their operational behaviour has been articulated in the problem statements which lead to the research questions. Taken from the perspective of staff perceptions, the identification of the major influential factors for the changes in strategy and the MCS and their impact on individual staff operational behaviours within a higher education organisation were demonstrated through the research questions, and are considered as a potential contribution of this research. The objectives and scope of the research have clarified that a case study university has been selected for the research.

The next chapter provides a review of the literature on the issues highlighted in the research questions.
1.8. Definition of Terms

Management Control Systems (MCS): For the purpose of this research Management Control Systems (MCS) has been defined as:

‘Management control systems are the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities’.

The above definition has been justified in Chapter Two, Section 2.4.3.

Management Control Techniques: For the purpose of this study the management control techniques is mainly related to Budgeting, Resource Allocation and Performance Evaluation

Resource Allocation Process: A model used by the university to allocate resource (mainly financial) among different organisational units and department to support the implementation of strategic goals and priorities

Internal Stakeholders: students, staffs and faculties with their keen interest in the options, preferences, and choices made by the university (Kaplan, 2006)

External Stakeholders: Governments, local community, research consumers, employers, professional bodies, etc.

Core Strategies: The three main strategies of the case study organisation: 1) Strategies on teaching and learning, 2) Research and 3) Community and Regional Engagement.
Chapter 2: Background of the Australian Higher Education Sector

2.1. Introduction

Chapter One provided a brief background of changes in the Australian Higher Education Sector (AHES) due to the pressure from the external environment and how it has impacted on the internal organisational environment. The research motivation and justification section also demonstrated the need to understand the influence of the factors and consequential impact on the MCS from staff perceptions reflecting the research problems in the research question sections. The theoretical framework section highlighted the intention to study the phenomenon from different theoretical perspectives.

The major purpose of this chapter is to review the research phenomenon from the perspective of the contemporary literature that prefaced major strategic changes during the researched period and how it impacted on higher educational organisations. It is expected that the examination of previous research will help to strengthen the justification and contribution for the research presented in Chapter One.

This chapter will present the influence of the external economic and political environment on the Australian Higher Education Sector (AHES) and the impact of these pressures on the internal organisational environment of a higher education organisation. To facilitate the literature review, three research questions have been addressed in three specific sections.
Section 2.2: is related to the following research question

*How the environmental factors influenced the design/development of a university’s strategic direction*

This section presents the analysis of the literature on the major environmental pressures (factors) responsible for such strategic changes in the AHES.

Section 2.4: is related to the changes in the governance and MCS structure and overall impact on the internal organisational environment

*How the changes impact on the Management Control Systems (MCS) structure of a University Organisation?*

The intention of this section is to assess the level in which changes in the internal organisational environment were directly influenced by external pressures in terms of strategy implementation, governance and Management Control Systems (MCS), workload related to the core operational activities and changes in control style and performance evaluation measures.

Section 2.5: analyses the literature review of behavioural impacts of the above

*Whether/How/Why the revised MCS changed (or did not change) their operational attitudes and behaviours in implementing the university’s strategic priorities?*

The purpose of this section is to understand the changes in operating behaviours and attitudes of organisational staff due to the impact of the above-mentioned pressures.
2.2. Major Environmental Pressures for Changes

The review of contemporary literature shows that the impact of globalisation, community interest in higher education and increases in student numbers and changes in government perspectives are mainly responsible for changes in strategies, policies and the internal organisational environment of a higher education organisation. The effect of these factors ultimately influences individual staff attitudes and operating behaviours. The following discussion demonstrates how the external factors impacted on the Higher Education Sector (HES) in multifaceted ways.

2.2.1. Impact of globalisation

The impact of globalisation on the Higher Educational Sector (HES) is comparatively newer than that of other sectors but was an inexorable reality for the HES as the effects of globalisation are so powerful that they leak into our other systems and daily practices (Marginson, 2000). However, interestingly the idea of globalisation has been conceptualised by different scholars from different perspectives and there is no univocal and neat definition of its fundamental features, contents and outcomes. Although some shared views have emerged, its fluidity
persists in the debate (Vaira, 2004) and somehow has created confusion due to different meanings by different commentators (Porter and Vidovich, 2004). From a range of definitions the following two will be used due to their apparent closeness to the research phenomenon under this study.

Giddens (1999, p. 64) defined globalisation as ‘*the intensification of worldwide social relations which link distant localities in such way that local happenings are shaped by events occurring many miles away and vice versa*’, thereby changing all aspects of our everyday life. Waters (2001, p. 5) viewed it as ‘*a social process in which the constraints of geography on economic, political, social and cultural arrangements recede, in which people become increasingly aware that they are receding and in which people act accordingly*’. In a similar way the concept of globalisation has been interpreted by others from different dimensions (see also Taylor et al., 1998; Hirst and Thompson, 1996; Dudley, 1998); however, the purpose of presenting the above definitions is not to compare one against the other but to indicate that the above two are more closely related the research phenomenon, research context and the philosophical inclinations of this study. For example, the first definition indicates the power of globalisation to influence and impact our day to day activities by changing local beliefs and values. The second definition rightly considered it as a social process where the local economic, political, social and cultural arrangements are overpowered by the wave of changes.

Due to globalisation, the higher educational sector is witnessing a process of deep institutional change that involves the deinstitutionalisation of its rooted policy and value framework and parallel institutionalisation of the new ones (Vaira, 2004). The way the influence of globalisation has inundated the economic, political social
and cultural environment of HES is substantial, especially in terms of its relation to national development and to academic work within universities themselves (Porter and Vidovich, 2000) in policy making, governance, organisation and academic work and identity. Globalisation also brings with it a new cultural setting in large, complex institutions such as universities (Marginson, 2000). The major economic and political dimensions of the impact was that they changed the views of the HES significantly with the logic that education is both a producer and supplier of skilled human capital to industries as they restructure, as well as an important industry in itself employing a large workforce, which must be managed efficiently and effectively.

The state responses to globalisation, particularly to its perceived economic dimensions, have been similar across OECD countries that promotes; a turning to the markets instead of the state for answers, supply-side of economics, privatisation, competition theory, the promotion of free trade and reduction of protective tariffs, and both macro and micro economic reforms. Governments in many countries have had to change their national policies on education which also impacted on faculty work. Due to the resource dependency relationship between educational institutions and government the higher education sector has experienced the emergence of ‘academic capitalism’ (Slaughter and Leslie, 1997; Vaira 2004; Porter and Vidovich, 1992). The sector has also been considered as the site and tool for micro-economic reforms to enhance competitive advantages in the international market place ((Porter and Vidovich, 2000). With the wave of globalisation, universities therefore have experienced the rise of all sorts of entrepreneurial activities previously unknown to the sector (Pratt and Poole, 2000).
The pressure imposed on higher education by globalisation is to move into a ‘borderless education’ that is generally viewed as a product of, or as a response to, the process of globalisation (Turpin et al., 2002). Contemporary literature covers both the negatives and some positive impacts of globalisation on the HES and on the life of its internal constituents. It (globalisation) has imposed more challenges and pressures on academics in conducting the core activities of teaching and research. According to Marginson (2000, p. 26), ‘It creates a faster and more complex existence and it is getting harder to escape the global dimension, harder to maintain a credible academic practice that is not at the same time internationally competent’.

Referring to the political dimension, Marginson (2000) believed that it has created new potentials (i.e. opening up new markets for expansion) and limits the politics of education by making a university organisation more complex (i.e. in terms of size and changes in traditional outlook).

Giddens (1999, p. 13) for example also contend that globalisation has significant advantages and drawbacks:

‘globalization not only pulls upward, but also pushes downwards, creating new pressures for local autonomy. It creates new economic and cultural zones within and across nations ... Everywhere we look, we see institutions that appear the same as they used to be from the outside, and carry the same names, but inside they have become quite different.’

Many authors writing in this field believe that in many respects the era of globalisation brings with it new positive potentials for universities and for academic work, both in teaching and research (Marginson, 2000). Global communications, research exchange and international education have now opened up more and more diverse cultural encounters. Australian universities relate to more and more diverse cultural, linguistic and pedagogical traditions than before and this has created an
imperative to rethink and rework curricula and pedagogies, particularly in relation to international education.

Marginson (2000) also consider that higher education is not only impacted by globalisation rather it is itself a cause of it and presented three reasons why the Higher Educational Sector (HES) itself is both the cause of and disaffected by globalisation. Universities are in the forefront of the communication revolution in that they use the internet and email to collaborate international research and teaching, along with using the site for a new kind of teaching that is, virtual courses. Thus the developmental strategies of some of the larger universities are likely to have a profound effect in shaping the emerging new world. Secondly, being a growing global market that is people-focused and culturally-based, universities are themselves carriers of globalisation changes in that they have targeted international students. Thirdly, universities for themselves need to be global, because they have become communication-heavy, travel-based and market-dependent where constant international engagement is necessary to sustain a role in the forefront of academic fields and stay abreast of the changes in the university as an institution. Furthermore, as local communities become more multicultural and themselves more linked technologically to the rest of the world the universities have to respond by being more inclusive of the developments around the world.

The impact of globalisation has not only impacted on the HES but it has also put challenges on individual academics from various dimensions (i.e. diversity in classroom, student-staff relationships, increased reporting responsibilities) that does not need simply one of response but is more than a matter of becoming competent in
the terminology of a new environment and in a few new technical tricks (Marginson, 2000).

### 2.2.2. Increase in student numbers

The growth of public interest in higher education as one of the five key areas impacting on university policies and procedures has directly related to the work of staff within universities (Coaldrake and Stedman, 1999). The pressure to accept the market-based philosophy and move to the ‘borderless’ education was a product of globalisation (Turpin et al., 2002), which has impacted on the academic role and workload and aimed at providing more cost effective strategies for teaching and research. Consequently, the enhanced public interest in higher education is also linked to the globalisation effects of several governments around the world undertaking higher education reforms. In Australia, the HES has experienced an enhanced level of public interest following the Dawkins reforms (1987, 1988) that introduced the Uniform National Scheme (UNS) and a Higher Education Contribution Scheme (HECS) where students were responsible for part of their educational expenses. With a larger proportion of students attending universities the quality of students became more variable (Coaldrake and Stedman, 1999). Before these reforms universities were considered to be places for the elite. They were also less susceptible to external environmental disturbances due to the high level of professional autonomy enjoyed by academics.

The acceptance of a market-based philosophy combined with an increase in number of students have also changed the relationship between universities (especially the lecturers) and students, with an increased demand by students for quality and specialised education to meet the requirements of the job placement
market. This has had consequences in relation to the work of staff within universities including increased levels of accountability. Moreover, with the changes in economic rationale, universities have had to strive for funds by seeking students internationally mainly from Asian countries (as evidenced by the rise in the number if international fee-paying students). Eedle (2007) reports that the Australian university education has evolved from an elite system to a mass education system with local student load in 1949 being 31,753 compared to 695,485 by 2000. The university participation rate increased from 0.39% in 1950 to 3.63% in 2000 (Eedle, 2007). The change is a reflection of community expectations and interest in university education.

In addition to the increase in local student numbers similar changes were also observed in the increase of international students attending both in Australia and at overseas campuses. According to the OECD estimate in 2001 there were 1.6 million students studying in foreign countries and by 2008 the number had risen to 3.3 million (Parker, 2012). The rise of international fee-paying students became the major source of revenue for almost all universities in Australia. In 1999, compared to the total university revenue from domestic students of $195 million, the revenue from overseas students was $791 million (Winter and Sarros, 2002). Since then the number of international students has risen exponentially. ‘By 2006, international student enrolments in Australian universities totalled over 340,000, delivering a 128% increase on the 1999 enrolment total. By 2009, international higher education students comprised 28.3% of total higher education student enrolments in Australia (320,970 students), up 9.1% on 2008 enrolments’ (Parker, 2012, p. 253). Australia experienced the highest growth in international enrolment among the OECD countries and thus the universities contributed to the economy by becoming the fourth most important export (Nelson, 2002).
The domestic/international students split presented by the Grattan Report (2014) also support the increase in international student numbers compared to domestic students. The Grattan Institute Report (2014) shows the changes in the following graph.

![Graph showing increase in international students (1990–2010)](image)

**Figure 2.2: Increase in international students (1990–2010)**

The scenario can be considered as a reflection of the government policy demand that the universities strive for other sources of income for their sustainable operations. The universities had to change their strategic directions to cope with challenges deriving from the government demands. The following section focuses on different government reforms that changed the scenario of the operational environment of the higher educational organisations in Australia.
Although Figure 2.2 in the above represents the gradual increase in student number for both domestic and international sectors, Figure 2.3 in the following shows that there is no such significant change in the number of fulltime academic staff to meet the increased demand.

![Graph showing increase in student and staff numbers (1976–2010)](image)

**Figure 2.3: Increase in student and staff numbers (1976–2010)**

As the above graph represents, the number of non-casual staff showed modest increases in comparison to the increase in the student numbers. The increased participation in higher education in recent decades has not been matched by increases in academic positions in the universities. The need to more efficiently allocate academic work roles has resulted in a fracturing of academic work, accompanied by less stable industrial conditions for many early career academics (Baxley et al., 2011). The following figure shows the equivalent full time student student/equivalent full time staff ratios from 1996–2008. This also indicates a cause or factor that has impacted on the internal stakeholders; especially on academic staff attitudes towards the changes and their operational behaviours.
Figure 2.4: Student–staff ratio from 1996–2008  
Source: Universities Australia (2012)

Because Government policies reduced the amount of financial support they gave to the university sector, universities had to change their strategic directions to compensate for the reduction of support. The following section focuses on different government reforms that changed the scenario of the operational environment of the higher educational organisations in Australia.

2.2.3. Role of government: government reforms

It was mentioned in the previous section that the globalisation impact had changed the government views of many countries regarding the higher educational sectors and was reflected through their new policy frameworks for higher education. The purpose in this section is to present discussions on how the government influence or pressures impacted on the strategy and policy developments of the Higher Educational Sector (HES) in Australia and the way such pressures changed the internal organisational operational environment (i.e. governance and control structure) affecting the day to day working lives of its constituents. The education sector has been viewed by the government as having a major role to play in national
economic development which led to the major reconstruction of the higher education sector as a site and tool of micro economic reform to enhance their competitive advantage in the world market place (Porter and Vidovich, 2000). In explaining the globalisation impact on universities, Pratt and Poole (2000) maintained that it emphasises the significance of neo-liberal ideologies exhorting and cajoling governments and their broader societies towards more market-like behaviours. Due to the resource dependency relationship with the government in response to the emergence of global markets the structure of academic work is also changing and as the national competition for global market shares increased, countries like Australia, the United Kingdom, and the United States developed national higher education and research and development (R&D) policies that in the end reshaped faculty work (Slaughter and Leslie, 1997). Furthermore, the influence of the globalisation on national development policy had not only impacted on the changes at institutional levels but also had spread over operational activities in diversified ways (Porter and Vidovich, 2000).

In Australia, the above-mentioned impact had been reflected through several reforms by the government of the Higher Education Sector (HES). The most significant impact of the government policy shifts had been the funding policy reforms. Government funding policy reforms were directed at the financial systems and reporting practices in a bid for universities to use resources more efficiently and effectively (Moll and Hoque, 2004). Through the reduction of government funding per student in real terms, universities were expected to do more with less and pushed for alternative sources of income from non-governmental sources which created fierce competition amongst universities for the overseas student dollar. As part of the new strategic changes, some universities even established overseas campuses in
South East Asia (Meek, 2002). The push for more efficient and effective use of resources resulted in changes in organisation structures, control processes and operating styles with little resistance from the HES due to the sector’s dependency on governmental funding. The discussions on the internal changes in the literature mentioned above will be elaborated in Section 2.3.

The following section provides the contemporary discussions on government roles reflected through the major reforms that influenced the universities forcing them to pursue new strategic drives and while transforming many aspects of the higher educational sector such as beliefs, cultures, values, governance structures and control systems and ultimately changing the day to day operational life of individual staff.

2.2.3.1 The National Public Management (NPM) reform

The major government reforms on public and not-for-profit sector organisations started from 1970 with the National Public Management (NPM) reforms which can be considered as the predecessor of the Higher Education reforms in Australia. The concept of National Public Management reform described by Bobe and Taylor (2010) as a paradigm shift whereby output-based management operating strategies were replaced by those more commonly associated with the private business sector. The NPM\(^1\) reforms related to the changes in philosophy, structure, processes and operational auditing and accountability relationships and practices in Australian public sector organisations that embraced commercialisation, corporatisation and

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\(^1\) The National Public Reforms (NPM) is specific to higher education reforms in Australia and is similar to the broader concept of the New Public Management Reform that has received widespread global attention in transforming the public sector including the higher education sector. In this thesis the higher education reform will be referred to as the NPM.
privatisation of many areas of the public sector (Parker and Guthrie, 1993). Many of the traditional terms were redefined by replacing them with terms commonly used in private sector business organisations (i.e. redefined the terms ‘service to clients’ as ‘service to customers’). Such redefinitions also reflected the intent of shifting the traditional philosophy of the government towards the user pay philosophy which prevailed in the private and commercial domain. One of the highest profile tensions that has emerged under the reform was the question of public sector accountability to customers or citizens (Parker and Gould, 1999). By 1980 the government developed a ‘result oriented’ framework where all government departments and agencies were required to develop performance measures for achieving efficiency and effectiveness and also to report their program performance to the parliament based on budget performance related to budgetary notes, annual reports and corporate plans (Parker and Guthrie, 1993). Bobe (2012) concluded that the main factors that led to public sector reforms in several countries in the 1980s were the perceived inefficient utilisation of public resources and the poor quality of services.

However, Parker and Guthrie (1993) cautioned on the straightforward adaptation of such philosophy in public entities as these organisations operated under government legislations and regulations which must be complied with to a degree not experienced by private sector organisations. Moreover, they further noted that these public sector entities are also more complex in nature as they serve a multiplicity of community objectives and requires broad level of consultation with community and interested groups with due regard to political philosophies and values. Parker and Guthrie (1993) believed that the accountability framework most likely would differ from that of the private sector corporations.
In spite of the above, in later years the Australian HES was pushed to adopt such a philosophy and implement the changes in its internal organisational environment. Similar emblematic change processes were also adapted by the HES when many universities changed their traditional national focus to become players in the domestic and globally competitive higher education market (Parker, 2012; Hammer and Star, 2004).

The attitudinal changes at the institutional and organisational levels were being reflected through the visions, missions and strategic goals of the universities and had created significant pressures on the individual’s operating behaviour especially those who we reengaged with teaching, research and engagement activities as outlined by Marginson (2009, p. 4):

‘in the ideal of the NPM mode ... Institutions become attuned to the desires of students as consumers (clients, customers) through student choice of institution, mediated by product quality and price. ... Institutional leaders, who are modelled as entrepreneurs pursue the economic ends of their institution as the primary end, rather than the public good for its own sake. Likewise their employees are driven not by mission (love of teaching or students, or desires to make discoveries or solve social problems through research) but by pay incentives and career goals.’

The above statement clearly indicates that embracing such a perspective at the national, institutional and organisational levels arguably have significantly impacted on the individual staff attitudes especially the academics. Therefore, it is important to identify the changes in work patterns have been reflected through the staff attitudes over this transformation process, including future strategy formulation and implementation, at different organisational levels.
2.2.3.2 The Dawkins Review (1987, 1988)

The Dawkins Reform (1987, 1988) was considered as the most significant higher educational reform initiated by John Dawkins, the then Federal Minister for Employment, Education and Training initially through his Green Paper (1987) and finally the published 1988 White Paper. In Australia, as in the UK, the most significant higher education sector reform was the 1988 abolition of the Binary System of universities and colleges of advanced education (Bobe, 2012; Moll, 2003). The Reform (1988) is considered as the greatest policy change since the adoption of the Martin Report in 1965 that have been undertaken in higher education in Australia (Wells, 1992). There was immense difference between government-university relations before and after the reform (Marginson and Considine, 2000). The discussion and policy papers heralded a new era for tertiary institutions and the repercussions of them are still being felt by those in the academic field (Churchman, 2002), due to the way it changed the academic environment. The post Dawkins reforms were just a moving forward with further modifications of the same. Some of the consequences of this reform were the introduction of the HECS (Higher Education Contribution Scheme), the conversion of the Colleges of Advanced Education (CAEs) to universities through the introduction of a Unified National System (UNS) eliminating the Binary System. In fact, the era of commercialisation of Australian higher education stemmed from the Dawkins reform with the introduction of user-pays places for international students (Hammer and Star, 2004).

According to Marginson (2005), the use of non-academic services, business entrepreneurship and acumen and executive management by the universities were the main engines of strategic development and competitive advantage, rather than
academic development. The following section describes how the higher education sector transformed with the introduction of the Unified National System (UNS).

**Replacement of the Binary System:** In the Binary System, there was a distinction between universities and CAEs where the universities, with their emphasis on research, were more academically orientated. The institutes with their emphasis on skill training were more practically orientated. The distinction became blurred with the adoption of a Uniform National Systems (UNS) of higher education (Wells, 1994). The Dawkins reform had introduced new resource allocation arrangements, reintroduced student tuition fees through an income contingent loan system, substantially changing university management and governance, and placing much more emphasis on research in selected areas (Harman, 2005). One of the major goals of the reforms was to ensure more efficient and effective use of public money by the universities through achieving effectiveness and efficiency in resource management. Rationalisation of funding seemed to be the lever of control for the government to ensure compliance. The balance between block funding and grant funding for research shifted and ‘research funding had been increasingly separated from the resourcing needed to provide education for large numbers of students and the Federal Government has expected all publicly-funded universities to enhance accountability, quality assurance, strategic planning and professional management’ (Coaldrake and Stedman, 1999, p. 3).

The above change created pressures on the universities to adopt governance and control structures similar to any private organisation where control is exercised mainly through the centralisation of funding and decision making. Moll (2003) identifies that the objectives of introducing the UNS under the Dawkins Reforms
(1987, 1988) was to prescribe a review of institutional management including organisational structures, accountability, streamlining the decision-making processes and developing a flexible Management Control Systems (MCS) to implement the new policies and procedures. According to Marginson and Considine (2000), with the Dawkins reforms (1987, 1988), governments provided explicit and implicit incentives for vice-chancellors to centralise authority and capture internal resources which, according to Moll and Hoque (2004), forced the universities to review their management structures. Significant efforts were directed to the financial systems and reporting practices in a bid to use resources more efficiently and effectively. The impact of the UNS under the Dawkins Review was described by Moses (1997, p. 7) in the following way:

‘in the new UNS, strategic planning, quality assurance, and competition for resources, staff, students and reputation were openly on the agenda and encouraged or requested and marketing became professional and influenced by the jargon of the commercial markets – universities needed to have a ‘brand, a USP (Unique Selling Point), etc. A host of regulatory mechanisms, from national surveys on graduate satisfaction and graduate destinations, to publication of comparative key statistics for each university strengthened the notion that differentiation in the market was essential. ‘Efficiency and Effectiveness’, slogan and report title in the 80s retained its influence into the 21st century and is now related to achieving institution specific missions and strategic goals’.

Thus, isomorphic pressures changed the universities’ values and beliefs and impacted on the individual within the organisation significantly. Long (2010) describe the impact of the Dawkins reforms (1998) that have impacted on the institutional attitudes as similar to theory X.²

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² Type X theory assumes that individuals are inherently lazy and unhappy with their jobs. Theory X managers must rely heavily on detailed rules and instructions, on close monitoring, and on the threat of punishment to gain employee compliance.
The corporatisation of universities was a far cry from the Whitlam years, when it was assumed that universities and academics knew their business. This approach could be regarded as the Theory X style of management (McGregor, 1960), where the government imposed conditions that may have been interpreted as not trusting university leaders and administrators.' (Long, 2010, p. 454)

2.2.3.3. The West Review (1998): Learning for Life

Following the Dawkins reforms, the West Report (1998) was initiated by Amanda Vanstone, the Coalition Education Minister at the time (Long, 2010). The West Review proposed further decentralisation and deregulation of higher education with a greater allowable dictation of market supply and demand in determining university offerings (Dollery et al., 2004). The main purposes of the review were to reflect the potentially profound impact of increasing globalisation of education services and advances in communication technology on teaching, learning and research (West Review, 1998). The recommendations of the report were consistent with further market deregulation, and also the continued decline in the role of public funding (Marginson, 1998). The review proposed three changes; introduction of student centred funding, prioritisation of research and development in a world class higher education, emphasising the need to invest in information technology and infrastructure by the universities. In its recommendation, the report advised the government to: (a) declare its commitment to ensure more access for young Australians to post-secondary education; (b) to work jointly with State and Territory Governments to develop a process for rationalising the ownership and control of assets used by universities by enabling them to leverage these assets to finance structural change and to ensure that the capital assets are liable to taxes and charges that apply to private higher education providers; and (c) to increase customer protection mechanisms, and to review the decision-making structures so that they remain effective.
However, the report had been criticised by scholars from different dimensions, Clark (2000, p. 76) identified the following recommendations as conflicting:

First: the report accepts that the unification of tertiary education across universities and vocational institutions but argues that the distinctive identities and missions of these two sub-sectors should be retained and at the same time the report advocated a more vocational orientation in university teaching and research which blurs the distinction.

Second: the recommendation that funding and fees should be determined by the number students; not by the agreement between the Department of Employment, Training and Youth Affairs (DEETYA) and universities, where fees and admission numbers should be set by institutions would create competition between institutions and that would force compliance with student preferences (p. 76).

Third: the argument in the report that a student-centred system will ‘provide incentives for students to choose their studies carefully’ (West Report 1998, p. 100). Marginson (1998, p. 159) believed that choice-based education is both desirable and inevitable, but contends that it “does not have to take the form of competing prices, especially in the absence of adequate regulation of quality”. Clark (2000) also argues that these sorts of preferences influence resource allocations to institutions.

Considering the impact of the report on the core activities of teaching and learning, Marginson (1998) believed that there was lack of engagement between teaching and research as it talks about teaching and research in positive terms, but it simply does not engage with the disciplines.
The West review (1998) also recommended that research direction should be centrally prioritised. Clark (2000) believed that the centralisation of funding is subject to fashion, and frivolous at worst to telescopic vision as such prioritisation does not reflect bureaucratic assessment of social needs. The review also contained some recommendations that might have affected individual academic researchers’ attitudes and operational behaviours. There were arguments in the report that there should be reduced emphasis on pure research and curiosity driven research should be reconsidered (Clark, 2000) and encouraged the commercialisation of research by encouraging funding based on priority-based research. The following statement reflects the idea.

‘funding decisions will involve trade-offs. Priority setting cannot be avoided: if priorities are not set explicitly, they will be implicit in government decisions or they will depend on the personal interests of researchers.’ (West Review, 1998, p. 157)

Although the West Review (1998) was not adopted by the government due to a lack of public support, Long (2010) contends that many of the recommendations proposed in the following reforms, such as, the voucher-based system for higher education, were also proposed as part of the Bradley Review (2008) and a recommendation for a greater emphasis on teaching was reincarnated in the Nelson Reform (2003). Their view also had a consequential impact on the universities (Long, 2010) in the way they designed their strategic goals and further shifted away from their traditional way of doing research in a higher education environment. However, there is still little understanding of how an individual academic researcher is adapting to this change process. Table 2.1 shows the impact of the review on HES and on Strategic moves that had impacted on academic work.

The Nelson Report (2003) titled, ‘Our Universities: Backing Australia’s Future’, was the main policy document that framed the Australian higher education sector from 2003 until the November 2007. There are many areas in this reform which can be considered as a continuation of the Dawkins Reforms (1987, 1988) to make AHES more efficient (Bobe, 2010; Long, 2010). The major features of this review focused on institutional diversity and differentiated status between universities, and the introduction of performance funding for teaching in universities. The significant attention given to university teaching was accompanied by substantial financial reward and public recognition for universities that had been judged to achieve excellence in teaching (Long, 2010).

Due to continuation of the market-based philosophy from the previous reforms during the Nelson period, it was expected that students would pay a growing proportion of the cost of their education. Students were increasingly regarded as consumers which also changed the teacher–student relationship from a pedagogical relationship to a contractual one (Kirkpatrick, 2007). In addition to reforms based around efficiency, effectiveness and increasing student investment in higher education, Long (2010) noted that there were two new focus areas: (1) diversification; and (2) teaching and teaching quality. These were not identified concerns of the Dawkins era (Long, 2010). The report also stressed the need for a more professional approach for university governance and recommended a reduction in the size of university governing bodies similar to that of any business corporation;

‘Universities are not businesses but nevertheless manage multi-million dollar budgets. As such, they need to be run in a business-like fashion. Anachronistic governance arrangements, in which universities have up to 35 Council members
with an average of 21, are not conducive to sound decision making’ (Nelson, 2003, p. 15).

In the area of research the review provided for an additional government investment of $2.9 billion over the next five years for the Australian Research Council (ARC) competitive grants, research infrastructure funding, information communication and technologies, and biotechnology and Cooperative Research Centres Program (Commonwealth of Australia, 2001, p. 5). The major purpose of this strategy placed a stronger emphasis on innovation in research expressed through an economic rationalism for funding higher educational institutions. As such the policy ‘reinvigorates the research base, and provides targeted support to drive commercial outcomes. Each initiative addresses a priority area and is designed to have maximum impact while being fiscally responsible’ (Commonwealth of Australia, 2001, p. 7).

In addition to the above-mentioned reforms there are other reforms and reviews such as the Karpin Committee (1995) and the Hoare Review (1995) with similar recommendations.\(^3\) The following presents the major features of the reforms discussed above and their impact on HES.

\[\textbf{Table 2.1: Higher education reforms/reviews in Australia}\]

<table>
<thead>
<tr>
<th>Significant Reforms/Reviews</th>
<th>Features</th>
<th>Observed institutional/organisational changes</th>
</tr>
</thead>
</table>
• Abolition of Binary System | • Proposed merger among institutions to achieve economies of scale and specialisation (Marginson and Considine, 2000) |

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\(^3\) The Karpin report (1995) and the Hoare review (1995) have not been discussed as they do not impact directly on the issues the thesis is addressing.
and replaced with the Unified National Scheme

• Establishment of the National Board of Employment, Education and Training (NBEET)

• Establishment of a new Australian Research Council (ARC)

• A more selective approach to research funding, with increased emphasis on research on topics of national priority

• Strengthening management of universities and colleges

• Increased emphasis on fields in science and technology.

• Recommended changes to achieve greater efficiency and effectiveness of the higher education system, including increased credit transfers and reduced unit costs in teaching

• Consolidation of institutions through amalgamation

• Significant changes in Research Management and

• Emphasis on research in selected areas (Harman, 2005)

• ‘Enhance accountability, quality assurance, strategic planning and professional management’ (Coaldake & Stedman, 1999, p. 3).

• Increased investment in strategic project and structural development.

• Emphasis on private style management and governance structure and encouraged efficiency imperatives in day-to-day conduct

• Emphasis on cost reduction strategy

• Substantial structural changes in university management occurred. Vice-Chancellors became more like corporate executives in their management of universities, effectively dismantling the previous academic governance structures that had been in place (Encel, 1990, cited in Long, 2010)

• Changes to the composition of governing bodies to make them more like boards of companies.

• Major changes in staffing aimed to increase the flexibility of institutions and improve staff performance.
<table>
<thead>
<tr>
<th>West Review (1998)</th>
<th>Gradual decrease of funding and the funding system became more centralised as well as the centralisation of power</th>
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<tbody>
<tr>
<td></td>
<td>Encouraged the emergence of entrepreneurial managements focused on the economic ‘bottom line’ (Marginson and Considine, 2000)</td>
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<td></td>
<td>Academic freedom (Marginson and Considine, 2000) in terms of accountability, workload and performance evaluation</td>
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<td></td>
<td>Introduction of new resource allocation management</td>
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<td></td>
<td>‘universities became “industries” and academics became “workers” or “employees” as industrial laws came to regulate academic work’. Anderson et al. (2002, p. 2)</td>
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<td></td>
<td>Increased inter-organisational competition for fund</td>
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<td></td>
<td>Increase revenue from international students</td>
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<td></td>
<td>Increase review from international students</td>
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<td></td>
<td>Increase in student-staff ratios</td>
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<td></td>
<td>Increased inter-organisational competition for students</td>
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<td></td>
<td>More deregulation and decentralisation</td>
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<td></td>
<td>‘That this would further erode the tradition of collegial decision making, with academics unable to effectively contribute to policy making’ (Clark 2000, p. 87).</td>
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<td></td>
<td>The report’s indifference to the detail of teaching and learning made the universities less transparent and weakens the public support for government funding (Marginson, 1998, p. 164)</td>
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<tr>
<td></td>
<td>Changes in the funding arrangements of universities (Marginson, 1998, p. 158) and centralisation of funding decision at the top.</td>
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<td></td>
<td>Further loss of power of the middle management in funding decisions.</td>
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<tr>
<td></td>
<td>Encourages investment communication and information technology and infrastructure in teaching,</td>
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<td></td>
<td>Increase workload and more responsibilities of academic staff. Investment in Information infrastructure.</td>
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<tr>
<td>Learning and Research</td>
<td>Stimulate course innovations and cost cutting strategies (Clark, 2000)</td>
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<tr>
<td>-----------------------</td>
<td>--------------------------------------------------------------------</td>
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<tr>
<td>• Development of student centered-funding</td>
<td>• Increase revenue from international students</td>
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<tr>
<td>• Developing priorities in research</td>
<td>• Increased review by international students</td>
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<tr>
<td>• Developing world-class higher educational industries (West, 1997a, p. 15)</td>
<td>• Increase in student–staff ratios</td>
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<tr>
<td>• Allowing institutions to set their own fee levels capping fees on government-funded, income contingent loans for students to cover educational costs and any fee gap; Dollery et al. (2005)</td>
<td>• Increased inter-organisational competition for student</td>
</tr>
<tr>
<td>• Extending government subsidies to private universities;</td>
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<tr>
<td>• Recommended that institutional funding would be determined by real student demand for that institution; and an entitlement for all new students, regardless of age, to government funding, exchangeable at any place of higher education (Marginson, 1998, pp. 158-159; Clark, 2000).</td>
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**Higher Education at the Crossroads,**

• Increased pressures to operate more efficiently despite such efficiencies being difficult to measure (DEST, 2002c, p. 27)

• Recommended the change in the roles of Vice-Chancellors and other academic managers (deans and heads of schools) from ‘collegialism’ to

• Changes in the roles of university councils and governing bodies as a result of the changing operational environment of universities

• Governance is reflected through committee representation by heads of department and vice-chancellors;
| ‘managerialism’ (Bobe, 2010) | •Roles of the deans and heads shifted to manage organisational units in similar style to the management of strategic business units in private corporations (Parker, 2002).
• Little formal control over the activities of individual members of staff (Deem, 2004); and mutual accountability between academic committees (Parker, 2002 cited in Bobe, 2010, p. 48).

|  | •Cost reduction strategy
 •Increase investment in strategic project
 •Stimulate course innovations and cost cutting strategies (Clark, 2000)

|  | •Increase revenue from international students
 •Increase review from international students
 •Increase in student–staff ratios
 •Increased inter-organisational competition for student

| •Recommended funding to support workplace productivity, teaching and learning, regional universities, equity, and structural reforms (Nelson, 2003b) | •Recommended specific funding and places for teaching, nursing and medicine (Nelson, 2003b)

|  | •Raising the HECS repayment threshold from $25,348 (ATO) to $35,000 (Nelson, 2003b)

|  | •Universities allowed to set their own HECS charges for courses from zero to a maximum of 25% above current rates (Nelson, 2003a)

|  | •Allowed universities to accept Australian fee-paying students to a maximum of 35% of total course, once all HECS places have been filled; the replacement of marginally-funded places with 25,000 fully-funded places (Nelson, 2003b)

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**Source: developed by the researcher**

Considering the above reforms and their impact on higher education sector the central focus of the reforms was around the concepts of “quality” and “quality
“assurance” (Candy and Moonachie, 1999) and university conduct (Anderson et al., 2000), resulting in changing cultures and structures within the universities themselves (Anderson et al., 2000, p. 15). Moreover, the pressures for increased efficiency and effectiveness in utilising public funds on the universities also affected individual stakeholders within a university organisation. The following section therefore explored some of the changes related to the internal changes in culture, values and beliefs with other changes identified by the contemporary literature.

2.3. Internal Organisational Changes

Following the discussion on the major external factors for HES changes this section provides contemporary literature discussion related to the research question on how the environmental pressures have impacted on the internal organisational environment by changing the strategic focus, governance and control structure, internal roles and responsibilities, the resource allocation process and the internal power relationships and politics of a higher education organisation.

2.3.1. Change in stakeholders’ expectations

University stakeholders are individuals and organisations who have participation and interest in the organisational success of a university. Examples include employers, parents, students, suppliers, lenders, employee unions, special interest groups, government agencies, and professional associations. For public institutions, the state legislature and the executive branch of the state government are especially important stakeholders. As indicated in the government reforms section, every government policy change emphasised increased numbers of participants in the higher education sector as well as increased community interest in higher education (reflected in the figure presented in Section 2.2.2). However, the user pay policy resulted in increased
demands on the universities for better quality and efficiency. Such expectations have resulted in increased pressures on academics to meet these increasing demands in regard to perceptions of increased quality in teaching. It was also indicated that the changes in community expectations correlated with globalisation, political, economic and social changes. For example due to the internationalisation of higher education and government reforms there have been increases in international and domestic students in AHES with enrolment in different units reflecting their expectation for choosing a particular course with a university. A similar link is also true for the changes in the global and domestic economic environment. The study by Grattan Institute (2012) shows that due to the shift in the labour market between 2001 and 2010 the total number of enrolments in information technology decreased, while enrolments in health courses increased significantly. In addition to that, the course preference between international and domestic students also reflected different expectations from the HES when international student enrolments were quite concentrated, with nearly half of all international students enrolled in management and commerce courses while domestic student enrolments were spread across a wide range of courses. Engineering and information technology are also popular with international students (Grattan Institute, 2012).

Changes and innovation in the information technology have also increased student expectations from the HES. The technological change coincided with increased demand for postgraduate study, often from people with significant work and family responsibilities. As in other areas of higher education over the last 20 years, the profit motive has also promoted expansion. Most notable in this regard is Open Universities Australia (OUA). Though owned by seven public universities, it is run as a for-profit business, selling online units offered by its shareholder universities.
and other higher education providers. Through aggressive marketing, OUA has quadrupled its student numbers since 2004, to more than 43,000 in 2010 (Grattan Institute, 2012, p. 24).

Change in social perspectives especially increased the participation of women in higher education and have changed community expectation, in terms of work opportunity for different fields where. Universities had to open new courses to accommodate places for new students where women have been a majority of university since 1987 (Grattan Institute, 2012).

The Grattan Institute (2012) cited the sources from DEEWR (2000a) that highlight the changes as shown below;

![Figure 2.5: Male and female ratios in higher education](image)

Therefore, in order to accommodate the increasing demand, the quality and performance measures in relevant areas have been readjusted, although this raises the question as to whether they are really contributing to meeting expectations. The literature shows that, in many instances, it is creating negative impacts on the attitudes of academics’ which have not been adequately addressed. According to Churchman (2002), the academic role is changing in all institutions as a response to
societal, educational and governmental pressures. The additional pressures on academics working in universities, caused by the increased external demands, have impacted on their attitudes to their working lives. From their survey, Coaldrake and Stedman (1999) reported that due to the increased pressures academic work has stretched rather than adapted to meet the challenges posed by the transformation of the higher education sector. They found that although academics are intrinsically motivated by their work, many feel that they are under growing pressure and disconnected from their universities and feel burdened by the increasing weight of expectations placed upon them. However, perceptions of academics about the changes in responsibilities along with the incremental workload are also an important area for consideration. The analysis on these issues from staff perceptions will be explored in detail in Chapter Five.

2.3.2. Change in strategic focus

The purpose of this section is to explore the more influential internal strategic shifts since the Dawkins reforms (1987, 1988). The environmental factors mentioned in the previous section brought transformative changes in the strategy and policy directions of the Australian Higher Educational Sector (AHES) in the areas of governance and control structures, reorganisation of academic strategies (related to teaching and learning, research and engagement) and program offerings, resource allocation processes, new accountability and performance measures. To reduce the dependence on government funding there have been changes in self-earned income policies, increased monitoring of performance and more quality assurance mechanisms (Harman, 2000). In the drive to achieve self-sufficiency or less dependency universities are focusing on operating efficiency for cost minimisation and profit maximisation pursuing a broad spectrum of strategies (Parker, 2013) impacting on
the core activities. For example, in the area of teaching and learning, while emulating the National Public Management philosophies, universities are now focusing on user pay, market driven pricing and cost minimisation strategies especially in vocationally oriented subject areas which are perceived to be more attractive to the market place (Parker, 2013). For the universities; with the decrease in government investment in higher education, cost sharing strategies has become increasingly salient in charging tuition fees (Marcucci and Johnstone, 2007). The following section provides further details of the organisational restructuring.

2.3.3. Organisational restructuring

The majority of the studies on the changes in AHES considered that organisational restructuring was a common response by the HES to meet the demand from the external pressures (Parker, 2013, 2011; Gumport, 2000; Marginson, 2000; Blackmore, 2002). The environmental factors identified by the literature were globalisation and the internalisation impact on higher education which also brought along a new form of managerialism (Deem, 1998) of higher education.

The major restructuring of AHES started with the abolition of the Binary systems replaced by the Unified National Systems which produced a round of mergers between colleges and universities or between universities (Rich et al., 1997). Such alignments saw the need to restructure academic core activities (Parker, 2013).

However, it is not the external pressures that are the only cause of changes in organisational structure; organisations can initiate structural changes due to internal pressure as well. Hannan and Freeman (1977) argued that for a wide range of organisations strong inertial pressures on structures could arise from both internal arrangements (i.e. internal politics) and from external environments (i.e. public
legitimisation of organisational activities). They believe that to claim otherwise would be to ignore the most obvious elements of the organisational life.

In evaluating the idea that restructuring is a strategic response Zajac and Kraatz (1993, p. 84) utilised the case study of a university to examine five assumptions. First, it (restructuring) is a response to change in environmental and/or organisational conditions; second, the environmental and organisational pressures are largely, but not totally, identifiable enough and unambiguous in initiating such responses to initiate the restructuring process. Third many organisations face these pressures for a strategic adaptive response (i.e. was observed in different governmental reforms that the government policy put pressure on the university to act in a directed manner which required changes in strategies that required a major restructure of a university organisation). Fourth many of them responded by restructuring and the final assumption is restructuring generally enhances organisational performance. It is the idea of the researcher is to examine these assumptions from staff perception to get enhance understanding the pressures and the legitimacy of organisational responses and whether or how the response such as restructuring enhanced organisational performance in the research context. According to (Myer and Rowan, 1977; DiMaggio and Powell, 1983), such institutional isomorphic pressures are independent of rational efficiency or effectiveness. However, Zajac and Kraatz (1993) deny the empirical legacy of the above perspective and claimed that their findings showed on average performance improvements due to restructuring of organisations. The study conducted by Zajac and Kraatz (1993) on the restructuring of private colleges needs to be viewed in the context (time and entity), and methodology followed. There have been further major changes in the global, economic and political environment and the study was based
on hypothesis testing using strictly predefined variables. It is expected that this research will help to clarify the situation better when the organisational stakeholders interpret their experience on the idea of restructuring as a strategic imperative. Zajac and Kraatz (1993) with other researchers (Baum, 1990; Ginsberg and Buchholz, 1990; Singh, House, and Tucker, 1986) stressed the need for such study on not-for-profit organisations such as a university.

The discussion in the following section has been organised in the following order:

![Diagram](Image)

**Figure 2.6: Changes impacting on staff attitudes**

This research assumes that staff organisational attitudes have been influenced by the changes in the governance and control structure, implementation of revised MCS,
new KPIs and the Resource Allocation Model related to the core activities. The attitude changes are also reflected in the behaviour of individuals at different levels of the organisations in terms of their own specific pressures and perspectives.

2.3.4. Changes in governance and management control structures

**Governance**

A survey conducted by Meek (2002, pp. 266-267) of VCs (Vice Chancellors) and DVCs (Deputy Vice Chancellors), Deans of Faculty and Heads of Departments/Schools across all Australian universities on the appropriateness and effectiveness of management and governance structure and procedures, confirmed the perception that the corporate style management practices were replacing more traditional methods of collegial decision making where executive management priorities and practices were taking precedence over collegial decision making.

The changes in the governance structure and management control systems by the HES is part of the organisational restructuring process mentioned earlier. It was also indicated that the purpose of such restructuring is not merely increasing efficiency and effective purposes but in many cases was an adaptation to the isomorphic pressures from the environment (Carpenter and Feroz, 2001; Myer and Rowan, 1977 and DiMaggio and Powell 1983). With the implementation of the Dawkins reforms the Australian HES felt significant pressure to adopt new governance structures (Parker, 2010, 2012, 2002; Agasisti and Catalano, 2006, Coy and Pratt 1996) and management control systems similar to those in private business organisations. According to Bessant (1996, p. 115) the White Paper (1998) provided clear directions to the universities to adopt a top-down management control structure that ensures a strong management mode of operation, adequate levels of consultation and accountability, streamlined decision making and maximum flexibility in the capacity of an institution to implement new policies. According to Anderson (2008, p 251)

‘In Australian universities, managerial change has involved the adoption of muscular management style, and emphasis on particular forms of accountability, the development of a market-orientation, a focus on securing non-government funding (most of the university’s strategies are focused on securing government funding), and increased concern with issues of efficiency and economy. These changes are implemented through a range of managerial practices, including performance management schemes, quality assurance mechanisms, the restructuring of academic departments and the implementation of budgetary devolution.’
The changes in governance has been evidenced through the centralisation of power of the vice chancellors when the government provided explicit and implicit incentives for Vice Chancellors to centralise authority and capture internal resources and, as a result, they have adopted a ‘mirror’ strategy to increase their own common controls over otherwise diverse internal traditions (Marginson, 2000). In their survey on some Australian universities, Marginson and Considine (2000) reported three forms of control structures which became more concentrated with Vice Chancellors having the ultimate power normally as a result of:

1. the emergence of a smaller executive committee that had unrestricted agendas, no formal minutes and no direct accountabilities except through the VC’s own line of responsibility to council (p. 93),

2. the general tendencies for VCs to redefine deans as middle level executives rather than discipline leaders in their own right which had impacted on the deans’ roles and

3. influence of external territorial power; ‘The policy world in Canberra, the marketplace and the new international system are the three overlapping circuits of such influence. Paradoxically, the more universities become dependent upon such environments, the more powerful and the more centralised do their executive structures become.’ (Marginson and Considine, 2000, pp. 93-94).

As an aftermath, the centralised Management Control Structure was also changed in the decision-making process and communication styles in that they increasingly became a top-down process within the university hierarchy, with the decisions increasingly being formulated at top management levels and then passed down for
comment or implementation to the “line” academics. The traditional style accountability between academic committees moved to one of committee and individual accountability to senior executives (Parker, 2002). The changes to the hierarchical management structure have also substantially replaced the collegial-based control systems (Lafferty and Fleming, 2000) and control, and gradually control shifted from academics to senior managers (Baxley et al., 2011). In addition, the majority of the universities downsized their governing body to achieve the expected efficiency and effectiveness in managing resources by the universities. The follow part reflects on the changes in control structures.

2.3.4.1 Changes in MCSs

Organisations must find ways of surviving in times of rapid, transformative environmental change (Abernethy and Chua, 1996). Earlier it was indicated from the Jazac and Kraatz (1993) study that changes in the organisational structure had been part of the strategic responses by the Higher Educational Sector (HES) when changes to the university governance structure and MCS were an inevitable approach to meet the demand for efficiency and effectiveness. Accordingly, the control system of an organisation is contingent on the institutional environment and is a strategic choice. However, the impact of the revised MCS could be either positive or negative, the newly adopted MCS may help or hinder organisational changes; they may be reactive, changing in a passive way to reflect environmental change or used to reinforce existing rationales for action (Abernethy and Chua, 1996). Still there is inadequate understanding of the effect of strategy on the MCS (Simons, 1990). The lack of understanding is more acute in the field of higher educational MCSs when the rapid transformative changes are now reality. The discussion on new MCSs and the operating measures will be analysed in Chapter Five.
From the Australian perspective, there have been research studies related to the MCS that can be categorised in terms of performance evaluation impacts in the following areas: KPIs (Guthrie and Neumann, 2007; Simons, 2002); teaching and learning and research (Bogt and Scapnes, 2012; Taylor, 2001; Ramsden, 1991; Ramsden and Moses, 1992); impact of KPIs on academic works (Taylor, 2001; Morris, 2005; Modell, 2004 and 2005); staff perception on core activities such as teaching, research and/or engagement (Ramsden, 1991; Ramsden and Moses, 1992); budget/resource allocation process (Moll and Hoque, 2011, 2004; Lasher and Sullivan, 2004, Eedle, 2007); resistance to control (Anderson, 2006); and accounting control systems (Moll, 2003, Abernathy and Chua, 1996). This research will however, not only focus on the above it identifies changes in strategic directions and its consequent impact on the MCS of the research context and how the changes on the above-mentioned areas impact on staff operating attitudes.

2.3.4.2. Resource allocation processes (budgets)

It was already indicated that over the decades there had been gradual reduction of government funding per student executed through the vehicle of the Commonwealth budget and through reforms where the major purpose was to reduce expenditure on tertiary education (Wells, 1992). Traditionally, university budgeting, like all academic decision making, was collegial. The general practice was, however, that most of the important budgetary decisions were made by senior administrators-including the vice-chancellor- with the help of a budget committee which comprised a selection of academics from the most powerful, entrenched faculties within the university (Harrold, 1993).
However, with the government policy reforms the changes in the Resource Allocation Model (RAM) in the budgeting process was one of the most significant components of the restructuring process of the universities. The strategic responses to the government funding reforms have been transferred to internal stakeholders through the adaptation of revised resource allocation models. At the institutional level such adaptations can be considered as a mirror image of the government funding models where universities have imitated very similar criteria in their internal resource allocation process to fund different activities (Watty et al., 2008). University administrators used the budget as a lever of control (1999) to attain their stated goals in order to satisfy the conditions imposed by the government. Such institutional attitudes are also related to the resource dependence relationship between the government and the universities that induced the display of legitimate behaviour to the government to ensure essential funding rather than achieving effectiveness and efficiency.

The above change in attitude was reflected when the universities shifted their funding preference related to the core activities, that is, teaching and learning, research, and engagement. Slaughter and Leslie (1997, p. 65) indicated the implication of it on research funding stating that; ‘according to resource dependence theory, as restricted money for higher education constricts, institutions within a national system will change their resource seeking patterns to compete for new, more competitively-based funds. To respond to new opportunities, institutions will have to shift away from basic research toward more applied science and technology’. Therefore, university research funding corresponds to current federal priorities and could be either not fully in consonance with institutional priorities or in specific conflict with institutional philosophies (Karol and Ginsburg, 1980). Slaughter and
Leslie (1997) believe that such types of initiatives were common and are continuing at the institutional level and in fact are expected to promote academic capitalism, which also reflects the impact of globalisation on government policy in higher education sector.

However, Moll and Hoque (2011) believe that the hastened management efforts to legitimise organisational funding overlooked the longer term consequences for the commitment and morale of employees. The university target of achieving effectiveness and efficiency, as advocated by the government reforms, and the mimetic adaptation had behavioural implications for individual staff at different levels of a university. Hoque and Moll (2011) in their research on a multi-campus university observed that the imitating of Federal Government funding models had significance consequences for the efficiency and effectiveness of resource uses and the legitimacy of the organisation which in turn resulted in employee resistance. Discussing the impact of the Clawback policy by the university for example, they observed that it had changed attitudes of employees especially at the Heads of Schools level.

‘Internally the clawback had dire consequences for the financial position of the schools, and even more seriously, perhaps, for the behaviours and attitudes of staffs employed in those schools most adversely affected by the clawback decision. It seems that the clawback caused most angst for Heads of Schools (Moll and Hoque, 2011, p. 23).

The rationalisation of a funding policy in the internal resource allocation process had a negative impact on the core activities that also affected academic life as Coaldrake and Stedman (1999, p. 4) reported that:

‘the expansion of higher education student numbers has not been evenly matched by growth in resources for staffing. In particular there has been an increasing separation of resources for research from those dedicated towards general
university operations, and a significant reduction in the level of operating resources per student’.

Therefore, the revised resource allocation model in many cases created extra pressure on individual academic staff in balancing their priorities between research and teaching and as such attempted to direct operating behaviours. More details of the impact on academic activities will be provided in Section 2.5 of this chapter.

2.3.4.3. Changes in roles, responsibilities, accountabilities and performance evaluation

The changes in governance structure and MCSs resulted in a redefinition of accountabilities throughout a university organisation; the incremental changes in roles and responsibilities significantly replaced the long held values in a traditional academic environment with the implementation of new accountability and performance measurement techniques widely used in business organisations.

In addition to the changes flagged in Table 2.1 there have also been changes to the composition of university governing bodies to make them more like boards of companies. All of the changes were reflected in the redefinition of roles and reflected in their behaviour at their relevant levels.

Changes in roles were also exhibited from mid-level and the operational level of a university. Smith and Adams (2008) believed that the changing roles of Pro Vice Chancellors (considered as mid-level for this research) exemplify the contested nature of academic leadership and a wider leadership ‘problem’ in higher education has been shaped by responses to changing purposes and values for higher education, and the development of new frameworks or management models (p. 341). In a similar fashion over the last three decades, there have been significant changes in the
roles at academic staff levels (Schapper and Mayson, 2005) as well. Mapsela and Hay (2006) conducted interviews with some senior management and surveyed academics to understand the effect of the transformation on academic job satisfaction with focus on their operating conditions. In this thesis the researcher will interview both senior managers and academics to get enhance understanding not only on job satisfaction, but their perceptions on how the different external and internal pressure brought the changes in their operating behaviours. Based on their findings, Mapsela and Hay (2006) contended that the array of changing trends, including the increased accountability, in the HES had not only changed the traditional roles but, in certain instances, turned the working conditions unfavourable and unsupportive for staff’s efforts to pursue the mission of higher education. They believed that the transformative changes had heightened the expectations of all the stakeholders in higher education, leaving them to struggle to clarify their existence and roles in the new type of environment that is emerging.

There have also been changes in demand related to the core activities of universities, that is, teaching and research activities which have; influenced the roles of academics (Huston et al., 2006; Lafferty and Fleming, 2000; Coaldrake and Stedman, 1999); casualisation of teaching staff (Parker, 2012, 2011, 2002; Marginson, 2000); increase in research only staff; extra demand on supervision and research training (Anderson, 2006) due to the increase in ethnic mix and change in educational background of undergraduate students and the roles of deans and research leaders have been changed from research leaders to managers (Anderson et al., 2002). The above aspects will be explicated in Chapter Five.
2.3.4.4. Change in values, operating styles (rules, routines, beliefs and organisational cultures and sub-cultures)

The long standing traditional values of higher education institutions and features have been challenged by the globalisation process and tend to redefine them and are, arguably, in conflict with the traditional institutionalised values (Vaira, 2004). These are discussed below. Henkel (1997) believed that many academics are struggling to hold on to values and conceptions of professional practice that are traditionally held to depend on pre-modern forms of governance and organisation.

The literature on the impact of the Dawkins Higher Education reforms (1987, 1988) revealed that it had significant side effects on the values and quality of a higher education organisation especially on the way of valuing teaching and learning and research has shifted significantly. The demise of the Binary System, along with the introduction of competition into funding arrangements, brought concerns regarding the quality of the system. The above mentioned pressure therefore, resulted in the establishment of the committee for quality assurance in Higher Education that graded universities with regard to quality assessment, quality assurance and outcomes (Wilson, 1995). Hammer and Star (2004, p. 2) reported that continual government-imposed quality assurance exercises, coupled with internally sanctioned efficiency measures, have seen the development of a culture of managerialism which in their view has ‘deleterious’ effects on the creation and maintenance of an ambience conducive to teaching and research through collegiality and also a recognition that important decisions in university governance should be made by academics, not just in consultation with them. Furthermore the Backing Australia’s Future (BAF) reform package also emphasised the need to change from collegial governance structures toward corporate governance structures within universities.
In addition to the government impact the reliance of the higher education sector on the public money also affects the interest of multiple stakeholders that also exposed the performance measures of the academic profession to public accountability. The difference in traditional values and work practices and the demand from external stakeholder also created conflicting situations. Coaldrake and Steadman (1999), for example, noted that due to the influx of students and the move to a ‘student-centred’ model has created a value conflict situation; the value of academics who see university education as being about critical thinking and disciplinary study, and the values of students, many of whom see university education as being about professional training and the acquisition of a credential which will assist their chances of career advancement. The academic values, the work practices have come into conflict with the demands of an external world (p. 7).

A similar view is also found in the argument provided by Hammer and Star (2004, p. 1) “that while universities increasingly focused on the development of vocational skills in students and disregarded traditional academic values, businesses lament the loss of citizenship values in their employees”. As a result, the academic values and work practices have come into conflict with the demands of an external world on which universities have become more reliant (Coaldrake and Stedman, 1999) and accordingly due to such pressure, they believe that the operating styles of the universities around the world became closer to the corporation or enterprise. That has major implications for university cultures and policy and for academic staffing policy in particular.
2.3.4.5 Internal power relationships and politics

Power

In a higher educational institution, the concept of power, as noted by Thomas (2000), is an inherent aspect of the political model where the basis of power might be bureaucratic, professional, coercive or personal (Balbridge, 1971). The consequential impact of the higher educational reforms in Australia has also been evidenced by major changes in the exercise of power. Since the beginning in 1980, concentration of power at the top has been increased dramatically; the hierarchical management structure became embedded and was encouraged by government reforms. Therefore, the ‘professional’ managers were appointed to senior positions in the bureaucracy with accompanying increases in their decision-making power removed from disciplines, departments and schools (Parker, 2007).

The effectiveness of the changes in the exercise of power question still remains to be studied, particularly the political exercise of power in making and implementing strategic decisions and how successfully is it in helping to change attitudes throughout the different organisational levels. In a survey on the executives of Australian Universities, Marginson and Considine (2000) found that executive power in the university is far less about managing and organisation, and its programs are far more a matter of imperial politics and diplomacy. They also reported that the various new forms of executive power evident in Australian universities were principally concerned with building a new form of executive authority inside the university that gave rise to tension, opportunities and beliefs. The resulting change in attitude at senior levels of staff had been reported in the following:

‘government pressures on universities have increased and become more critical of local traditions and differences, so too vice-chancellors have adopted a
‘mirror’ strategy to increase their own common controls over otherwise diverse internal traditions’ (Marginson and Considine, 2000, p. 71).

Hoque and Moll (2004) have a similar finding about the change in attitude at the senior levels indicating the those holding most power in the organisation used it to restrict access to decision making and to legitimise their decisions to imitate budgetary models used by other institutions in the field.

**Politics**

The issue of politics and power are of intrinsic interest in any discussion of organisational change. The political process within an organisation implies the exercise of power and the management of conflict which is an essential part of organisational functioning (Senior and Fleming, 2006). To initiate and implement any change in an organisation is influenced by the nature of politics which prevail within a particular organisational context. According to Buchanan and Huczynski (2004), political behaviour in an organisation is observable but often covert by which executives (and others) enhance their power to influence decisions. One example is the change in the budgetary process in a university which was previously a result of a political bargaining process that, according to Cyert and March (1963), was useful to legitimise and maintain systems of power and control within the organisation. Pfeffer and Salancik (2003, pp. 188-244, cited in DiMaggio and Powell, 1983, p. 150) observed that politically constructed environments have two characteristic features: Political decision makers often do not experience directly the consequences of their actions; and political decisions are applied across the board to entire classes of organisations, thus making such decisions less adaptive and less flexible. In a university administration major external pressure and the following changes are
related to political decision making at the top. However, how far it has been adapted internally through the change of employee working habits is not yet clear.

2.3.4.6 Resistance, conflicts, trust and tensions

Resistance

It was mentioned previously that adopting the government budgeting model in a higher educational environment results in resistance. However, (with the exception of Anderson, 2008), the majority of the literature did not indicate the magnitude of the resistance but rather described it generally as a consequence of the strategic change process (Boyce, 2002). Some of the literature has related resistance to the budgeting process (Moll and Hoque, 2004; Eedle, 2007).

A change in an MCS, through setting new strategic priorities, may experience resistance from different organisational levels which could affect the achievement of major strategic goals. Anderson (2006) believed that resistance is a likely response to managerialism. In her study it was identified from interviews that many academics condemned managerial practices as inefficient, ineffective, and as compromising academic standards of quality and excellence (p. 256).

Resistance is dynamic and changes, depending on the specific situation (Lientz, 2003), could be active or passive and area key topic in change management and ‘should be seriously considered to help the organisation to achieve the advantages of the transformation’ (Pardo del Val and Martínez Fuentes, 2003, p. 3). The sources of resistance arise from loss of identity due to changes in the work environment; when long lasting work relationships are dissolved; when occupational values sustained by individuals over times are changed; and where there is an
integration of two groups of individuals with distinctly different cultures (Van Schoor, 2001)

In the Australian higher educational sector, similar to elsewhere, the types of organisational changes and the sources of changes were also similar. Any new changes in the organisation’s environment created uncertainty related to the job responsibilities, and job security among the organisational members and resulted in resistance from different levels. Moll (2003, p. 265) reported that:

‘resistance to reorganization of the organization occurred at two levels, the Dean and the administrative levels, which appeared to be the levels most affected by the changes. At Dean’s level resistance took the form of resignation in the most extreme cases and in the less extreme cases, a lack of support and commitment towards the new positions’.

The study also reported that resistance from the Dean level was also due to loss of power and not a misunderstanding of the job responsibility. Before the restructure, the Dean had made most of the management decisions including budgetary decisions which after the restructure became the Head of School responsibility. Many senior managers suggested, the Deans in particular, displayed resistance to the new model because they did not understand their new role in the university (Moll, p 281). Therefore, changes in organisational structure could be a source of resistance due to loss of power and the resistance could make the task of aligning the MCS and external pressures more difficult. The study conducted by Anderson (2008) on 30 academics from Australian universities explored the extent, nature and basis of academic resistance to managerialism and the form of the resistance.

In summary, the issue of resistance is related to power when an individual perceives a loss of power as a consequence of the strategic change process, as a part of this change process resistance was identified in the implementation of budgeting
process or in the implementation of new KPIs in the performance evaluation or workload. The nature, extent and mode of resistance could be different at different levels of the organisation. There are very few evaluations of resistance at academic staff level which will be analysed in Chapter Five in more detail.

**Conflicts**

The consequential changes in the internal organisational environment mentioned in this section are intimately linked to one another. A university has multiple stakeholders with multiple goals and intangible outcomes (West, 2006) and the relationship between each group is highly complex and the sources of conflict is also varied and can impact on individual behaviour and attitudes in different ways. Therefore, conflict can arise directly due to external pressure, such as pressures on the universities to increase alternative sources of funding (West, 2006), while centralisation of power has created conflicting situations (i.e. competition for funding) between the top and other levels of the organisations. Carnoy (2005) argued that globalisation processes are in direct conflict with many proactive movements such as feminism and environmentalism in the education system.

For any university organisation the most common source of conflict arises due to the impact of the resource allocation process. A budgeting system can cause departmental or unit level conflict in an organisation (Moll, 2004) The principal cause of tensions arising between the two groups due to their difference in perceptions of the changes in regard to operating styles, work conditions, level of leadership and changes in technology. Conflicts also arisen due to the adoption of different strategic measures in a university similar to a private sector organisation (Meek and Wood, 1998) or due to adoption of for-profit organisation-type KPIs due to the influence on the core activities of academics. They are increasingly
experiencing both role and value conflicts between the tradition of individual scholarly and applied inquiry and the emerging corporate pursuit of strategic personal KPIs (Parker, 2011).

In summary, the issue of conflict in the higher education sector is linked to the changes in values, management control structure (i.e. centralisation of power at the top), and changes in operating styles, accountability (revised KPIs) and responsibility and in the resource allocation process. In a period of shrinking resources per student the conflicts are likely to be magnified. Conflict in higher education is also visible between the senior managers (VC, PVC, Deans) and academic and administrative staff engaged in day-to-day functions (Coaldrake, 1999). Perception gaps between different levels also resulted in goals incongruence. For successful strategy implementation through goal alignment it is essential to identify the sources, and without understanding staff perceptions it is not possible. Therefore, finding the study can contribute to identify the perception gaps among different levels by considering their views on the change factors and how they consider the legitimacy of the adapted changes.

**Trust**

The traditional view of the MCS of a university is different from other organisations. However, due to the fundamental character and practice, the ongoing changes in governance and management structures in the higher educational sectors creates special challenges for the leaders to effectively achieve organisational strategic goals. Rowley and Sherman (2003) noted that the presence of faculty and non-academic personnel in leadership roles in the same organisation can create ambiguity and confusion. This is particularly an issue when different units in the organisation seek to achieve the highest possible level of performance, cooperation and mutual trust.
among and between them. They also suggest that in order to ensure the achievement of the desired level of mutual trust and respect, administrators should consider the impact of a decision on trust, respect, teamwork, good union relations and smooth relations with administrative departments when making decisions affecting any of the stakeholders. Therefore, the challenge of alignment of organisational goals and strategies with unit level and individual goals and strategy would be easier. However, the Australian Higher Educational sector could be supported by more in depth investigation on this issue, which is one of the purposes of this research.

**Tensions**

Similar to the issue of trust tension is equally created due to the adoption of new resource allocation formulas that result in new levels of politics and competition among different units in the organisational structure. Moll (2003, p. 288) argues that ‘churning out of the government policy and limited growth funding, coupled with the pressure for unfunded salary increases, building costs and corporate information systems, provides further pressure for the budget committee’. University management faced similar challenges in prioritising fund allocation for the core activities of teaching and learning, research and engagement.

The traditional mode of governance in higher education declined with the centralisation of top management power and the gradual removal of decision-making power from the disciplines, departments and schools created tensions between the two decision-making approaches of management and academics (Parker, 2007). Kaplan (2006) believes that the nature of a university governing body is responsible for such tension.
In the Australian higher educational context, it was also found that tensions existed due to difference in perception of the administrators and academics on the level of change in leaderships (Meek and Wood, 1998); work conditions and academic styles (McInnis, 1995); and technology (Coaldrake and Stedman, 1999). The study aims to understand whether/how the new management control system generated tensions.

Each of the areas highlighted above inescapably influence individuals at all levels of a university and therefore tension in the higher educational sector can be considered as widespread and have a significant impact on behaviour of individuals at different levels in the organisation structure. It is expected that the changes in individual attitude and behaviour can be more acutely understood by reviewing the literature on the impact on the adoption of strategic measures related to the core activities of teaching and learning, research and engagement. Therefore, the following section provides the relevant literary discussion on the changes.

2.4. Strategy and Management Control Systems and Performance Measures

The purpose of this section is to introduce the basic idea of strategy and strategic planning, management control systems and performance measures.

2.4.1. Strategy and strategic planning

*Strategy*

Traditional view of strategy is that it is a planned course of action (Mintzberg, 1987a), an intended behaviour. It indicates that strategy it is made in advance to the actions to which it applies, and it is developed consciously and purposefully Mintzberg and Quinn (1996). However, according to Simons (1994), strategy is not
always an intended course of action or articulated in advance, it can also be inferred from consistency in behaviour. Simons (1994, p. 8) defined strategy as “a plan, an intended course of action and it can be inferred from consistency in behaviour even if it not articulated in advanced or even intended” and further believe that “managers control emerging patterns of action, often created spontaneous employee initiatives, by using interactive control systems to focus attention on strategic uncertainties – that could undermine the current basis of competitive advantage” (Simons, 1994, p. 9).

It appears from the above comment that strategy could emerge as the situation demands especially in environment which is uncertain due to rapid changes. It also appears from the above idea that the perception of managers on the changes significantly impact on how it is diffused within the organisational stakeholders. The discussion in previous section also shows that higher educational organisations in Australia are facing challenges in orchestrating their strategic changes with the rapid change process. The role of top management on how they respond to these changes strategically is important to the organisational stakeholders. From that perspective this research adapts the concept of strategy defined by Simons (1994). For a university due to the nature of complexities involved, the need to strategic planning is equally important similar to any for profit organisation. The conceptualisation of strategic planning in a university has some uniqueness compared to a purely profit seeking organisation and a purely not-for-profit organisation. The discussion is provided in the following paragraph.
2.4.2. Strategic planning of a university

Generally strategic planning is designed to help public and non-profit organisations (and communities) respond effectively to their new situations. It is a “disciplined effort to produce fundamental decisions and actions shaping the nature and direction of an organization’s (or other entity’s) activities within legal bounds” (Bryson, 1988, p. 74). According to Doyle and Lynch (1979, p. 604) there are certain advantages of strategic planning for a university as

'It forces the university's top administrators to concentrate on the critical parameters of performance. A strategic plan forces the university to think ahead about the fundamental changes taking place in higher education and their implications for the university. Second, by focusing on the long term it allows resource changes to be programmed smoothly over a number of years'.

However, it posed serious challenges on management during the 1990 up until now and frequent readjustments of strategies are now prevalent in the higher educational sector. According to Simons (1994, p. 20), a university strategic planning has both external and internal faces because ‘in higher education, bettering one’s condition includes hiring better faculty, recruiting stronger students, upgrading facilities, strengthening academic programs and student services, and acquiring the resources needed to accomplish these things’. Therefore, Simons (1994) believe that strategy can emerge from all levels of the organisation as individuals search for and create opportunities based on the assumption that strategies are incremental and emerge over time; ‘intended strategies are often superseded; formulation and implementation are often intertwined’ strategic decisions occur throughout the organisation; strategy equals a process’ (Simons, 1994, pp. 28-29).
2.4.3. Management control systems in university

Definition of MCS

A number of definitions of MCS are available in the literature (Bobè, 2010). For instance, Anthony and Govindarajanan (2007, p. 6) define management control as

“… the process by which managers influence other members of the organization to implement the organization’s strategies.’

The definition by Anthony and Govindarajanan (2007) focuses on controlling behaviour of managers. The traditional view on management control systems based on some assumptions: (1) employees are not allowed to participate and (2) control is exercised in favour of owners. Such control may affect motivations and considering the changing context Simons (1994, p. 4) defines management control systems are;

‘the formal information-based routines and procedures managers use to maintain or alter patterns in organizational activities.’

To balance the tension between the traditional ‘command and control’-based philosophy of control and the new customer-oriented, customised market-driven strategy-based view of control Simons (1994) illustrated that MCS strategy use four basic levers; beliefs systems, boundary systems, diagnostic control systems and interactive control systems. Simons (1994) believes that such levers help to understand how effectively managers use these systems.

‘Management control systems are the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities’.

According to Simons (1995), an MCS definition should include the “inherent tension” between freedom and constraint, empowerment and accountability, top-down management and bottom-up creativity, and experimentation and efficiency. This definition is broader than the definition provided by Anthony Govindarajanan
Simons’ definition also show managers control strategy (that is strategy formation and implementation) by balancing the above-mentioned tensions (Simons, 1995). Moreover, this definition encourages the integration of financial and non-financial performance measures and takes into account the wider participation and empowerment of employees. In this way most of the issues left out in earlier MCS definitions are being covered. In their study on the use of MCS by university faculties Bobe and Taylor (2010) investigated the diagnostic and interactive use of MCS by Deans/PVCs of faculties and colleges revealed that PVC who had longer career in HE tend to use MCSs more interactively and tend to move from early diagnostic use of MCSs to a subsequent interactive use. One key finding of their study was that the PVCs put over-riding importance in meeting centrally-set diagnostically-focused KPI (formal) but maintained collegial approach within their faculty to the broader use of MCSs (informal control system). According to Bobe (2010), although the major elements of a MCS are budgeting, performance evaluation, strategic planning resource allocation process, they could be different depending on the nature of the organisation. In this study therefore the definition of MCS provided by Simons (1995, p. 5) has been adopted.

Malmi and Brown (2008) provide a new typology for Management Control Structure around five groups. They attempted to define the scope of MCS as a package rather than a range of ways researchers have defined MCS and the problems this has created. The typology is relevant to the research context where in planning controls sets out the goals of the functional areas of the organisation thereby directing effort and behaviour, cybernetic control (budgets, financial measures, non-financial measures, and hybrids that contain both financial and non-financial
measures), reward and compensation controls (focus on motivating and increasing performance, administrative control (organisation design and structure, governance, policies and procedures that direct employee behaviour and make them accountable), and cultural controls (values, beliefs and social norms which are established to influence employees behaviour). The above typology is based on the distinction between decision-making and control and addresses those controls managers used to direct behaviour. However, the focus of this thesis is not on what the scope of management control systems can be but rather on the management control system elements which the case study chose to emphasise and the terminology they used. Therefore and the study is not going to examine what the management control system should be but rather what it was perceived to be by the participants.

A university has a diverse number of stakeholders with competing demands a university management need to balance with by prioritising their conflicting demands (DiMaggio and Powell, 1983; Meyer and Rowan, 1977). The way management respond to these multiple stakeholders’ demand is reflected in the management control systems. According to Oliver (1991), there are five typologies of responses that an organisation can respond to the institutional pressures: acquiescence, compromise, avoidance, defiance, and manipulation and acknowledges that management responses thus play important role in shaping an organisation. Sven Modell (2001) also identified found support for Oliver’s (1991) hypotheses on the above particularly those related to the adoption of performance measurement (PM) practices. However, Pache and Santos (2010, p. 456) argued that Oliver’s model “treat[s] organizations as unitary actors developing strategic responses to outside pressures and largely ignore the role of intraorganizational dynamics”. This study
intends to examine the above responses through staff perceptions at different level of the organisation.

**2.4.3.1 Budgeting**

As mentioned in the above paragraph that Oliver’s (1991) model focused on the organisational responses due to external pressure with little recognition of internal pressure for changes. Management can response in a number of ways to the pressures exerted by the multiple stakeholders of an organisation and the responses is reflected in the MCS. In a higher educational context the components of MCS mainly consists of budgeting, performance measurement systems (PMS). In their research on the involvement of accounting in the legitimation process of institutional budgeting system in an Australian university Moll and Hoque (2011) demonstrated that internal stakeholder’s behaviour can affect the implementation of budget system if it is not consistent with values and expectations of the university. The effort of the vice chancellor was challenged by senior academic and administrative staff that undermined it through patterns of under-and over-spending. It appears to the researcher that it is therefore important to know how the changes in the budgeting process was perceived by the individual staff and whether/how it changes their operational behaviour as it may have significant impact on the achievement of strategic goals of the research context.

**2.4.3.2 Performance evaluation**

For a university the performance measurement is a complex process due to the nature of its objectives and activities involved. The core activities of any university is teaching and learning, research and engagement that is linked to an academic performance. The performance evaluation of academic staff linked to the three
activities. Due to major changes in strategy related to the three activities universities have redesigned their performance measurement systems. Literature review reveals that such changes created additional pressures in balancing the working life of academics staff in meeting the performance demand (see Anderson, 2006; Houston et al., 2006; Mapsela and Hay, 2006; Moll, 2004; Winter and Sarros, 2002, 2000) that in many instances academic staff have to prioritise the core activities to suit their personal and work life. Taylor (2001) observed that some academics adopted new approach to teaching and research; some staff also adapted different strategies to meet (decoupling behaviour) to meet the performance demand. Research on performance measurement is significant although it remains and under researched area (Simmons, 2001).

Studies on performance measurement suggest that the integration of both financial and non-financial control methods facilitates the achievement of organisational objectives (e.g. Flapper et al., 1996; Eccles, 1991). However, Guthrie and Neumann (2007, p. 231) argued that “the establishment of a performance-driven, market-oriented university system in Australia has created a context in which fiscal and economic performance indicators have become dominant in understanding the ‘performance’ of the AHES and of individual universities’ activities”. Furthermore, Ramsden (1991) found that the performance evaluation in higher education is chiefly focused on research output over the teaching functions. Morris (2005) consider the adaption of performance measurement is a tool of managerialism that provide university administrator a sense of compliance with private sector practices, internal accountability and control and believe that there is apparent flaws in it. Arena et al. (2009) contends that the claimed benefits of accountability and the difficulties in defining and managing proper measures still remain unresolved. Therefore, the
changes in performance measurement systems and its behavioural impact will be evaluated from staff perceptions. It is expected that the differences in perceptions from difference levels would provide further knowledge on the above issues.

2.5. Changes in KPIs on Core Activities, Impact on Attitudes and Behaviours

The literary discussion of this section is related to the final part of the research question noted in the introduction section of this chapter and reproduced below:

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Whether/How/Why the revised MCS changed (or did not change) their operational attitudes and behaviours in implementing the university’s strategic priorities?
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The internal resource allocation process and KPI are linked to the three core activities that impact the day to day operation of individuals. As such, these components (budgeting, KPIs) of the revised MCS had significant impact on staff at different levels of a university. Therefore, the purpose of this section is to highlight the literature review encompassing the budgeting process, KPIs related to core activities and the changes of academic attitudes towards teaching and learning, and research activities due to increased pressures for meeting revised KPIs.

Out of all the external pressures impacting at organisational levels, the impact of government policy changes (especially funding policy reforms) could have the most direct influence on the teaching and learning, research and community engagement and consequently impacting on the staff engaged in these activities. Over the last three decades the massification of higher education, repositioning of university in terms of economic development and shifting relationships between the university and governments are the three factors that have had substantive impact on
the changing nature of academic work (Jones, 2006). Major changes in higher education funding have been linked to enhanced expectations of accountability and responsible (efficient and effective) use of public money.

The limited literature on the impact of academic works from individual staff perceptions (see Anderson, 2006; Houston et al., 2006; Mapsela and Hay, 2006; Moll, 2004; Winter and Sarros, 2002, 2000) focused on workload related to teaching and learning, and the research shows that in the majority of cases the changes created negative attitudes towards their new work environment. In a study on academics’ experience of their working lives Anderson (2006, p. 584) reported that:

‘in addition to the effect of long hours [workload issue] on personal and professional interaction, some academics reported levels of exhaustion and burnout occasioned by increased workload demands, noting particularly the hours spent complying with new accountability and quality assurance requirements. At the same time they reported increased pressure to maintain or increase research output’.

In this study academics also complained about their time spent on low level clerical work and accountability requirements. The following three sections discuss the impact of the strategic changes in the three core activities on different internal organisational factors.

2.5.1. Teaching and learning

Teaching and Learning is one of the most significant core activities along with research and engagement. All the transformation process mentioned in Section 2.2 (major external pressures for changes) has impacted the teaching and learning policy of the Higher Educational Sectors (HES) in Australia. For example, Section 2.1 shows that the Dawkins Reforms (1987, 1988) recommendation to shift the financial burden for higher education to individuals and the private sector resulted in increased
domestic and international student loads without adequate increase in staff which resulted in increased student staff ratios. The West report (1998) recommendation for investment in information and communication technology resulted in increased workloads (see Table 2.1). Similarly the demand for increased efficiency and effectiveness, reflected in the cost cutting strategies adopted by the universities, also affected teaching and learning activities where many courses or units were discontinued. The workload and research prioritising strategy created imbalances between teaching and research and challenged the work-life balance of individuals. In some instances the funding policy for teaching and learning and the research strategy, with their relevant operating measures (KPIs), appear to conflict in nature creating dissatisfaction among academic staff. The changes affected employee attitudes to their work environment and their operational behaviours.

Based on the above understanding it appears that government funding, increased workload, performance measures and new challenges for the teaching and research nexus or the engagement-teaching and engagement-research nexus present as the dominant factors that affect employee attitudes and operational behaviour. Therefore the following discussion will focus on these areas.
2.5.1.1. Workload

Academic workload can be considered as the direct impact of government policy reforms. The Dawkins Reforms (1987, 1988), the West Review (1998) and raising the HECS repayment threshold all resulted in increased student numbers and student staff ratios (Parker, 2011; see also Table 2.1). As students are now paying for their education, it also impacted on student-teacher relationships; students (as customers) became more demanding, for example, asking for more detailed feedback, demanding more time outside the teaching time, etc. Moreover the growth in ethnicity and scholastically diverse students also increased the teaching workloads (Anderson, 2006).

The transformation process in the HES has in many ways redefined the teaching and learning activities and put pressure on academic values. Hammer and Star (2004) argued that re-conceiving education as a commodity and students as customers places significant pressure on traditional academic values such as
collegiality, inclusivity, academic freedom and broad critical training. These pressures have in fact, influenced academic attitudes towards teaching and learning and research activities for meeting targets (the new KPIs) and induced many to adapt new techniques as a way of survival. The mounting demand on academics as mentioned by Coaldrake and Stedman (1999, p. 14) in the following paragraph implies a likelihood of change in attitudes to adapt in a particular work environment:

‘academics are being asked to meet the needs of more diverse student groups, to teach at more flexible times and locations, to master the use of information technology in teaching, to design curricula around learning outcomes and across disciplines, to teach in teams, to subject their teaching to evaluation and develop and implement improvements, to monitor and respond to the evaluations made by students and graduates, to improve assessment and feedback, to meet employer needs, and to understand and use new theories of student learning’

Schapper and Mayson (2005) believed that the falling government funding, due to the acceptance of internationalisation and managerialist perspectives, has compromised academic autonomy, threatened the academic profession and increased our teaching workloads. The increase in academic workload also affected their time for teaching and research. In their interviews of Australian academics Anderson et al. (2006) identified that majority of the participants showed displeasure with the amount of time spent on accountability compliance that reduced their time on the core activities, that is, teaching and research.

2.5.1.2. Funding and resource allocation process

The most dramatic strategic approaches undertaken by the universities, in response to the funding crisis, were the adoption of a cost cutting strategy implemented through casualisation of academic positions, (Parker, 2011; Moll and Hoque, 2004) or the appointment of staff on part time basis (Coaldrake and Stedman, 1999), the
discontinuation of courses or units (Winter and Sarros, 2001), and the increase in class sizes (Parker, 2002).

The change in perspective of redefining ‘students as customer’ directly correlates to the decline in public funding and the increase in competition between and within universities (Lafferty and Fleming, 2000). Lafferty and Fleming also contend that with the restructuring of universities (described in Section 2.3.3) the ratio of capital to staff funding had been increased steadily and centralisation of power had been paralleled by a concentration of finance (see Section 2.3.4.4 in this chapter). Coaldrake and Stedman (1999) also observed the involvement of the political process in the redistribution of funding, the impact of which may be the source of negative attitude on the operating environment. Although there are strategic goals and specific performance measures set by universities to achieve the goals the, intra-organisational conflicts, employee dissatisfaction, tension, trust issues were mostly aligned with the internal fund allocation process. The following section discusses the impact of the key performance indicators in the area of teaching and learning.

The UNS recommended by the Dawkins reform (see Table 2.1) essentially required the need for a single governing body (see Section 2.2.2), one chief executive (related to the centralisation of power mentioned in Section 2.3.4.4), one funding allocation (Section 2.3.4.1) and one set of academic awards (see Moll and Hoque, 2004). The government funding policy on higher education has impacted on university teaching activities, which was reflected in the fund allocation process where there had been a gradual decline in funding for teaching, and academics were
expected to bring in funds for their department or for their own work (Anderson, 2006).

### 2.5.1.3. Key performance indicators (KPIs)

The demand and expectation of universities has been reflected through the adoption of new strategic goals and operating measures by them relating to teaching and learning activities. Harman (2005) reports that graduate attributes, graduate destinations, student perception of course quality and the research training environment, completions and attrition rates are some of the outcome measures employed by the Commonwealth to evaluate universities. As a result universities are increasingly using achievement in relation to graduate attributes as indicators of quality in teaching and learning outcomes.

The acceptance of a market-based philosophy by universities has been translated through the adoption of business oriented strategic measures used to fulfil external demand. Singh (2002) maintained that student evaluations, that is, student ratings of teaching (SRT) and course experience questionnaires (CEQ) are both based on the logic of consumerism, and both have a reductionist approach to academics’ accountability. According to Coaldrake and Stedman (1999, p. 17) the teaching and research expectations of academic staff are often narrowly defined and considered as separate activities and the financial support for research is being increasingly separated from that intended for teaching. Furthermore, the annual funding for teaching is not directly linked to performance indicators and remains largely based on student enrolments although subsequently competitive funds are allocated on teaching performance (Kemp, 1999a). The changes in values, workloads and adoption of new performance measures in many ways influence individuals to
adopt or devise strategies at individual levels to cope with the challenges as explained in the following section.

2.5.1.4. Changes in attitude

It can be implied from the above discussion that such changes in the above three areas have significantly impacted on staff attitudes and have consequentially been reflected in their operational behaviours. As evidenced from Coaldrake and Stedman (1999) the changes in funding rates for example was not well received by academic staff members. The restructure of academic programs and discontinuation of courses and units created a sense of job loss (Churchman and King, 2009).

The aforementioned change in attitude has been reflected in their behaviour where they developed survival techniques through their comparative preference towards research and teaching. Parker and Guthrie (2005, p. 7) for instance, argue that ‘in a climate of expanding student numbers, falling student quality, pressure for high pass rates and exponentially increasing administrative burdens, this revision of the teaching role is driven by academics’ desire for additional salary supplementation, preservation of some proportion of available research time, or simply by a survival instinct.’

The survey by Taylor (2001, p. 47) on 152 academics of four Australian universities on the impact of the application of performance indicators to teaching indicates that the increase in pressure related to teaching activities have risen significantly where the participants perceived a substantial rise in pressure from their institutions to teach better in 1997 relative to 1986. However, in regard to changes in their teaching approach, Taylor (2001, p. 52) reports that the majority of the participants (76%) reported no change in their teaching approach; only 24%
perceived a change in their approach to teaching as significant. She further reported that ‘the impact of performance indicators has influenced academics’ priorities between research and teaching significantly. The balance is skewed to research rather than teaching because of the greater rewards attached to it and some respondents admitted that their teaching had, as a result, deteriorated.

The changing attitude is not only visible at the academic levels. It has contributed to similar changes, although to a different degree, at senior levels that are, contrary to the past, sometimes represented by people with non-academic backgrounds. Although the newly adopted performance measures are more focused on meeting stakeholders’ expectations they may be lacking in achieving behavioural change by individuals responsible for their implementation.

Therefore, the stated policies in the government reforms and the adoption of strategic changes by the university of increasing effectiveness and efficiency raises questions and curiosity as to whether/how the strategic goals of a university organisation have been achieved so far.

2.5.2. Research

In this section, the discussion on the impact of research strategies and KPIs on staff attitudes and behaviours in the literature has been analysed in a similar fashion to the teaching and learning activities as depicted in Figure 2.7 below.
2.5.2.1. Workload

As was demonstrated (Table 2.1) all government reform have impacted on the funding of the core activities of universities and Universities have had to seek new strategic directions to meet the external demand. As the table shows, the Dawkins Reforms (1987, 1988) recommendation for a more selective approach to research funding, with increased emphasis on research prioritisation, considerably changed the higher educational research management strategy. In the higher educational sector terms such as value for money, research commercialisation became more prevalent and put extra demand on academics to produce revenue for their universities. The adoption of a philosophical shift in terms of research in academic environment also increased intra-organisational competition, politics, and overall academic workload and changes in academics values.

The generally accepted conception of academic staff core activities is teaching, research and engagement (Schapper and Mayson, 2005; Coaldrake and
According to Coaldrake and Stedman (1999) such a descriptor does not reflect either the staffing policies of most universities or the reality of actual academic work. This can be observed through the challenge faced by the academic in meeting their workload responsibilities and performance measure targets for teaching and research. The study conducted by Anderson (2006) on Australian academics found that the impact of workload on academics working lives shows that almost all academics reported that their increased workloads effectively meant that they had reduced time available for research and many indicated that this was a source of considerable stress.

### 2.5.2.2 Funding and resource allocation process

The funding reform of the Australian higher education sector is a reflection of the political process. The Unified System introduced a relative funding model as a transitional measure (see Table 2.1) where disciplines were funded by a ratio from a base. The same model was brought back in 2005 when the Commonwealth Grant Scheme came in to effect (Norton, 2012). In 2008, the Australian Research Council (ARC) and the National Health and Medical Research (NHMRC) funded around $1.1 billion (Norton, 2012).

The commercialisation of research and research prioritisation pushed by the government on the higher education system was evidenced from the fund allocation for different disciplines and universities in their changes in their research allocation process in funding research activities. The following table shows the relative funding of Australian universities during 2008.
Table 2.2: Percentage of research spending

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Research Spending 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural and physical sciences</td>
<td>26%</td>
</tr>
<tr>
<td>Information technology</td>
<td>3%</td>
</tr>
<tr>
<td>Engineering and related technologies</td>
<td>11%</td>
</tr>
<tr>
<td>Architecture and building</td>
<td>1%</td>
</tr>
<tr>
<td>Agriculture, environmental and related studies</td>
<td>3%</td>
</tr>
<tr>
<td>Health</td>
<td>34%</td>
</tr>
<tr>
<td>Education</td>
<td>3%</td>
</tr>
<tr>
<td>Management and commerce</td>
<td>8%</td>
</tr>
<tr>
<td>Society and culture</td>
<td>10%</td>
</tr>
<tr>
<td>Creative arts</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: ABS (2009c); DEEWR (2010c), developed by Grattan Institute (2012)

The above table shows the highest percentage of spending (34%) in the Medical and health research discipline followed by Natural and Physical sciences. As mentioned, the government funding for research had become more competitive with implementation of new reforms on HES which according to Moses (1997) created great external pressure, particularly on the new universities, to focus on, or establish, areas of strength in research. All universities had designed their research performance indicators to secure flows of fund for research activities.

2.5.2.3. Key performance indicators (KPIs)

In the higher education sector the performance evaluation on research is based on three indicators: (a) research income; (b) publication count (research output); and (c) higher degree supervision (related to supervision of higher degree research students) or higher degree completions.
Taylor (2001) questions whether the application of the new performance indicators really had any favourable impact on research but rather believes that these indicators could have hindered the progress of the management of an institution towards its efficient frontier. Because of the institutionalisation of the managerial practice many staff indeed adapted the strategy (as shown in Table 2.2) of concentrating only on the selected performance indicators and neglecting other important areas related to their activities which may be dysfunctional for the institution (Cave et al., 1991; Taylor, 2001; Marginson, 1998, cited in Taylor, 2001).

‘As a result universities are confronted with growing gaps between their expectations of staff research, the research aspirations of staff, and the resources available to support research across institutions’ (Coaldrake and Stedman, 1999, p. 4).

A review of the literature on the impact of the above internal change factors on staff attitudes is presented below:

### 2.5.2.4 Staff attitudes

Change in attitudes at both institutional and organisational levels, due to government policy changes, is not new. The literature on staff attitudes towards organisational changes has revealed that the majority of the academic responses to the external influence such as government pressure for commercialisation of research were widely negative. However, the attitudes opposite to this were also visible as Bessant (1996) reports that there were some academics who were prepared to enter the entrepreneurial market world and were able to launch into commercially oriented research, and also there were those who were happy to shift to entrepreneurial management, but he agrees that as a group they were a minority who were given freedom to pursue these ends so long as they brought research monies, fees and
status to their universities. Taylor (2001) also believed that the main reason for the emphasis on publications and external research grants was the incentives attached to these activities, in the form of funds and/or promotion.

The above imposition had a significant impact on staff attitudes, especially for universities formed after consolidating old CAEs. Bessant (1996) noted that most of the staff in the CAEs were appointed to teach and many of them had no desire to launch research. This imposition created dissatisfaction when management favours appointment and promotion based on research and teaching. As a result many retired early while others embraced it because they had already close links with the commercial world from which they could attract finance. On the other hand, staff members in the pre-Dawkins universities were mainly research-focused and chose to teach in an area close to their research. Therefore, ‘many of the older universities had established education units to help academics with their teaching methods, but even these have had a tenuous existence in some universities.’ (Bessant, 1996, p. 115).

**Behavioural implications**

The inconsistency between; ‘institutional demand for research output and time available for research, in an attempt to minimise such feelings of inadequacy, many academics, according to Anderson, were mobilising defensive or resistant strategies to protect the time available for research’ (Anderson, 2006, p. 585). In that study the academics interviewed were adopting a kind of resistant strategy to allocate enough time for research and were taking long service leave to allocate to research, use home as a working space by ‘increasingly forsaking their traditional working place in an attempt to exert control over the ways in which they use and preserve time for research’ (p. 586).
The literature revealed that the aforementioned change of employee attitudes (adapt defence/survival strategy) is more visible around these activities and had unexpected and unintended consequences (Harman, 2000). The following table presents an example of how government pressures contributed to the changes in employee attitude towards research.

Table 2.3: Impact of government pressures on employee attitudes

<table>
<thead>
<tr>
<th>KPI</th>
<th>Target (Pressure)</th>
<th>Consequence of the pressure</th>
<th>Change in attitude</th>
</tr>
</thead>
</table>
| (a) Research Income        | • Increase Research Income  
                          | • Publish or patent to establish links with industry and to prepare, submit or review grant applications (Coaldrake & Stedman, 1999) | • Heightened academics concern for securing research fund  
                          |                  |                                                                                      | • Undertake research project where funding is available not from personal research interest  
                          |                  |                                                                                      | • Undertake potential publishable research which could easily find a market (Taylor, 2001) |
| (b) Publication Count      | • Increase research output. | • Increased pressure to publish-concentrate on quantity (not necessarily quality)          | • Concentrate on publishing shorter papers (Taylor, 2001)  
                          |                  |                                                                                      | • Concentrate on quantity even at the expense of quality (Harman, 2000)  
                          |                  |                                                                                      | • Divide major works into shorter units (Harman, 2000)  
                          |                  |                                                                                      | • Undertake publishable research (Taylor, 2001)  
                          |                  |                                                                                      | • Undertake research with HDR students (Taylor, 2001)  
                          |                  |                                                                                      | • Choose journals with relatively higher acceptance rate (Taylor, 2001) not necessarily the top ranking ones. |
| (c) Research Supervision   | • Improve graduate supervision | • Encourage students to prepare a plan, more frequent communication with supervisor | • Some academics suggests their students to undertake projects with topics relatively easy to complete within shorter period of time (Taylor, 2001) |

Source: developed by the researcher
However, the literature review focusing on employee perceptions is inadequate to understand the increasing perception gaps due to changes in attitudes and operational behaviour and thus can have impact on strategic goals. For example, the study conducted by Anderson (2006) explored the experience of 27 academic staff on managerial changes. As the introduction of managerialism is related to the changes in strategic directions of a university and staff at different levels experienced it differently, therefore the researcher believe that identification of perception gaps based on a suitable classification will provide further insights on staff perceptions. A more detailed understanding of the policy makers’ actions impacting on the employee attitudes towards research both at the government level and at the institutional levels can be helpful to reduce the expectation gaps with staff in order to achieve goal congruence at the organisational level and at the national level.

2.5.3. Regional and community engagement

The following sections will discuss the perception of university community engagement as it existed in the Australian Higher Education Sector during the 2004–2008 period, the factors that influenced the adoption of engagement initiatives as strategic policies by the universities and the major challenges encountered to implement it organisation-wide, followed by arguments addressing the changes in staff behaviours affected by the strategic changes. The emphasis here is on the adoption of community engagement as a high-priority university-wide objective as opposed to it an ad hoc or secondary-level objective.
2.5.3.1. Perception of community engagement

The concept of engagement in the higher educational context had varied meanings to its stakeholders due to the existence of varied social, economic and political environments of each university community. Winter et al. (2006) in their study on Victorian universities identified numerous engaged activities including; engaged teaching and learning, engaged research, business, industry and professional links, social and cultural engagement, partnerships with schools and other educational providers, and economic engagement. Cuthill and Brown (2010, p. 129) noted a range of activities as “alumni, health clinics, community-based participatory research, research partnerships, art galleries and museums, outreach programs and service learning, under the engagement umbrella”.

From the Australian perspective, the university–community engagement initiative has been added to the long term strategic planning process considering the
unique social, political and cultural environment around a university and is linked to the two core activities: teaching and learning, and research. Universities also prioritise their engagement activities considering the community demand and their knowledge and expertise in a particular field. Whether a university is research intensive or teaching and learning intensive, the intensity of partnerships with professional associations and governments are also important factors for university–community relationships and, thus, how universities defined and organised their engagement activities.

From the contemporary literature it has been difficult to find a concrete definition of engagement, especially ‘university–community engagement’. In its effort to explain the term ‘community engagement’, the Australian Universities Community Engagement Alliance (AUCEA, 2006, p. 1) defined it as a ‘collaborative relationship leading to productive partnerships that yield mutually beneficial outcomes’. The span of engagement activities as defined by the AUCEA (2006) can be summarised under the three broad categories:

**Table 2.4: Classification of engagement activities**

<table>
<thead>
<tr>
<th>Type of Engagement</th>
<th>Purpose</th>
<th>Type of engaged teaching and learning program adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaged teaching, learning and the student experience</td>
<td>Address community labour market needs as well as the need for students themselves to become knowledgeable and active citizens of their region, their nation and the globalised world.</td>
<td>Arrange work integrated training, internships, international experiences and exposure to curricula that are informed by real world problems and solutions and promise many benefits for students and for their community.</td>
</tr>
<tr>
<td>Engaged Research</td>
<td>Involve the community as genuine partners and applies universities’ research capacity to address community problems and aspirations.</td>
<td>Knowledge transfer and exchange, commercialisation of intellectual property, establishment of spin off companies and joint venture activity between university and community partners.</td>
</tr>
</tbody>
</table>
**Developed by the researcher from the AUCEA July 2006 position paper on Universities and Community Engagement**

According to AUCEA (2006, p. 1) the university community includes “business, industries, professional associations, schools, governments, alumni, indigenous and ethnic communities as well as groups of local citizens”. The term ‘Community Engagement’ is used to describe the relationship between a university and the above-mentioned groups. Wallis (2006, p. 2) defines the university-community relationship as a two-way relationship leading to productive partnerships that yield mutually beneficial outcomes. He also denotes community engagement as ‘a scholarly activity in which a university’s teaching and learning is integrated with research activities that involve the community as genuine partners’. It was indicated in the government reforms also emphasise universities to adopt their policies to adopt their teaching and research activities linked to community

### 2.5.3.2. Factors influencing university–community engagement

Although a university–community engagement is not a new idea as mentioned earlier, the emergence of engagement as a third stream core activity and adopting it as a University significant strategy was fairly recent. Since the late 20th century there had been a move away from the idea of community service to discourses around community engagement (Cuthill and Brown, 2010; Webber and Jones, 2009). Due to the changing environment, the discussion on their community engagement strategies became more visible. The changed environment was related to several factors, mainly external to the organisation especially the state and federal government.
pressure emphasising the need for significant policy changes, in that universities should be more engaged with its community. The ‘Education at the Crossroads: An Overview Paper’ (DEST, 2002, Section 109) emphasised that “higher education institutions needed to be responsive to the social, economic and cultural needs of the communities in which they were located and to foster a more active engagement with those communities”. The pressure on universities to engage more fully with community needs, regional issues and economic development through locally applicable research and teaching gained increasing credence and support from community members, policy makers and many academics (Winter et al., 2006). Funding of many university activities related to teaching and learning had become conditional as to how closely they were linked to community engagement activities. On the issue of research, for example, according to Winter et al. (2006, p. 217), “the Australian Government is actively encouraging applied research through its setting of national research priorities, largely oriented to scientific research and political hotspots (such as terrorism), and through the rhetoric that supports the role of universities as regional economic and social engines. Also called engaged scholarship, engaged research can be in the form of applied research, locally directed research, partnered research and research centres”.

Similar to the other two core activities, the emphasis on engagement initiatives by the higher-education sector were also linked to the issue of legitimacy; in the late 20th century, during the period of economic instability, commercialisation and privatisation where the role of a university in social and economic development were discussed more frequently than before, universities needed to exhibit the importance of their contribution to the generation of knowledge and scholarship for the community. Dempsey (2010, p. 359) believes that “contemporary universities
and colleges face increasing public pressure to address vital economic, social and environmental problems at the community level. This pressure resulted from shrinking public spending on social programs combined with rising higher-education costs. Many schools responded by developing new, community-based engagement initiatives. Campus–community partnerships are committed to collaborative forms of organizing and typically involve under resourced and marginalized communities”. Therefore, an increased community engagement movement enhanced perceptions of legitimacy and accountability by its participants.

Moreover, university–community engagement initiatives were being considered by the universities as a potential source of alternative funding due to funding cuts from the government. Universities were in constant search of alternative sources for funding its operations. ‘In difficult budget times, colleges and universities are being asked by legislators, funders, the media, and the general public to justify their investment with social results’(Brukardt et al., 2004, p. 5) and community engaged learning and research were considered as the alternative that could ensure future sustainable operations with mutual benefits to the university and community. In many countries, universities increasingly responded to funding cuts by becoming increasingly entrepreneurial in their search for revenue sources (Dempsey, 2010, p. 362). The government also had provided funding for community engaged learning and research projects. Furthermore, Winter et al. (2006) believed that the changed demographics of higher education, changed learning technologies and the emergence of the knowledge economy are reasons for universities to consider community engagement from a strategic point of view.
Due to the above mentioned reasons, engagement was considered as a core activity not a separate undertaking (AUCEA, 2006). Likewise, universities were seriously contemplating engaged teaching and learning and engaged research rather than considering it apart from teaching and learning and research. From teaching and learning perspective, the idea is, If the education is to be less long term development and producing rounded educated individuals and to be more associated with economic development then teaching should be focused on business needs and the ability to apply knowledge in practical situations and that can only occur if academics and students have practical experience and hence the need for engagement. Similarly from the research perspective, universities in Australia rank highly in terms of research breakthroughs but have low levels of conversion into business successes. By focusing on engagement the idea is the researchers will focus more on applied research and develop contacts for ideas on areas where research can make Australian business more competitive and also a source of contacts that can facilitate commercialisation.

Therefore, inclusion of policies regarding university–community engagement by the Australian universities, along with the two traditional core activities (teaching and learning, and research), were included in the overall mission, vision and strategic goals. Universities have also included engagement in their academic reward systems. In the research context the University also has developed engagement strategy as a separated core activity. Stella and Baird (2008, p. 20) conducted a thematic analysis on the AUQA Cycle 1 Audit report of 39 Australian universities extracting text relevant to community engagement and found that all the 39 Universities’ audit reports contained discussion on community engagement and/or inclusion and, to varying degrees, their strategic goals of ‘community engagement’ had been
considered as a third core function however, consider that the plans to deploy activities was still evolving.

Moreover, universities can make fewer demands on government resources if the communities including businesses can contribute resources (joint research) or training or substantial donations (alumni) or for sale of output (creative arts). Although there had been a widespread discussion of university–community engagement in the Australian higher educational context and almost all universities had developed strategies for its implementation, there were major challenges that affected its smooth implementation which are described in the next section.

2.5.3.3. Challenges to community engagement goals

The preceding discussion indicates the importance and advantages of university community engagement for mutual benefits. The nature of the appropriate university community engagement activity is context-specific and influenced by the social, political and economic environment of a university’s surroundings. There is ‘significant diversity across Australian higher education institutions regarding engagement due to their histories and campus locations’ (Winter et al., 2006, p. 212). The perception of community engagement of different universities varied among stakeholders in different units/disciplines due to the adoption of content-specific strategies, policies and operating measures influenced by their surrounding environment. It is essential therefore that the staff members have a clear perception of what it entails regarding engagement in their particular context. However, a literature review reveals that there is still ambiguity in conceptualising about what is ‘community’ and ‘community engagement’. There is still lack of uniform
understanding on what engaged teaching and learning, engaged research stands for.

As Cuthill and Brown (2010, p. 136) report that:

’a lack of clear institutional direction is seen to underpin the confusion among senior managers, and even the most passionate advocates are struggling to move the engagement agenda forward at the institutional level’, ....the ‘problems with understanding the costs and benefits of engagement activities could be a substantial challenge for a university as soon as it considers it as part of its institutional mission’ (Cuthill and Brown, 2010, p. 139).

The concept of ‘engagement’ itself, including many affiliated terms to describe related activities, lacks clear definition (AUCEA, 2001). The study by Cuthill and Brown (2010) reveals that there is confusion even among senior managers on the perception as to what engagement entails and how it relates to both everyday operational tasks and to the purpose of the university. Their study on senior managers’ perception in an Australian research university showed a significant difference in the perceptions of engagement even to the point of opposing perspectives which they believe clustered around three personas: (1) Sceptics, who see engagement as largely outside of the core work and mission of the university and/or unnecessary in their work unit; (2) Utilitarians, who consider engagement to be something that is relevant to or useful in certain contexts. For example, practicing engagement might be necessary to achieve some desired outcome and is practiced by individuals rather than being strategically led by the institution; and (3) Missionaries, who strongly reflect the ‘civic mission’ of a university, a mission they argue is based on mutually beneficial relationships.

It is not surprising that similar studies on other levels would result in the discovery of similar or several other personas. Garlick and Pryor (2002) also believed that generally the engagement activities here were incidental and sporadic to mainstream (vision, strategy and operational plans, etc.) in teaching and research and
agreed community priorities relied on a few well-meaning individuals and interest groups.

Another issue related to the conceptualisation could be an underestimation of the complexity of engagement by the contemporary literature. Dempsey (2010, p. 360) argues that the contemporary literature has not focused on the complexity of the community engagement issues and as such “abstracting and dissolving important divisions and power structures in the process. As a result they misleadingly assume a unity and homogeneity that rarely exists. Campus–community partnerships are characterised by inequalities of power that impede collaboration and introduce conflicts. Despite these inherent tensions, much of the literature implies that community is easily located and defined and the community representation is non-problematic. Such assumptions minimize critical power relations among participants”. She also believes that “community engagement initiatives are constrained by institutional practices and existing social and material inequalities” (p. 361).

Generally the strategic planning for engagement is aligned with government policy and institutional norms as these are linked to funding commitments and legitimisation of organisational practices. The strategic goals and operating measures have in many ways impacted on staff behaviour especially at the academic level. However, so far very little is empirically known about how faculty members and other personnel contribute to these efforts in ways aligned with scholarship and the mission of higher education institutions (Wade and Demb, 2009).

Establishing effective university engagement is a complex task (Garlick and Langworthy, 2004). For successful implementation, commitment from staff is
essential. Given the importance of reward structures for the future of community engagement on college campuses, we know little about faculty perceptions on this topic (Schnaubelt and Statham, 2007). At the institutional level, universities display coercive isomorphic behaviour by aligning their strategies and policies with that of government and apparently implement them within the organisation to ensure the sustainable flow of funding. However, a successful implementation could still remain challenging because faculty members’ commitment is also shaped by discipline and rank (Lungsford and Omae, 2011, p. 346). Therefore, the rate of adoption and implementation of newly adopted policies could be slowed or hampered due to the organisation position or discipline-specific attitude or the university-wide culture.

However, Lungsford and Omae (2011, p. 345) noted that ‘while some external and internal efforts have sought to facilitate faculty members’ involvement in engagement, on the other front the policies and cultural practices of higher-education institution have been slow to change. Institutional rhetoric conveys the importance of engagement, but the internal mechanisms may hinder faculty members’ involvement with external audiences’. Therefore, by studying staff perceptions of the levers of the control system in setting goals and rewarding behaviour either directly in the form of promotions or grants, or indirectly in releasing time for activities that they identify with, or through mechanisms for recognition of their work, then greater insight into how to influence their behaviour may assist management. The reasons for their reactions and how the discipline/faculty-specific mimetic isomorphic pressures work against the coercive isomorphic pressure and thus impact on strategy implementation can be explored. Analysing this issue (which is one of the assumptions of this research) would help us to observe whether changes due to coercive isomorphic pressure may not be effective due to
mimetic isomorphic pressure from inside the organisation. To achieve targets for engaged research for example, individual researchers face growing pressure to choose topics that attract outside funders or results in a commercial revenue streams (Giroux, 2007). From the faculty’s point of view, due to increased pressure for high quality teaching and research, they are facing the challenge of balancing between the two as their performance evaluation is linked to it. Inclusion of additional criteria (in the form of engaged research and engaged teaching) has made it more challenging when it is linked to performance measurement.

From the contemporary literature there is not enough study to look for how they have changed their day to day work practices to balance teaching, research and community engagement tasks. The differences in values on such a significant area between the people at the top (i.e. policy makers/senior management) and, especially, the people at the lower level in the faculty could result in misunderstanding, tensions and resistance. On the other hand, the extent to which the new goals capture the fundamental beliefs of academic staff may be the release of previously underutilised motivation. There is very little discussion on the impact of these engagement strategies on academic/research staff to investigate their perception and change in work practices. In that case, it is important to investigate whether there exists any shared understanding among the organisational stakeholders. One way to monitor is to study the change in their work practices as a result of the introduction of a management control system using KPIs and various incentive mechanisms (promotions, recognition both internally and externally, funding for activities, release from other duties, self-reward from undertaking activities from which the individual gets personal satisfaction or disincentives associated with redirecting activities away from satisfying activities previously freely chosen by the academic, etc.).
The University in this case study had also sought to achieve excellence in community engagement related to teaching and learning, research and other community related activities. It is important to observe how it has been dealing with the above mentioned complexities with the staff involved in the planning, implementation and execution of these strategic goals and in doing this how they have accommodated/copied with the enhanced accountability demands from the external and internal sources, and balancing with the other two core activities as well. Staff perceptions on the change in their daily work practices would provide valuable understanding and feedback to the policy makers, senior managers and communities including the staff understanding of the university’s engagement concept and the underlying complexity mentioned in the previous paragraph could be valuable.

2.6. Concepts of Attitudes and Behaviour

2.6.1. Attitudes and behaviours

The concept of attitude has been defined by Myers (2010, p. 124) as “a favourable or unfavourable evaluative reaction toward something or someone (often rooted in one’s beliefs and exhibited in one’s feelings and intended behaviour)”. Therefore, attitudes reflect a person’s tendency to feel, think or behave in a positive or negative manner towards the object of the attitude (Arnold et al., 1995). From social constructionist perspective, individuals attitude are shaped by their surrounding social environment (either positively or negatively) and individual attitude also influence the social environment (Pickens, 2005). Attitude has impact on behaviour (either positively or negatively) on an individual. The formation of negative or positive attitude is dependent on the influence on different factors surrounding environment and as such attitudes influence the decisions that guide one’s behaviour
(Pickens, 2005). On the other hand, behaviour is the way in which one acts or conducts oneself, especially towards a person, an object or a process.

2.6.1.1 Changing attitude

Attitudes can have powerful influence on behaviours. Attitudes may be kept to oneself or may be presented to others through responses or behaviours (Certo, 2003). The general perception is attitude can predict our behaviour; however, they are not always perfectly aligned (Meyers, 2010), especially if there is the existence of overt behaviour. According to Vaughan and Hogg (2014), “attitudes and behaviours are not related in a one-to one fashion … not all classes of behaviours can be predicted accurately from verbally expressed attitudes” (Vaughan and Hogg, 2014, p. 143). Attitude is strongly related to future behaviour when it is stable over time (Vaughan and Hogg, 2014). However, in any organisation changing long standing attitude is challenging as it required changing the cognitive, emotional and behavioural components that make up a person’s attitude. In some cases, people may actually alter their attitudes in order to better align them with their behaviour. Individuals experiencing psychological distress due to conflicting thoughts or beliefs, in order to reduce tension, may change their attitudes to reflect their other beliefs or actual behaviours (Myers 2010). Vakola and Nikolaou (2005) identified that organisation stress is negatively linked to attitudes to change. Pickens (2005) suggests that to change attitudes managers need to understand the reality that attitude change takes time and should not set unrealistic expectations for rapid change. One approach suggested by (Pickens, 2005) would be to challenge someone’s behaviour by providing new information. In this research context it indicates that how the information is conveyed or communicated bears significance as it have impact on staff behaviours.
Impact of attitudes on behaviours in higher educational organisations

It was explained in the external factors section that the rapid changes in the economic and political environment generated more competition, mergers of higher educational organisations as part of their change of strategic directions. Evidence from contemporary literature shows that university management intensified their effort to change academic attitudes to bring changes in the behaviours in a desired way.

The introduction of business philosophy in higher educational organisations demands significant changes of attitudes and behaviour of the organisational stakeholders which is significant challenge for the organisational change agents (Shah and Irani, 2010). For example the implementation of new strategies and performance measures that not familiar to the academic environment posed demand to significantly change their attitudes. Baxley (2011) noted that academics became more self-interested with the evaporation of collegial behaviour. In Australian higher educational context Winter and Sarros (2000) identified that although academics remain very attached to their jobs/work activities, they do not exhibit the same levels of attachment to their institutions. In their research Mapsela and Hay (2006) have identified that the initiatives to merge higher educational organisations through the rationalisation and redistribution of the redistribution of physical, financial and human resource base in higher education created negative attitudes among academic staff in both types of institutions.

It is mentioned earlier that attitudes are not always predict behaviour. On the other hand, understanding of individual attitudes is not always easily understood from the formal information and communication system controlled by the powerful segment in an organisation. Churchman and King (2009) observed that universities
intensified their efforts to develop a credible, shared corporate story, through artefacts such as newsletters intranets and corporate emails that are not always used by academic staff to inform their interpretations of their workplace, ‘when officially authorised versions of professional knowledge and practice are presented by the institution as inevitable and incontestable, the stories of individuals tend to become hidden, or at least unrecognised by the institution’ (Churchman and King, 2009, p. 509). Therefore, the purpose of the study is to understand from staff perceptions from different levels of the organisation how the changes in the surrounding environment had impacted on their attitudes and the influences (positive or negative) on their operation behaviour.

2.6.2. Summary

The discussion in this chapter has focused on the influence of different external and internal factors on the control systems of the higher education sector and ultimately how they impact on staff attitudes at different organisational levels. With the changes in the business environment, the mounting pressure from different stakeholders group especially, the government, has posed enormous challenges for senior management to achieve strategic goals through implementing different performance measures which, in some cases, were new to many academics. Alignment of organisational goals with individual aspirational goals to meet institutional goals is possible through changes to staff attitudes in the desired way. However, as revealed from the discussion of the literature, there is an expectation gap between management and operating staff on the extent and direction of changes and as such demands further understanding. To achieve strategic goals in regard to the three major core activities of teaching and learning, research, regional and community
engagement a reduction of the gap is essential for midterm and longer term sustainability.

Moreover, the link between the stated purposes of any particular approach with achieving strategic goals of the university and how it is aligned with individual goal is yet to be investigated. The above literature review showed that the new model in many cases created extra pressure on individual academic staff in balancing their priorities between research and teaching and as such attempted to direct operating behaviours.

Based on the above discussion it is the purpose of the study is to understand the phenomenon from the individual staff at different levels about the major environmental (external and internal) factors and to understand whether/how they may have impacted or their operating behaviour. Whether/how the change in attitude contributes or hindered alignment of strategic goals needs to be investigated. The next chapter will present the theoretical frameworks to be adapted for the research phenomena.
Chapter 3: Theoretical Framework

3.1 Introduction

The previous chapter (Chapter Two) provided a broad discussion relating to the overarching research question using three major levels to distinguish the three significant influences on the research institution. Level One discussed the impact of major external pressures on the higher education institutional environment; Level Two elaborated on the changes in the internal organisational environment; and Level Three explained how these pressures and changes impacted on individual operational attitudes and behaviours.

The purpose of this chapter is to present a theoretical framework through which to study the research problem(s) and gaps identified through the literature review in the previous chapter. To understand and explicate the research phenomenon, a range of theoretical perspectives were explored and evaluated to select the most suitable one(s) for this research. In this process, the advantages and disadvantages and the applicability of the selected theories to the research framework were carefully considered. The discussion on the theoretical perspectives is followed by the presentation of a theoretical structure developed from the evaluation of several potential theories.

The overall organisation of the chapter is presented in Figure 3.1 on the following page.
### 3.2 Organisation of the Chapter

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
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<td>Choice of a Theory</td>
<td>presents an evaluation of different theories considered as potentially suitable for the study</td>
</tr>
<tr>
<td>3.2</td>
<td>Social Constructionist View of Institutional Theory</td>
<td>explores institutional theory for the study of the Management Control System (MCS) in a higher education environment</td>
</tr>
<tr>
<td>3.3</td>
<td>Old Institutional Theory (OIT)</td>
<td>a focused discussion on old institutional theory and several of its components</td>
</tr>
<tr>
<td>3.4</td>
<td>New Institutional Theory</td>
<td>explores major characteristics of this theory and its applicability in social research/MCS change/higher education research</td>
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<td>3.5</td>
<td>Convergence of Old and New Institutionalism</td>
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<td>Use of Institutional Theory will Enrich Our Knowledge of the Impact on Individual Behaviour</td>
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<td>3.9</td>
<td>Triangulation</td>
<td>justification for using a theory triangulation approach for this type of study, introduces the relevant elements of institutional theory and resource dependency theory applicable to the research context</td>
</tr>
<tr>
<td>3.10</td>
<td>Theoretical Framework</td>
<td>explains the development of a theoretical framework for the research based on the selected theories</td>
</tr>
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<td>3.11</td>
<td>Summary</td>
<td></td>
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*Figure 3.1: Structure of Chapter Three*
3.3 Choice of a Theory

A university is a complex organisation where there are multiple stakeholders, for example, the government, students, employees, professionals, alumni, etc. who have multiple, conflicting and/or distinct interests in the university. Therefore, selecting one or more suitable theoretical perspectives through which to capture and explicate the complexity of the research context is, in fact, crucial to the proposed research questions posited at the beginning of the thesis. The task of adopting the appropriate theoretical strands to accommodate the multi-faceted nature of the research study is important in capturing its essence. The purpose of this chapter is therefore to elaborate on a number of potential theoretical perspectives to determine the most appropriate ones to best explicate this research.

This study adopts the sociological perspective of the organisation, considering it as a socially constructed process by which it shapes and is shaped by individual actions which are complex in nature. In the study of a complex social world, it is always helpful to search for a theory that can guide us to understanding such phenomenon. Strauss and Corbin (1998, p. 22) define a theory as “a set of well-developed categories (e.g. themes, concepts) that are systematically inter-related through statements of relationships to form a theoretical framework that explains some phenomenon”.

A theoretical framework therefore helps to more conveniently view the complexity and provides tools for interpretation. Most of the time, the same phenomenon can be interpreted using different perspectives and this may confuse a new researcher when deciding on which perspective(s) is/are the most suitable. This study has considered a range of theories, namely, contingency theory (CT), agency
After evaluating a number of potential theories, this research has adopted institutional theory (InT) as the dominant perspective and also uses resource dependence theory (RDT) and silence theory (ST) as supplementary to institutional theory. Although legitimacy theory (LT) has close links to the above adopted theories, it was considered not to be the most appropriate for this research due to some inherent limitations. Instead, the research utilised the legitimacy aspect of institutional theory as it is more consistent with the research phenomenon. The following sections outline the basic ideas of the selected theories and their applicability to the research context. This is followed by a brief explanation as to why other theories were not adopted for this study (more detailed discussion is provided in Appendix 3.1).

3.4 Institutional Theory (InT)

Institutional theory (InT) assumes that a primary determinant of organisational structure is the pressure exerted by external and internal constituencies on the organisation to conform with a set of expectations to gain legitimacy and thus secure access to vital resources and long-term survival (Brignall and Modell, 2000). Scott (2004) asserts that

the theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemas; rules, norms, and routines, become established as authoritative guidelines for social behaviour. (Scott, 2004, p. 2)

The essence of a theory is that it provides the knowledge base for organisations to be able to adopt uniform operating procedures, rules, norms and control structures in their operating environment in order to be considered as
legitimate by their internal and external stakeholders. To be viewed as legitimate, organisations need to adapt to three types of pressures (coercive, normative and mimetic) to validate their actions to stakeholders. According to Zucker (1987), InT provides a rich, complex view of organisations and considers that

'organizations are influenced by normative pressures, sometimes arising from external sources such as the state, other times arising from within the organization itself. Under some conditions, these pressures lead the organization to be guided by legitimated elements, from standard operating procedures to professional certification and state requirements, which often have the effect of directing attention away from task performance. Adoption of these legitimated elements, leading to isomorphism with the institutional environment, increases the probability of survival’. (p. 443)

Institutional theory shows how organisational behaviours are responses not solely to market pressures, but also to institutional pressures (e.g. pressures from regulatory agencies, such as the state and the professions) and pressures from general social expectations and the actions of leading organisations (Greenwood and Hinings, 1996). Universities are exposed to these types of competing pressures from their external and internal stakeholders and act legitimately to ensure a sustainable flow of funding. Therefore, this theory has a potential lens through which to understand the research phenomenon more clearly.

Institutional theory represents a dominant approach to the study of the organisation and has had tremendous success in generating intellectual excitement from a macro-sociological understanding of how organisations operate, are structured and relate to each other and thus helps to understand large-scale inter-organisational and societal transformations (Lawrence et al., 2010).
3.4.1 Contribution of institutional theory (InT) to organisational studies

Contemporary institutional theory (InT) has captured the attention of a wide range of scholars across the social sciences and is employed to examine systems ranging from micro interpersonal interactions to macro global frameworks (Scott, 2004). Through this theory, it is considered that these systems will provide an enriched conceptualisation of the environment and how this may impinge on the case study organisation (Ribeiro and Scapens, 2006). Moreover, in recent years, institutional theory has been prominent in extending the study of management accounting change to include the social and institutional dimensions of organisations and their environments (Moll et al., 2006). Furthermore, institutional theory is capable of shedding light on the process of management accounting changes following the introduction of innovation into an organisation and helps to examine the reasons and processes of changes therein.

3.4.2 Use of institutional theory (InT) in the higher education sector (HES)

From the legitimacy perspective a not-for-profit (NFP) organisation—a university, for example—may converge with respect to many structural and procedural aspects, along with strategic behaviour and approaches to Management Control Systems (MCSs) (Tucker and Parker, 2013). Morphew and Huisman (2002) argued that a university uses ambiguous technology (e.g. teaching) to produce outputs (e.g. knowledge, competent students) wherein “value” and “quality” are very difficult to determine and may not be adequate for the institution to operate efficiently but, instead, may require the institution to also be viewed as legitimate both internally and externally. They contend that institutional theory provides a much-needed
theoretical tool which can be used to better understand the factors that precipitate academic drift. In the current research context, it is expected that the theory can be helpful to understand how the organisational participants view the legitimacy of the adoption of the MCS in their operating environment.

Using institutional theory for a university, which is a public sector-type organisation, would more effectively expose the interactions of the environmental forces affecting any changes in strategy. Therefore, Brignall and Modell (2000, p. 282) believe that “to neglect insights of institutional theory is particularly unfortunate in a public sector context” and emphasise that

*to further our understanding of how multidimensional performance measurement systems (PMSs) can be used in public sector, it would thus be appropriate to shift the attention to the power and pressure exerted by different groups of stakeholders and how these affect the use of performance information in organisations.*

There has been a widespread application of the institutional perspective in higher education sector (HES) research (i.e. Morphew and Huisman, 2002; Bealing et al., 1996) linked to the area of management accounting, such as organisational structures (Gumport, 2000), MCS (Moll and Hoque, 2011; Eedle, 2007; Moll, 2003) and governance structures (Kaplan 2006), policy (Bastedo, 2004) and strategy (Tucker and Parker, 2013). Institutional theory considers the organisation’s formal and informal complex relationships and the conflicting interests that exist between its internal and external stakeholders. This study therefore utilises institutional theory as the dominant theoretical perspective through which to understand the research phenomenon.
3.5 Resource Dependence Theory (RDT)

Resource dependence theory (RDT) perceives organisations as coalitions that alter their structure and patterns of behaviour to acquire and maintain the needed external resources. According to this theory, organisations are inescapably bound up with the conditions of their environment. The theory predicts that organisations attempt to manage constraints and uncertainties that result from the need to acquire resources from the environment (Pfeffer and Salancik, 2003, p. 1). According to Pfeffer and Salancik (2003) believe that three important factors are critical in determining the dependency of an organisation, namely: (i) the importance of the resources; (ii) the extent of discretion over the resource allocation process by the external groups; and (iii) the extent of alternatives. This has become one of the dominant theoretical rationales that explain why firms engage in mergers and acquisitions (Hillman et al., 2009).

Moreover, this view is also consistent with institutional theory in which the organisation has a multitude of internal and external stakeholders with competing interests in a continuously changing process. In line with the basic assumptions of the current research, the RDT approach also considers that: (1) the organisation is an open system which has to interact with the elements of the environment in order to obtain the resources necessary for survival (Pfeffer and Salancik, 1978); (2) responding to demands from the environment is crucial for survival; however, (3) the number of demands and their nature are varied and, in many cases, are conflicting from the organisation’s point of view.

In the higher education sector, the influence of the above three factors is also evidenced as universities rely on government funding for most of their critical
resources and are heavily dependent on the government’s funding policy when there are not many alternative sources available for sustainable operations. In the higher education sector, for example, the pressures from government bodies as external constituents are highly responsible for organisational changes and ultimately impact on the internal stakeholders’ operating environment in different ways. Within this sector, at the institutional level, the strategy and policy changes heavily depend on the resource allocation policy at the national level, that is, the government funding model for the higher education institution. Therefore, it is essential to adopt a resource-based view (RBV) to understand the changes in behaviour/perceptions and/or attitudes at different levels of the organisation. Resource dependence theory (RDT) has an expansive influence that spreads from management and sociology to education, health care, public policy and to other contexts (Davis and Cobb, 2009). In the current research context, RDT will be used to gain an extended understanding of changes in individual behaviour due to the change in the funding situation.

Moreover, RDT offers some advantages if used with other theories. Riviere and Boitier (2009) noted that RDT holds that legitimacy is a resource to be controlled, and control of all resources enables the organisation to avoid systematically yielding to institutional pressures. On the other hand, new institutional theory (new institutional sociology [NIS]) places greater emphasis on the roles of conformity and habit than on that of power in the quest for legitimacy. It appears that strategic changes influenced by a resource-dependent relationship can have an impact on the internal communication style within a higher education organisation, a style which could be unfamiliar to the academic staff. Such changes in the tone of communication may have different impacts at different levels. How the tones are transmitted and received, understood and implemented, and the monitoring of their
impact are questions that are essential for management to address. The perception of the strategic terms and how they are perceived at the academic level are highly likely to be different.

The comparative strengths and limitations of RDT with those of institutional theory have been summarised by Oliver (1991), along with the convergent assumptions and differences: these are presented in Table 3.1 below. Elements of the divergent foci are recalled in Chapters Six and Seven.

**Table 3.1: Comparison of institutional and resource dependence theory perspectives**

<table>
<thead>
<tr>
<th>Explanatory Factor</th>
<th>Convergent Assumptions</th>
<th>Divergent Foci</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context of organisational behaviour</strong></td>
<td>• Organisational choice is constrained by multiple external pressures</td>
<td>• Institutional environment: no-choice behaviour</td>
</tr>
<tr>
<td></td>
<td>• Organisational environments are collective and interconnected</td>
<td>• Conformity to collective norms and beliefs</td>
</tr>
<tr>
<td></td>
<td>• Organisational survival depends on responsiveness to external demands and expectations</td>
<td>• Invisible pressures</td>
</tr>
<tr>
<td></td>
<td>• Organisations seek stability and predictability</td>
<td>• Isomorphism</td>
</tr>
<tr>
<td><strong>Motives of organisational behaviour</strong></td>
<td>• Organisations seek legitimacy</td>
<td>• Adherence to rules and norms</td>
</tr>
<tr>
<td></td>
<td>• Organisations are interest-driven</td>
<td>• Organisational persistence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Habit and convention</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Task environment: active choice behaviour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Coping with interdependencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Visible pressures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Adaptation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Management of resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reduction of uncertainty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Power and influence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Social worthiness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Conformity with external criteria</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interest institutionally defined</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Compliance self-serving</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Resource mobilisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Control of external criteria</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest political and calculative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Non-compliance self-serving</td>
</tr>
</tbody>
</table>

*Source: adopted from Oliver (1991, p. 147)*
As RDT has the limitation of placing more weight on technical and economic considerations than on social pressures (Rivière and Boitier, 2009), many social researchers use this as a supplementary theory to another dominant theory. According to Rivière and Boitier (2009), institutional theory and RDT perspectives are complementary in many ways and the combination of the two frameworks can enable different behaviours in the face of pressures to be envisaged. Oliver (1997) used RDT with institutional theory while Bloodgood and Morrow (2000, p. 208) used the resource-based view (RBV) to determine the “perceived levels of choice, determinism and uncertainty”. In the current research, RDT is used as another lens, supplementary to institutional theory. Oliver (1997) posited that “integrating the resource-based view of the firm with institutional theory was a good way to understand the “context and process of [a firm’s] resource selection”” (1997, p. 697). In addition, the character of the research context in its reliance on government funding evokes the use of RDT as a suitable conjectural lens through which to understand how the funding relationship is linked and how this contributes to the organisational change process.

3.6 Silence Theory (ST)

The current study examines the behavioural impact on individuals as they respond to changes in their internal organisational environment. Changes are commonly followed by resistance especially when they disrupt the traditional values and beliefs of the organisation. A university is not an exception, with top management continually being challenged to effectively implement changes within the organisational environment. However, the modes of resistance of internal stakeholders in a higher education organisation are different from those in other industries. Firstly, the behavioural mindset of individuals, especially academic staff,
is different from that of other professions. Secondly, the pressures for change are so unique, rapid and intense that no strong resistance is evidenced from the staff. Thirdly, there is a sense of job insecurity during restructuring within the organisation.

There is evidence from the contemporary literature that some resistance by staff to the changes is noticeable when it affects their lives. The modes of resistance are varied, for example, protesting overtly, union activities, etc. However, it appears that the resistance mode is mainly covert rather than overt, that is, leaving their job, changing profession, being less responsive to the strategic changes, and apparent compliance with the formal change process to save their job while informally being inactive. Overall, silence is considered as a mode of resistance. According to Roberts (2000, pp. 344-345), “silence can be a resistance strategy and extremely enlightening and provocative and provides a fruitful yet complicated arena of study for resistance scholars”. The purpose of the current research is to examine the staff perceptions on their mode of resistance as part of the behavioural impact of strategic changes.

The above-mentioned silent behaviour can be termed as ostracism, the social or relational ostracism, often referred to as “the silent treatment” (Brinsfield et al., 2009), that involves ignoring or excluding people. Lustenberger and Williams (2009) defined it as “a process that is characterized as an unfolding sequence of responses endured while was being ignored and excluded” (p. 429). Brinsfield et al. (2009) believe that it is most useful to classify ostracism as involving “the silent treatment” but, at the same time, maintained that it can involve the deliberate withholding of concerns, information or opinions about work issues.
In this study the resistance behaviour will be explored using the Silence perspective; a branch of psychological theory. The silence theory discusses individual general reluctance to convey bad news because of the discomfort associated with delivering negative information. The spiral of silence theory also discusses that individuals kept silence due to fear of isolation and feelings of self-doubt discourage them to express ideas that fail to conform to public opinion (Newmann, 1974). The act of being excluded or ignored commonly referred to as the “silent treatment” (Williams, 2001). The theory infers that due the norms of an organisation, it can discourage employees from openly and directly repressing their dissatisfaction (Peirce et al., 1998).

Graham (1986) proposed six unique forms, two of which involve the degree to which employees remain silent and stay within the organisation or leave quietly (Brinsfield et al., 2009). However, the mode prevalent in the sector due to the long-established traditional norms, values and beliefs in most higher education organisations is what Morrison and Milliken (2000) termed as “organisational silence”, namely, the widespread withholding of information by employees about potential work-related problems or issues. They also indicated that organisational silence is a potentially dangerous impediment to organisational change and development, and that it is likely to pose a significant obstacle to the development of truly pluralistic organisations. The above-mentioned issues are important in the current research context due to significant changes in the university’s strategies, policies and organisational practices that were unfamiliar to its traditional values and belief systems.
Oliver (1991) listed five types of strategic behavioural response that arise in organisations as individuals respond to institutional pressures to conform which may vary in active agency by the organisation, ranging from passivity to increasing active resistance, for example: acquiescence, compromise, avoidance, defiance and manipulation. As shown in Table 3.2, each type of strategic response and the tactics used are similar to some extent with the models explicated by the silence theorists. For example, the social relational ostracism referred to as the “silent treatment” by Brinsfield et al. (2009) is similar to the avoidance or defiance strategic responses under the institutional theory perspective.

**Table 3.2: Strategic responses by institutional processes**

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Tactics</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquiesce</td>
<td>Habit</td>
<td>Following invisible, taken-for-granted norms</td>
</tr>
<tr>
<td></td>
<td>Imitate</td>
<td>Mimicking institutional modes</td>
</tr>
<tr>
<td></td>
<td>Comply</td>
<td>Obeying rules and accepting norms</td>
</tr>
<tr>
<td>Compromise</td>
<td>Balance</td>
<td>Balancing the expectations of multiple constituents</td>
</tr>
<tr>
<td></td>
<td>Pacify</td>
<td>Placating and accommodating institutional elements</td>
</tr>
<tr>
<td></td>
<td>Bargain</td>
<td>Negotiating with institutional attachments</td>
</tr>
<tr>
<td>Avoid</td>
<td>Conceal</td>
<td>Disguishing nonconformity</td>
</tr>
<tr>
<td></td>
<td>Buffer</td>
<td>Loosening institutional attachments</td>
</tr>
<tr>
<td></td>
<td>Escape</td>
<td>Changing goals, activities, or domains</td>
</tr>
<tr>
<td>Defy</td>
<td>Dismiss</td>
<td>Ignoring explicit norms and values</td>
</tr>
<tr>
<td></td>
<td>Challenge</td>
<td>Contesting rules and requirements</td>
</tr>
<tr>
<td></td>
<td>Attack</td>
<td>Assulting the sources of institutional pressure</td>
</tr>
<tr>
<td>Manipulate</td>
<td>Co-opt</td>
<td>Importing influential constituents</td>
</tr>
<tr>
<td></td>
<td>Influence</td>
<td>Shaping values and criteria</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>Dominating institutional constituents and processes</td>
</tr>
</tbody>
</table>

*Source: Oliver (1991, p. 151)*

Several institutional scholars and resource dependence theorists (Meyer and Rowan, 1977, 1983; Meyer et al., 1983; Pfeffer and Salancik, 1978; Powell, 1988; Scott, 1987b) have acknowledged such avoidance as a type of response to institutional pressures (Oliver, 1991).
An important question, from the silence theory perspective, is why do some staff develop the type of behaviour in which they remain silent? Morrison and Milliken (2000, p. 708) believe that “a climate of silence” may develop within the organisation when the widely shared perception among employees is that speaking up about problems or issues is futile and/or dangerous. The model developed by Morrison and Milliken (2000) indicated that the factors responsible for developing the climate of silence are: top management characteristics; organisational structures and policies; collective sense making via interactive communication; and the degree of demographic dissimilarity between employees and top managers.

There is scope in the current research to understand the behavioural responses of individuals at different levels. The intention is to supplement the explanation of the overarching institutional theory with support from the silence theory.

In addition to the above chosen theories, a number of other theories were considered for this research (legitimacy theory, rational choice theory, agency theory and contingency theory); however, due to validity issues, they were considered unsuitable for the purpose of this research. A detailed evaluation of these theories is presented in Appendix 3.1 with a brief outline presented in the following sections.

### 3.7 Legitimacy Theory (LT)

Legitimacy theory (LT) is derived from the concept of organisational legitimacy that has its foundations in the works of Weber and Parsons (Suchman, 1995). The idea of legitimacy has been defined as a “condition or status which exists when an entity’s value system is congruent with the value system of the larger social system of which the entity is a part” (Dowling and Pfeffer, 1975, p. 122).
Basic features: Legitimacy theory adopts a resource dependence perspective and considers legitimacy to be a resource on which an organisation depends for survival (Dowling and Pfeffer, 1975). In line with research perspectives, the theory also considers that an organisation both impacts on and is impacted by the society in which it operates (Deegan and Soltys, 2007).

Limitations: The theory has a number of overlaps with stakeholder theory and institutional theory (Deegan, 2007; Cuganesan et al., 2007; Patel et al., 2005). According to Deegan (2007), legitimacy theory is marked by a lack of specificity and its ability to anticipate and explain managerial behaviour is uncertain; therefore, to treat legitimacy theory and the other theories as sharply discrete theories would be wrong (Deegan, 2007). This is particularly relevant to the current research as institutional theory and resource dependency theory can give greater structure to legitimacy issues.

Moreover, legitimacy theory does not consider or question structural or class-based conflicts within the society and assumes that the views of a reasonably unified and pluralistic society shape the activities of organisations (Deegan, 2007). Cuganesan et al. (2007) cited several studies, claiming that the results of these studies generally tended to acknowledge the applicability of legitimacy theory to understanding the voluntary corporate social responsibility (CSR) disclosure practices of companies.

Applicability of the theory in this research context: The idea of legitimacy, and the legitimation process, has become the most significant component reflected in the approach advocated for studying the legitimacy phenomenon under legitimacy theory. Taking into consideration its basic features and limitations and the nature of
the current research context, it appears that the legitimacy aspect of this theory can be considered as a potential component of institutional theory rather than using legitimacy theory as an overarching framework. The reasons are that the institutionalisation of institutional norms, values, beliefs and practices at the higher education organisational levels can be explicated by legitimacy aspect of institutional theory. In comparison to the strategic approach on legitimacy, the institutional theory approach seems to more closely fit the ethno-methodological view of the research context. Therefore, it seems logically appropriate to use the legitimacy aspect as a supplement of institutional theory. This serves to further explain and analyse the institutionalisation of the adaptation of institutional practices in the case study research organisation’s context.

3.8 Rational Choice Theory (RCT)

Rational choice theory (RCT) is a model used for formally understanding social-economic behaviour. Based on economics, the theory assumes that humans behave rationally in making decisions by calculating the costs and benefits of their actions (Scott, 2000). The theory attempts to construct a formal predictive model of human behaviour whereas sociological research sees both rational and non-rational elements in human action/reaction. Therefore, according to Scott (2000), RCT is distinct from other forms of theory in that it denies the existence of any kinds of action other than the purely rational and calculative ones which may conflict with the themes of the current research. Due to the limitations outlined above, this theory was not considered for this study.
3.9 **Agency Theory (AT)**

Agency theory (AT) explains the relationship between the principal and agent in a business relationship where the principal–agent relationship focuses on the interaction between two or more parties. The theory is criticised for its simplicity in attempting to explain such complex relationships, particularly with the principal–agent model. However, a university is a complex organisation with multiple external and internal stakeholders, that is, governments, research bodies, students, alumni, unions, employers, professionals and other related communities each with their own agenda and hierarchical structure. The nature of the relationship between the government and senior management, for example, cannot be labelled as a simple principal and agent situation as there are other external and internal pressures with which management also needs to cope. In addition to accountability to the government for funding, universities traditionally have the responsibility to impart and generate knowledge, and thus are accountable to students, employees and professionals, complying with social expectations and community development. However, agency theory takes a restricted view of the environment in which it operates as it typically ignores the external stakeholders by assuming a single owner rather than a group of owners and debt holders (Baiman, 1990).

3.10 **Contingency Theory (CT)**

Contingency theory (CT) had some suitable applicability for this study as it recognises human behaviour in making decisions and asserts that the optimal course of action is determined by external and internal situations. Otley and Berry (1980) noted that contingency theory had produced significant new results in the field of management accounting. He also argued that it is based on an inadequately and
insufficiently articulated model. Schoonhoven (1981) identified five problems with the theory ranging from a simple lack of clarity in theoretical statements to more subtle issues, such as the embedding of symmetrical and non-monotonic properties in theoretical assertions.

This study identified that the relationships between technology, structure and organisational effectiveness are more complicated than assumed by the theory. Chapman (1997) expressed concern about the implications of this theory in studying strategy and in accounting. His criticism was based on the fact that the above studies have been large-scale, cross-sectional, postal questionnaire-based research examining the interaction of a limited number of variables. More recently, Gerdin and Greve (2004, cited in Dent, 1990), Fisher (1995), Galunic and Eisenhardt (1994), Langfield-Smith (1997) and Otley (1980) also believed that disparate definitions of variables, insufficient data and underspecified models have resulted in a fragmentary and contradictory theory and further argued that attention should be paid to the way in which the concept of fit has been applied. Adopting contingency theory for this study was seen as inappropriate due to the lack of precise rules for its application.

The following sections provide details of the theoretical perspectives to be adopted for this research.

3.11 Social Constructionist View of Institutional Theory (InT)

As was mentioned in Section 3.1, institutional theory is used as the overarching theoretical framework for this research. This section discusses the main components of institutional theory and its application in social research, particularly in the higher education sector. Institutional theory posits that organisations adopt social norms and behaviour in their practice to reflect social expectations. According to Zucker (1987),
the theory taps into the taken-for-granted assumptions at the core of social action by providing a rich, complex view of organisations. Institutional theory assumes that institutions exert a constraining influence over organisations—known as isomorphism—which addresses why organisations in that field look and act the same (Miles, 2012). In recent decades, “institutional analysis has increasingly moved toward the analysis of organisations, while treating “institutions” as the environments or fields of organizations” (Abrutyn and Turner, 2011, p. 283). Scott (1995) defined an organisational field as being where organisations in aggregate share an institutional life.

Institutional theory shows how organisations behave in response to market and institutional pressures (Greenwood and Hinings, 1996). According to Gates (1997), the organisation is the basic concept of institutional theory in that it describes and defines an organisation’s environment. When similar organisations operate in any area and share norms, values, beliefs and work practices, they can collectively be called an institution. Considering its widespread variety of applications in social research, it is not possible to explicate the concept of institutional theory in an exact and precise manner. Several strands of institutional theory (Scott, 1987) have been applied to a wide variety of social phenomena, ranging from interpersonal to world systems (Scott, 2004). Barley and Tolbert (1997) defined institution as “the shared taken-for-granted assumptions which identify categories of human actors and their appropriate activities and relationship”.

On the other hand, Scott (2008a, p. 210) provided this definition of institutions: “[i]nstitutions are comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide
stability and meaning to social life”. The regulative, normative and cultural-cognitive elements are considered by Scott (2008) as the pillars of institutions.

The two definitions of institutions above reflect two broad variations of institutional theory: old institutional economics (OIE) and new institutional sociology (NIS). Each of these variants has some advantages with both sharing some attributes that are similar to other theories discussed above. Miles (2012) considered that both approaches have advantages and disadvantages and should be integrated into modern institutional theory. For example, Powell and DiMaggio (1991, p. 160) noted the similarity between the two approaches as follows:

both the old and new approaches share a scepticism towards share rational-actor model of the organization and each views institutionalization as a state-depended process that make organizations less instrumentally rational by limiting the options they can pursue. Both emphasize the relationship between organizations and their environments and both promise to reveal aspects of reality that are inconsistent with organizations’ formal accounts. Each approach stresses the role of culture.

In this research, both approaches will be utilised in order to gain an understanding of the research problems. The following sections present discussions on the approaches of old institutional economics (OIE) and new institutional sociology (NIS).

The theoretical perspective adopted in this study considers that institutions are socially constructed where “meaning is central to social life” (Scott and Meyer, 1994, p. 56). Individual behaviours are influenced by how the meanings of the new operating environment are shared among individuals, and an organisation is an open system which interacts with the external environment for survival. As a result, it is assumed that, to be viewed as legitimate, organisations introduce socially accepted practices and procedures (Moll and Hoque, 2004).
The following sections explicate the approaches and their application in this study.

3.12 Old Institutional Theory (OIT)

Old institutional theory (OIT) emerged as a rejection of the assumptions of neo-classical economic theory related to rationality, optimism and market equilibria. Based on the seminal work of 19th century economist and sociologist Thorstein Veblen (1899), the theory proposed a holistic and interdisciplinary approach (Moll et al., 2006). Selznick (1957) is often cited as a source of the old approach. Institutional theorists examine such issues as coalitions, competing values, influence, power and informal structures (Greenwood and Hinings, 1996).

According to OIT, institutions are governance-based with a foundation of rules, norms, values and systems of cultural meaning. The two common underpinning assumptions of institutional theory are: (i) institutional environments are socially constructed and (ii) organisations are open systems (i.e. external environments and their participants help to shape the organisation’s structures and its activities). Old institutional theory (OIT) focuses on formal structures (Miles, 2012).

3.12.1 Definitions of institution and the institutionalisation process

Based on the above premise, an institution can be viewed as a social construction in which institutions consist of organisations that shape and are shaped by individual actions. The theory posits that the organisation incorporates community norms and values into its social system to render a sense of meaning, and that it offers alternative reasons for existing beyond the technical and economic strands. The process by which an organisation infuses externally imposed institutional values,
beliefs and norms within its organisational environment is defined by Selznick (1957, p. 17) as the institutionalisation process in which organisations become “infused with value beyond the technical requirements of the task at hand”. That is, it exists not only for technical or economic purposes but also has other purposes to defend the organisation’s behaviour. Meyer and Rowan (1977, p. 341) posited that “institutionalization involves the processes by which social processes, obligations, or actualities come to take on a rule-like status in social thought and action”.

In considering reality to be a socially constructed process, this study has adopted a sociological perspective of the institution and therefore has chosen a definition of the institution linked to that perspective. This study utilises the definition of institutions provided by Scott (1995, p. 33):

*Institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers—cultures, structures and routines—and they operate at multiple levels of jurisdiction.*

According to Scott (1994), institutions are made up of three elements: (a) meaning systems and related behaviour patterns; and (b) symbolic elements, including representational, constitutive and normative components that are (c) enforced by regulatory processes. In elaborating on the above concept, Scott (1994) maintained that shared meanings are indispensable to collective activity as they arise in interaction and are preserved and modified by human behaviour; symbols stand for other things, that is, many symbols are used to convey our understanding of the world and how it works; and constitutive rules define the nature of actors and their capacity for action. The normative components “are associated with actors and identif[y] conceptions of appropriate actions, i.e., rules, routines and scripts” which
are “not simply anticipations or predictions, but prescriptions (or proscriptions) of behaviours” (Scott, 1994, p. 63).

The enforcement by the regulatory processes, as mentioned in Scott’s (1994) definition, has been classified by DiMaggio and Powell (1983) as involving coercive, mimetic and normative pressures that induce organisations to conform to institutional pressures. The impact of these pressures is linked to the concept of legitimacy where organisations adapt work practices and shape behaviour so it is acceptable to their constituents. The concept of legitimacy is further discussed below.

In the institutionalisation process, top management is considered as the agent of institutionalism. The institutionalisation process can be presented as follows.

![Institutionalisation process diagram](developed from Meyer and Rowan [1977])

The degree of institutionalisation depends on the internal dynamics of the organisation (i.e. the level of specialisation and technical design). However, the purpose of institutionalism is to increase the survival prospects of the organisation.
rather than its efficiency. The legitimate behaviour of embedding these socially constructed norms, beliefs and rules in order to gain acceptance in or by society is related to gaining the acceptance and flow of resources that ensure support and survival, not efficiency.

*Organizations are driven to incorporate the practices and procedures defined by prevailing rationalized concepts of organizational work and institutionalized in society. Organizations that do so increase their legitimacy and their survival prospects, independent of the immediate efficacy of the acquired practices and procedures. (Meyer and Rowan, 1977, p. 340)*

Meyer and Rowan (1977) believe that many of the policies, programs and procedures are enforced by public opinions, views of important constituents and by knowledge legitimated though education, social prestige and definitions used by courts, the manifestation of which become rationalised myths binding on particular organisations, with their adoption not necessarily related to efficiency. Their adoption will affect organisational independence from the broader society. Many aspects of an organisation’s formal structure, policies and procedures serve to demonstrate conformity with the institutionalised rules and expectations expressed by external constituents (Meyer and Rowan, 1977; DiMaggio and Powell, 1983).

To reduce such dependence, according to Selznick (1957, p. 16), “[t]he more precise an organization’s goals and the more specialized and technical its operations, the less opportunity will there be for social forces to affect its development”.

Institutional rules may have effects on organisational structures and their implementation in actual technical work which are very different from the effects generated by the network of social behaviour and relationships which compose and surround a given organisation (Meyer and Rowan, 1977, p. 341). Therefore, old institutional theory is concerned with the institutionalisation of normative control
which is what values matter, how organisations adopt or change their culture and structures, and how these values are weakened or de-institutionalised (Meyer and Rowan, 1977).

3.13 New Institutional Theory (NIS)

Neo-institutionalism has its roots in the old institutionalism of Philip Selznick and his associates (DiMaggio and Powell, 1991). New institutional sociology (NIS) addresses the behaviour of organisations as motivated by forces in wider society. It argues that organisations will seek legitimacy by adhering to rules and norms that are valued by society and, more specifically, by certain institutions in society (DiMaggio and Powell, 1983, p. 149). The theory argues that organisations are more complex settings with environmental pressures, and not merely internal technical requirements, shaping organisational structures and accounting for the diversity of organisations (Scott, 2008a). The environmental pressures by which they are shaped include the beliefs, fashions and desires of important external institutions (Major and Hopper, 2003). Pertinent environmental factors include legal pressures, influential constituencies and regulatory requirements. If organisations do not, either ceremonially or in actuality, meet the expectations and demands of institutional environments, they are unlikely to survive. Organisations conform to institutional environments not merely because this brings increased resources and better survival prospects, but because they form a set of institutionalised beliefs that are taken as constituting reality (Meyer and Rowan, 1977, p. 91; Scott, 1987). Thus, institutional expectations by “social processes, obligations or actualities come to take on a rule-like status in social thought and action” (Meyer and Rowan, 1977, p. 341). When these rules become highly institutionalised, they function “as myths that bind organisations” (Major and Hopper, 2003).
The following sections explain essential assumptions and components of new institutional sociology (NIS).

### 3.13.1 Legitimacy

The concept of legitimacy has already been defined in the legitimacy theory (LT) section. Legitimacy is a general evaluation rather than being event-specific (Scott, 2014), and is “possessed objectively, yet created subjectively” (Suchman, 1995b, p. 574). Once an organisation becomes legitimate, it can use its legitimacy to strengthen its support and secure its survival (Meyer and Rowan, 1977, p. 349). Based on an institutional perspective, Scott (1995) considers legitimacy as a condition reflecting cultural alignment, normative support or consonance with relevant rules or laws. According to Scott and Meyer (1995, p. 123), “individual organizations must conform to elaborate rules and institutional scripts if they are to receive support and legitimacy”.

Barley and Tolbert (1997) defined institutional scripts as “observable, recurrent activities and patterns of interaction characteristic of a particular setting” (p. 98). An organisation achieves support and attains legitimacy through conforming to the specific regulatory, normative and cognitive standards (Scott, 1995; Roxas and Coetzer, 2012) that exist within it. Suchman (1995b) contends that legitimacy is socially constructed as it is dependent on a collective audience and yet independent of particular observers.

### 3.13.2 Isomorphism and isomorphic pressures

*Isomorphism*

Meyer and Rowan (1977) labelled the display of the attitude of institutionalising the rationalised myths into organisational practice as “isomorphism”. DiMaggio and
Powell (1983, p. 149) defined “isomorphism” as “the mechanism through which organisations adopt similar procedures “which is “a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions” (Di Maggio and Powell, 1983, p. 149).

DiMaggio and Powell (1983) argued that an institutional environment exerts three types of (isomorphic) pressures on any organisation in an organisational field that can be linked to such isomorphic behaviour by those organisations. They distinguished the three types as coercive isomorphism, normative isomorphism and mimetic isomorphism. The following paragraphs explain these three types of pressure with further elaboration of the pressures relevant to the study.

**Coercive isomorphic pressure**

Coercive isomorphism results from both the formal and informal pressures exerted on organisations by other organisations due to the dependency (DiMaggio and Powell, 1983) of the former on the latter. Such pressures could be related to the flow of resources between them or to the use of power and sanctions to bring about organisational conformity (Gates, 1997). According to Scott (1995, p. 35), institutions constrain and regularise their behaviour through regulatory processes of rule setting and sanctioning activities. These activities involve the capacity to establish rules, inspect or review the other’s conformity to them and, if necessary, to manipulate sanctions, rewards or punishments in an attempt to influence future behaviour. For example, organisations may change their internal operating procedures in response to a change in state legislation. To cope with this pressure, organisations protect their technical activities by decoupling selected elements in the structure. However, this decoupling has the consequence of reducing efficiency (Meyer and Rowan, 1977; Weick, 1976; Selznick, 1957). Accounting research that
has identified coercive pressure includes studies by Covaleski et al. (1993), Ansari and Euske (1987) and Covaleski and Dirsmith (1988).

**Mimetic isomorphic pressure**

A second process leading to institutional isomorphism is called mimetic isomorphism. According to DiMaggio and Powell (1983), uncertainty is a powerful incentive for imitation and, therefore, mimetic isomorphic responses are common in situations where there is a high degree of uncertainty. These responses involve organisations imitating the techniques and practices used by other organisations that are viewed as operating successfully in the institutional environment (Moll and Hoque, 2004). Abernathy and Chua (2007) believe that such mimetic behaviour has a ritualistic element where organisations adopt new managerial practices to enhance their legitimacy by appearing to be “in control” or “at the cutting edge”. In the higher education sector, there is evidence of mimetic isomorphic behaviour by organisations where universities mimic the behaviours (Moll and Hoque, 2004) of other universities considered to be ideal for benchmarking different organisational practices. It is also visible at the institutional level when universities appear to display compliance with government funding regulations by mimicking the resource process in their internal organisational system which is actually very formal.

**Normative isomorphic pressure**

Normative isomorphism is related to an institutional environment where organisations are subject to pressure and cognitive constraints to embrace forms regarded as appropriate or legitimate for the type of organisation to which they belong (Scott and Meyer, 1994). The normative pressure stems from professionalisation (DiMaggio and Powell, 1983) and is tied to professional standards that pressure organisations to conform (Gates, 1997). According to
(Scott, 1995, p. 37) “emphasis is placed on normative rules that introduce a prescriptive, evaluative and obligatory dimension into social life” and the rules often impose constraints on social behaviour. He further argued that actors in such an environment conform to these norms not because it serves their interest narrowly defined but because they feel obliged to do so as it is expected from them.

However, it appears that there are knowledge gaps in two areas of the literature that can be addressed through the current study. Firstly, while the contemporary literature highlights the impact at higher education levels, it is inadequate at explaining the same pressures on individual attitudes. Secondly, although the three institutional pressures are exerted on organisations, whether they work together or are in conflict with one another has not been investigated. That is the reason why one of the assumptions of this thesis was that strategic goals may not be achieved in the desired way due to normative or mimetic isomorphic pressures that may work against coercive pressure.

Meek and Wood (1997) found in their study of management and governance in Australian higher education that forty two percent of senior executives believed that academic staff resistance to change was an impediment to effective management. More recently, the study by Moll and Hoque (2011) of an Australian university shows the budget aspirations were challenged by academic and administrative staff who found them to be inconsistent with their values and expectations for the university: consequently, staff undermined the process through patterns of under-spending and over-spending. Moll and Hoque (2011) believed that the Vice-Chancellor’s efforts to legitimate the organisation’s financial management practices for a key funding agency could have been jeopardised by this behaviour.
They argued that the internal constituents should be seen as a significant legitimating element and identified that attention to their demands becomes more relevant when budget and accounting systems for internal use were loosely coupled. Their study also supports Powell’s (2007) argument and the assumption of the current research that the isomorphic pressures could be in conflict with each other and may affect the attainment of the strategic goals.

3.13.3 Impact of isomorphic pressures at different organisational levels in higher education organisations

The above isomorphic pressures, therefore, can work together to institutionalise changes at the organisational level, or they can work independently. Powell (2007) believes that they can be at odds with each other or can be nested within one another or can apply differently to different members of a field. This is similar to the situation found in any university where these pressures could have different impacts on different groups of individuals (i.e. top management, middle management and the academic level). By studying the change in attitude of the individuals within the organisation with an enhanced focus on the academic level, Test the possibility that due to the different pressures at the various levels the intended strategic changes may only be partially successful as a result of becoming at odds with each other during the implementation. A formal strategic goal may not be achieved due to the informal culture, beliefs and work practices, that is, normative and mimetic isomorphic pressure, for example, working against coercive pressure. It is not abnormal that there are gaps in understanding of the same strategic goals by individuals at different levels. Powell (2007) also cited the research findings by Meyer and Rowan (1983) that, in the presence of different institutional influences in the organisational fields, organisations developed more internal administrative capacity and the members of a
field became much more differentiated. At this level, this study also subscribes to what Powell (2007, p. 2) believes is a *key analytical task for institutional analysis which is to ascertain which factors are important in particular contexts and the extent to which the mechanisms work to reinforce the prevailing social order or undercut one another. In the latter case, cross-cutting institutional pressures are often the circumstances around which profound organizational change can occur.*

Therefore, the isomorphic pressures influence the constituents’ behaviours in different ways. According to Powell (2007, p. 4), “the idea that homogenizing pressures exerted similar influences throughout an organizational field was questioned by many”.

As a result, it is important to know how the isomorphic behaviour infiltrates from the institutional level to the organisational level and how this isomorphic behaviour is legitimised by impacting on individual attitudes. The following section briefly addresses the basic idea behind the institutionalisation of such behaviours.

### 3.13.4 Institutionalisation of legitimate behaviour

Zucker (1987) identified three defining principles of the institutionalisation process:

(a) Institutional processes stem from overarching rationalisation, a zeitgeist-like worldwide phenomenon that fuels growth of the state;

(b) Institutions are commonly state-linked and invariably external to the organisation; and

(c) Institutionalisation produces task-related inefficiency, hence decoupling the internal structure.

The previous section described how the above-mentioned institutional isomorphic pressures are linked to the adoption of legitimate behaviour with regard
to the availability of resources. As mentioned in the previous chapter, government policy exerts the most significant pressure on universities to adopt new strategic goals. In the current study, the nature of the relationship between government and organisational leaders and its impact are studied using resource dependence theory (RDT).

It was indicated previously that achieving legitimacy is not necessarily linked to efficiency matters; rather, it is more closely linked to the issue of sustainability or to survival that ensures stability (Meyer and Rowan, 1977; DiMaggio and Powell, 1983) as was also evidenced from other research (see Zucker, 1987; Abernethy and Chua, 1996; Carpenter and Feroz, 2001). Institutionalising legitimate institutional practices at organisational levels creates a paradoxical situation. On the one hand, conformity with externally imposed policies and procedures often sharply conflicts with efficiency. On the other hand, efforts to coordinate and control activity in order to promote efficiency undermine an organisation’s ceremonial conformity and sacrifice its support and legitimacy (Meyer and Rowan, 1977). Moll and Hoque (2004) believe that it is common, especially in the public sector, for institutions to imitate business practices to achieve legitimacy irrespective of the technical effectiveness of those practices. They suggested that organisations may incorporate practices to satisfy external constituents rather than providing solutions to address organisational inefficiencies. The following paragraph further explains the idea of decoupling with some empirical evidence from the higher education sector.

3.13.5 Decoupling

The three types of isomorphic pressure mentioned above are also visible in the higher education sector where a higher education organisation has to cope with these
pressures by adopting different practices as a survival strategy. Although it is apparent that the adoption of these practices within an organisation is linked to these pressures, this does not necessarily lead to increased efficiency (see Meyer and Rowan, 1977). Adapting to these relative, normative and cognitive pressures is, in many cases, rather ceremonial in nature (Meyer and Rowan, 1977, p. 341; Scott, 1995). Therefore, it encourages organisations “to buffer their formal structures from the uncertainties of technical activities by becoming loosely coupled, building gaps between their formal structures and actual work activities” which Meyer and Rowan (1977) label as “decoupling”.

Decoupling is a process through which institutions seek to protect their core processes in order to preserve their legitimacy (Bustedo, 2004), and where organisations abide only superficially to institutional pressures and adopt new structures without necessarily implementing the related practices (Boxenbaum and Jonsson, 2008). Organisations develop this behaviour as a survival strategy in order to cope with pressure from external stakeholders by adopting the formal rules, norms and practices in line with external stakeholders’ expectations but ensuring efficiency by continuing with their existing practices informally. Consequently, Boxenbaum and Jonsson (2008) believe that by decoupling, organisations achieve legitimacy through espoused action but remain efficient or consistent through actual action which enhances their survival prospects. Decoupling also helps to relieve tension with external stakeholders and to maintain the power relationship within the organisation (Westphal and Zajac, 2001). As a result,

*rules are often violated, decisions are often unimplemented, or if implemented have uncertain consequences, technologies are of problematic efficiency, and evaluation and inspection systems are subverted or rendered so vague as to provide little coordination.* (Meyer and Rowan, 1977, p. 343)
3.13.6 Adoption of decoupling behaviour by higher education organisations

In any institutional field, decoupling is neither new nor uncommon; rather, it was one of the earliest articulated processes in the institutionalisation of formal organisations. However, empirical research on decoupling has been extremely rare (Bastedo, 2004; see also Ansari and Euske, 1987). In the higher education sector, a myriad of stakeholders present conflicting demands: meeting the demands of internal and external stakeholders, through rationalisation, is highly challenging on the part of the organisational actors at the top level. Meeting conflicting demands may lead to conflicting organisational practice (Westphal and Zajac, 2001). According to Pfeffer and Salancik (1978), it is not possible to meet the demands of every group of stakeholders; therefore, this is also a reason for universities to develop decoupling practices. Covalski and Dirsmith (1993) believe that decoupling and power appear to be closely intertwined: the extent to which they are intertwined depends on the relative power of different groups.

In the higher education sector, Bastedo (2004, p. 1) identified that “policy makers engaged in strategic decoupling behaviour in order to gain legitimacy with important external constituents”. Bastedo (2004) also identified where

board staff acted strategically to manipulate the policy implementation process in a way that was consistent with their own values and goals, but simultaneously maintained support from policymakers and the legitimacy gained when the policy was enacted. (Bastedo, 2004, pp. 12-13)

There is limited information on such behaviour by the bottom line or operational staff. Thus, the researcher is seeking to examine the findings from staff perceptions at different levels in the current research context.
3.14 Convergence of Old and New Institutionalism

Through the above evaluation of the theoretical perspectives and the discussion on the overarching theories with their supplementary perspectives, it has been indicated that the old (OIT) and new versions (NIS) of institutional theories have some comparative strengths and weaknesses which can be supplemented by utilising RDT and silence theory (ST). The interpretation of the research findings is highly dependent on the convergence between OIT and new institutional sociology (NIS). Some important justification of the convergence of the two is provided below.

As previously mentioned, there are two versions of institutional theory, old and new. In evaluating the changes from pressures at different levels in the organisation, such as the business unit level or school level, a ‘microlevel’ perspective is adopted that focuses on the changes within the organisation that are linked to old institutional theory. On the other hand, changes at the macro level (changes due to government pressure, increased competition in the local and global market, community expectations, etc.) at the institutional level are studied from the perspective of new institutional theory (NIS).

Rutherford (1994) noted that the new institutionalists portrayed OIE as descriptivist and anti-formalist, holist, behaviourist and collectivist and argued that “there is tendency to argue in holistic terms, it uses a “behaviouristic” rather than rational choice framework, failed to provide sufficient emphasis to economising as “the main case” including failure to appreciate the importance and unintended evolutionary process in institutional development” (p. 4). On the other hand, the OIE theorist, in commenting on the NIS approach, argued that the theory is often too abstract and formal: “it sometimes adopts an extreme, reductionist version of
individualism where the individual is seen as overly rational and overly autonomous, being constrained but not otherwise influenced by his[her] institutional and social settings” (Rutherford, 1994, p. 5).

However, Rutherford (1994) believed that, despite the disparity, the theories can be usefully distinguished. He argued that all of the above dichotomies are false and misleading. In favour of his argument, Rutherford (1994) pointed out that:

Many social theorists do, in fact, adopt more moderate and modest positions. For example, certain criticisms of formalist notions are shared by old and new institutionalists. Also, many individualists do recognize that the social whole deeply influences the individual while most holists do agree that only individuals, not institutions can act as [an] agent of change. (p. 5)

Therefore, it is not possible to draw a clear line of difference between the two approaches: in addition, each one essentially addresses a significant part of the broader phenomenon on its own merit. In Chapters One and Two, it was indicated that the research phenomenon highlighted the influence of external pressure on the organisation and the changes in values, beliefs and norms in the internal organisation that can change the behaviour of individuals within the organisation. Table 3.3 below, presented from Powell and DiMaggio (1994, p. 161), reflects the necessity of using both approaches to understand the questions identified from this research.

**Table 3.3: Old and new institutionalism**

<table>
<thead>
<tr>
<th></th>
<th>Old</th>
<th>New</th>
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</thead>
<tbody>
<tr>
<td>Conflict of interest</td>
<td>Central</td>
<td>Peripheral</td>
</tr>
<tr>
<td>Source of inertia</td>
<td>Vested interests</td>
<td>Legitimacy imperative</td>
</tr>
<tr>
<td>Structural emphasis</td>
<td>Informal structure</td>
<td>Symbolic role of formal structure</td>
</tr>
<tr>
<td>Organisation embedded in</td>
<td>Local community</td>
<td>Field, sector or society</td>
</tr>
<tr>
<td>Nature of embeddedness</td>
<td>Co-optation</td>
<td>Constitutive</td>
</tr>
</tbody>
</table>
Locus of institutionalisation    | Organisation | Field or society  
---|---|---  
Organisational dynamics | Change | Persistence  
Basis of critique of utilitarianism | Theory of interest aggregation | Theory of action  
Evidence of critique of utilitarianism | Unanticipated consequences | Unreflective activity  
Key form of cognition | Value, norms, attitudes | Classifications, routines, scripts, schemes  
Social psychology | Socialisation theory | Attribution theory  
Cognitive basis of order | Commitment | Habit, practical action  
Goals | Displaced | Ambiguous  
Agenda | Policy relevance | Disciplinary  

Source: DiMaggio and Powell (1991)

3.15 Use of Institutional Theory in Studying Higher Education Organisations

The following discussion provides examples of the use of institutional theory in the context of the higher education sector.

Parker (2011): Parker focused on the key environmental factors that have promoted the importation of new public management and private sector philosophies into universities, a significant proportion of which have been traditionally identified as operating within the public sector. The study identified that political and economic pressures are responsible for the transformative changes in universities’ governance, missions, values and the roles of academics. The changes emerged through mimicking private sector philosophies and governance structures: in addition, returning to scientific management approaches and accounting and accountability are revealed as conduits supporting these significant shifts in the university identity and
role. This finding is linked to the three elements identified by Scott (1994) that were mentioned previously. Use of institutional theory in Parker’s research disclosed the infiltration of private sector style into public sector organisations through coercive pressure from the government. In the current research, perceptions of the changes, as viewed by staff at different levels of the case study organisation, will increase the knowledge of how the pressures changed the operational behaviour of individuals.

3.16 Use of Institutional Theory in Studying Management Control Systems (MCSs)

_Tucker and Parker (2013)_ viewed the relationship between the Management Control System (MCS) and formulation of strategies in a not-for-profit (NFP) organisation through the lens of new institutional theory (NIS) and contingency theory (CT). They identified that a strategy is implemented through structured planning processes, and that control is predominantly exercised through informal means, rather than by formally designed systems.

_Abernathy and Chua (1996)_ studied the role of an accounting control system as part of an interrelated control package. Using institutional theory with resource dependence theory (RDT) and strategic choice theory (SCT), they found that accounting control does not serve a particularly important role in the planning and control function. Instead, it is used to rationalise and to supplement other more visible elements of the control package. Their study illustrated how changes in the control mixes are both a function of an organisation’s institutional environment and a response to the strategic agendas of their dominant coalitions.

_Oliver (1991)_ blended new institutional sociology (NIS), and resource dependence and strategic choice theories to develop a conceptual framework to examine
managerial responses to institutional processes, while relaxing the assumption that these primarily follow a pattern of passive acquiescence in the search for conformity and legitimacy (Modell, 2001, p. 431).

*Modell (2001)* used Oliver’s (1991) conceptual framework to explore how the properties of institutional processes associated with health care sector reforms in Norway impinge on the extent of pro-active choice exercised by senior management in the development of multidimensional performance measures that reflected the interests of a wider range of institutional constituencies. They found support for several of Oliver’s hypotheses with regard to the influence of institutional aspects, particularly those pertaining to the causes of the adoption of practice management (PM) practices, the pattern in which these are diffused, and the influence of constituency multiplicity and dependence.

With regard to the adoption of diagnosis-related group (DRG)-based performance measures by the hospital, they found that evidence of both legitimacy-seeking and efficiency-enhancing rationales formed part of senior management’s rhetoric.

*Moll and Hoque (2004)* conducted a case study on change in the budget system in the context of reforms in a higher education institution. Their study explored how and why budget system change occurred in an Australian university, and how organisational actors received the new budget system. Their findings suggested that external pressures for change, such as recent government reforms, were the principal driver behind the organisation’s decision to change budget models.
3.17 Use of Institutional Theory to Enrich Our Knowledge of the Impact on Individual Behaviour

Zucker (1987) oriented her focus toward institutionalisation at the micro level of analysis, uncovering behaviours that organisational theorists did not know they needed to explain (Greenwood et al., 2012, p. 19).

Moll and Hoque (2011) utilised institutional theory in exploring a case study of the budgeting of an Australian university that had been enlarged and diversified in its educational offerings through a series of mergers. Their purpose was to understand how accounting is involved in processes of legitimation. A response to the changes on the part of the Vice-Chancellor was to introduce a new budget system borrowed from the institutional environment.

3.18 Triangulation

The aforementioned discussion of the chosen theoretical approaches also indicates the need to examine different components of the research problems through several theoretical lenses in the strategy known as triangulation. According to Bryman (2012, p. 392), “[t]riangulation entails using more than one method or source of data in the study of social phenomenon”. It can reflect the discriminatory power of a theory by illuminating both congruence and incongruities among different theories (Bennett, 1997). As was evidenced in the discussion in previous sections, each theory offers some distinct edge over the other theories in amplifying the understanding of a particular aspect of the research problem.

The idea of using triangulation was indicated in the theoretical perspective section in Chapter One (Section 1.5), as illustrated in Figure 3.1. In the current study, the adoption of strategic directions due to external pressures is studied from the new
institutional sociology (NIS) perspective and the consequent change in the internal dynamics of the university is studied from a micro perspective which is adequately covered by old institutional theory (OIT). The changes in the internal resource allocation process due to the impact of the university–government funding relationship is further clarified through the lens of resource dependence theory (RDT) to complement the intellectual merits of institutional theory.

According to Bryman (2004), as much social research is based on the use of a single research method and therefore may suffer from limitations associated with that method or from its specific application, triangulation offers the prospect of enhanced confidence. Moreover, due to the complex nature of the social world, in most cases, it is impossible to explain a research problem exhaustively with a single theoretical underpinning. Instead, it makes more sense to use more than one theory, by applying a ‘theory triangulation approach’ to highlight and explain the context in a more meaningful way.

The benefits of using triangulation, as outlined by Bennett (1997, p. 97) are that: “it can provide a macro view of the phenomenon allowing a researcher to discern better how it might relate to other phenomena [and] such a wider view may make apparently inconsistent findings less confusing”. Considering the research phenomenon in the current study, similar benefits are also expected for this research. The theoretical standpoints of institutional theory and RDT therefore necessarily indicate the need for a triangulation approach for the study.

**Types of triangulation in qualitative research:** Carter et al. (2014, p. 545) viewed triangulation “as a qualitative research strategy to test validity through convergence
of information from different sources” and outlined the following four types of triangulation used in qualitative research:

(1) **Method triangulation**: uses multiple methods of data collection on the same problem that may include interviews, observations and field notes.

(2) **Investigator triangulation**: uses two or more investigators on the same study that can bring multiple observations and conclusions.

(3) **Theory triangulation**: uses different theories to analyse and interpret data that can assist the researcher and support or refute findings.

(4) **Data source triangulation**: uses multiple sources for data collection that can gain multiple perspectives and validation of data.

The current research uses theory triangulation and data source triangulation to interpret the research findings (see Figure 3.3 below in Section 3.10).

In the field of accounting, there is empirical evidence of using the theory triangulation approach (i.e. Carpenter and Feroz, 2001; Covaleski and Dirsmith, 1988a; Ansari and Euskey, 1987; Ansari and Bell, 1991; Hoque and Hopper, 1994). Each study has used a variety of theoretical perspectives to understand the research phenomena. As an argument for the current research approach, the use of RDT with institutional theory is not new; rather, it is essential to this type of study as institutional theory espouses the assumptions and arguments provided by resource dependence theory (RDT).

Moreover, legitimacy theory (LT) has a close link with RDT especially through their intellectual appeal in addressing the relationship of an organisation with its external stakeholders on the critical issue of resources for survival. The researcher believes that RDT is a potential theory to utilise as a theoretical guideline for this research because the idea of legitimacy is grounded in organisational, institutional
and resource dependence theories (Patel et al., 2005). Therefore, it is the intention of this researcher to use RDT to study the issue of power, in particular, between the different organisational units in the resource allocation process.

The changes in the internal dynamics of an organisation in terms of values, rules, routines, tension, resistance and conflicts are closely related to the changes in attitude and behaviour of the individual within an organisation. As explained in Section 3.1.3, silence can be a mode of resistance and can affect the attainment of strategic goals. The triangulation approach is applied in this research to understand the higher education version of resistance through the lens of old institutional theory (OIT) and silence theory (ST).

The selected theoretical perspectives are used in combination to understand the consequences of the changes in individual staff attitudes. The aforementioned theoretical strands will provide apposite intellectual instruments to understand the research problem appropriately. The strategy behind the selection of the method, data sources and collection, and the theory triangulation used this research is provided in the next chapter.

3.19 Theoretical Framework

Based on the above discussion, the theoretical framework for this study is to consider the three selected theoretical perspectives for three levels of analysis. The three theoretical levels are utilised to understand the three research questions outlined in Chapter One which are linked to the three levels of analyses presented in Chapter Two. The schema of the theoretical framework is presented in the following.
3.20 Summary

As shown in Figure 3.3, this case study research considers three levels of analyses by utilising different theoretical perspectives at three levels. The three levels of analysis are planned based on the three sections described in previous chapters. A comprehensive evaluation of the relevant theories has been conducted to choose those that are suitable for the research phenomenon. Consideration has been given to the three sections discussed in Chapter One that described the institutional, organisational and individual aspects of transformative changes. In addition, it was indicated in Chapter One in the theoretical justification section that the two aspects
of institutional theory, new (NIS) and old (OIT), would be utilised to study the ‘macro’ and ‘micro’ level impacts on the organisation and its internal constituents, with this based on the evaluation delineated above in the conceptual framework. To understand the relationship between the external environment and the higher education sector, the strategic and legitimacy approach of NIS is considered as Level 1 (the overarching theory) of this research.

As indicated in the discussion on institutional theory and as mentioned above, two aspects of organisational legitimacy, the strategic approach and the institutional approach (Tregidga et al., 2006), are utilised under institutional theory rather than legitimacy being considered as a separate theory. The strategic view of legitimacy is that “organizations are able to make strategic choices to alter their legitimacy status and to cultivate the resources through corporate actions, by adapting their activities and changing perceptions” (Aerts and Cormier, 2009, p. 3). Therefore, according to this view, legitimacy is somewhat controllable and “one of the ways to do so is through communication” (Tregidga et al., 2006, p. 4).

On the other hand, according to Suchman (1995, p. 576), under the institutional perspective, legitimacy is a “set of constitutive beliefs”. Under this view, managers’ decision making is downplayed as is conflict between organisations and constituents (Tregidga et al., 2006). Legitimacy empowers organisations “primarily by making them seem natural and meaningful; access to resources is largely a by-product” (Suchman, 1995, p. 576) or resource dependency is deliberately down played as a political necessity. Therefore, the institutional perspective not only focuses on organisational communication strategies, “but considers broader contexts
and recognises them as fundamental in the constitution of organisational life” (Tregidga et al., 2006, p. 4).

As was indicated in Chapter Two, the higher education sector is traditionally dependent on the external environment for sustainability, especially in terms of funding for core activities, and the resultant external pressures have direct impacts on the organisational rules, routines, norms, values and belief systems. As shown in the above framework (Figure 3.3), in the current research, institutional theory is also supported by the resource dependence theory (RDT) perspective, and changes in the internal organisation environment are studied using the old institutional theory (OIT) perspective. As the basic purpose of this research is to understand staff perceptions on the changes in their operational activities, this element will be studied through using a resistance theory approach.

Details relating to the use of the case study methodology and the application of the theoretical perspectives are discussed in Chapter Four.
Chapter 4: Research Methodology

4.1 Introduction

The previous chapter detailed the proposed theoretical framework for the current study with this being institutional theory with a legitimacy perspective, supplemented by resource dependence theory and the spiral of silence theory. The social constructionist view of the theories was also explicated in the previous chapter and is used to guide the interpretation of the research design and methodology in this chapter. Based on that background, this chapter presents the research methodology used in this study. It adopts the research onion framework by Saunders et al. (2009) to represent the various layers influencing the outcomes of the study. Based on the six layers of the framework, the chapter has been structured in the following way.

The first section (Section 4.1) provides an overview of the research onion framework; Section 4.2 explains the philosophical foundations of the research; Section 4.3 delineates the research approaches; and Section 4.4 explains the adoption of case study methodology for the research. Section 4.5 justifies the use of the interview method as the main source of data collection and analysis; Section 4.6 presents the time horizon of the research; and Section 4.7 explains the data collection and analysis process, while Section 4.8 discusses the validity and reliability of the data.

In addition to the above, Section 4.9 provides information on how the code of ethics was followed throughout the research process, while Section 4.10 presents the conclusion. The organisation of this chapter is presented in Figure 4.1 on the next page.
### 4.2 Structure of Chapter Four

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*Figure 4.1: Structure of Chapter Four*
4.3 Research Design

This section will detail the ontology, epistemology and axiology underlying the research design and illustrate the philosophical framework for this research. As introduced in the previous section, the three philosophical foundations have been presented in the outer layer (see Figure 4.2 below) that provides the directions for the remaining approaches and strategies, and for the data collection and analysis process as presented in the adapted version of the research onion.

![Research onion framework](image)

*Figure 4.2: Research onion framework (amplified version of Saunders et al. [2009])*

As shown in the outer layer (Layer 1) of the diagram, the ontology, epistemology and axiology represent the philosophical foundations. The research adapts the social construction perspectives of an organisation taking into consideration that
organisational reality is socially constructed where the organisation shapes and is shaped by individual actions.

4.4 Philosophical Foundations of This Research

The ontology, epistemology and axiology adopted for this research are explained below.

4.4.1 Ontology

Ontology is a philosophical assumption that is concerned with the nature of reality. Researchers’ views differ on how the world operates, and on how the society is constructed and impacts on individual behaviours and on the construction of reality. At the very beginning of a research design, researchers need to underpin their views on the ontological question of “what do we believe about the nature of reality?” (Patton, 2002, p. 134). It tells us what reality is like from one particular stance and the basic elements of its contents (Silverman, 2014). According to Creswell (2009, p. 248), it also “address[es] the question: When is something real?” There are divergent views on the nature of reality: at one extreme, researchers believe in a single, verifiable reality, also called the positivist world view (Creswell, 2009), and truth. Positivist researchers believe that the world is objective and can be perceived as an “empirical concrete existence” (Hopper and Powell, 1985, p. 431) independent of its subjective experience. Positivists hold a deterministic philosophy that applies a reductionist view of reality where the intent of the researcher is to reduce the ideas to a “small discrete set of ideas to test such as variables that comprise hypotheses and research questions” (Creswell, 2009, p. 7).
At the other extreme, researchers believe in the inevitability of socially constructed multiple realities, also called the social constructivist world view (Creswell, 2009). Social constructivism has been noted by Creswell (2013) as the world view where individuals seek an understanding of the world in which they live and where “they develop subjective meanings of their experiences—meanings directed toward certain objects or things” (p. 24). The social constructivists consider this to be a product of individual consciousness that results from subjective experience and that it is dependent on individual cognition (Burrell and Morgan, 1979). That is, it does not exist independently of experience. In short, social constructionists believe that it is the multiple constructions of reality that help us to understand the complexity of social life and its influence on attitudes and behaviours.

It has been outlined in Chapter One that a university is a complex organisation where there are multiple stakeholders with multiple interests with competing demands. There are multiple versions of organisational reality in terms of individuals, groups, levels, systems and processes. Each of these groups has its own demands and goals with their versions of reality that surround their environment. In most of the cases, the multiplicity of demands creates conflicting situations. In such a complex context, the adoption of a reductionist view on reality will not be adequate to understand the research phenomenon. Therefore, it is important to recognise and to appreciate the various realities that coexist; thus, a social constructionist view is appropriate for this research.

As the perceptions of an individual lend themselves to particular attitudes and as such attitudes consequently impact on behaviour, these attitudes will vary between individuals based on their experiences and ambitions and, accordingly, so will the
consequent behaviours displayed. Due to differences in perceptions, the same matter or event can be viewed by different individuals from completely different perspectives which cannot be easily captured by a purely scientific measure to reach a definitive conclusion. In fact, the use of such measures may result in a very limited focus. As stated by Stake (1995), “most contemporary qualitative researchers nourish the belief that knowledge is constructed rather than discovered” (p. 99).

Therefore, the view of reality in this research is based on the constructivist perspective where the perception of reality is different among individuals due to the subjective human creation of meaning (Baxter and Jack, 2008). The intent of this research is to study the individuals in the research context, taking into consideration these multiple realities that include the use of multiple forms of evidence in themes expressed by using the actual words of different individuals and presenting their different perspectives (Creswell, 2013). In line with the research phenomenon, the case organisation is considered as a social system jointly constructed by the organisation and its stakeholders. Similarly, the researcher views the Management Control Systems (MCS) of a university as the output of a social construction process shaped by the pressures from internal and external environments. Individuals define the reality which varies depending on how they interpret the meaning of an event or a process. In a higher education organisation, due to the demand for changes from multiple environments, the nature of the MCS is also continuously changing and reshaping the attitudes and behaviours of individuals. The extent of change in attitudes and behaviours is shaped by the prevailing environment at different levels of the organisation and how individual staff members perceive the change process. Therefore, it can be inferred that individual perceptions of the reality (the change process) will be different and, as such, will guide their attitudes and behaviours.
In addition to the above, this research also considers that the research process itself is a construction process where the researcher and the interviewees are continuously creating meanings of reality, “where the goal of the research is an understanding of a particular situation or context much more than the discovery of universal laws or rules” (Wills, 2007, pp. 96-99).

4.4.2 Epistemology

Epistemology is “concerned with the possibility, nature, sources and limits of human knowledge; it asks whether or how we can have knowledge of reality” (Sumner, 2006, p. 3), and what is the acceptable knowledge in our field of research. A researcher needs to focus on the nature of knowledge seeking by asking “how do we know what we know?” (Patton, 2002, p. 135). Therefore, an epistemological assumption is “related to the nature of knowledge itself” (Burrell and Morgan, 1979, p. 1) which is that the assumptions involve the understanding of how “forms of knowledge can be obtained” (Crotty, 1998, p. 5).

Reality in this research context is constructed by organisational stakeholders who shared their experience on how they perceived the changes over the 2004–2008 strategic planning period and elaborated on how their attitudes and behaviours had changed. Different individuals experienced the same event differently (Crotty, 1998). The difference in perceptions of the individuals was also shaped by the conditions of their operational environment and how such changes impacted on their day-to-day activities. These perceptions, in many instances, escaped the formal monitoring and reporting process although it is very significant for the achievement of operational goals at both organisational and institutional levels. A close interaction with the individuals (Creswell, 2013) through intense communication via interviewing and
observation is more effective than using any formal and controlled methodology as much of the phenomenon is not responsive to objectively implied variables.

Therefore, in this study, in-depth interviews with the individuals of a case study organisation are expected to be more effective for the researcher in gaining an understanding of the research phenomenon than other data collection methods.

4.4.3 Axiology

Axiology is the researcher’s view of the role of values in research that allows a researcher to understand and recognise the role that their values and opinion play in the collection and analysis of the research as opposed to eliminating or trying to balance its influence (Saunders et al., 2009). From an interpretive perspective, “research is value bound, a researcher is part of what is being researched, cannot be separated and so will be subjective” (Saunders et al., 2009, p. 119).

It was mentioned in the earlier section that research is considered to be a construction process where the researcher and the participants contribute to the construction of the meaning of reality. As an academic and a student, the researcher may find that his values may have some similarity with some interviewees. There are both positives and negatives of the researcher’s position in this study. Among the positives, talking to different levels of staff provided the opportunity to adopt a holistic view of the phenomenon which is also a match with the epistemological standing of the researcher. On the other hand, due to the researcher’s position in being at a particular academic level and organisationally distant from the top management in his own institution, there is a risk of subjective judgement impacting on the research findings. To minimise the bias during the interview process, the
researcher did not emphasise his academic identity to the interviewees, nor did he impose it on them.

The ontological, epistemological and axiological assumptions outlined above represent the researcher’s beliefs as they relate to the research phenomenon and will influence the other levels of the research methodology.

4.5 Research Approaches

The second layer in the research onion framework is the deductive and inductive approaches to the research. Due to the philosophical stance of the researcher, as explained in Section 4.2, of the two approaches, the inductive approach was found to be more appropriate for this research. The evaluation of the two approaches in the following sections clarifies how this understanding eventuated.

4.5.1 Deductive approach

Under a deductive approach, a researcher deduces a hypothesis (or hypotheses) on a phenomenon/event that must be subjected to empirical scrutiny on the basis of what is known in a particular domain with a theoretical underpinning of that domain (Bryman, 2012). In research based on this approach, the design, data collection and findings emanate from theoretical foundations set at the very beginning which basically involve a revisit of the theory to reject or confirm the research hypothesis (or hypotheses). In short, in a deductive approach, a researcher develops the hypothesis (or hypotheses) and then formulates the research approach to test it (or them) (Silverman, 2010). Such an approach can be characterised as being from the general to the specific.
4.5.2 Inductive approach

In contrast, the inductive approach can be characterised as being from the particular to the general. Under this stance, a researcher develops the anti-positivist approach arguing that a positivist approach undermines the reality of a complex world. Inductive researchers believe that the reality of the rich insight of the complexity will be lost if this reality is reduced to law-like generalisations. The deductive approach is also criticised due to its tendency to construct a rigid methodology that does not permit alternative explanations of what is going on (Saunders, 2009). One of the major purposes of an inductive approach is to create or to develop theories which are the opposite of the deductive approach. Bryman (2012) presented the following diagram to explain the relationship between theory and research under deductive and inductive approaches.

![Diagram of deductive and inductive processes](image)

*Figure 4.3: Deductive and inductive processes (Source: Bryman [2012] “Deductive and inductive approaches to the relationship between theory and research”)*
However, it is not always the case that inductive processes will result in creating a new theory. According to Bryman (2012), it is also true that, as the data are analysed, they may be found to relate to an existing theory. Furthermore, Bryman (2012) noted that deduction entails an element of induction and also the inductive process entails a “modicum” (p. 26) of deduction. According to Bryman (2012), once the phase of theoretical reflection on a set of data has been carried out, the researcher may want to collect further data to establish the conditions in which a theory will or will not hold: that strategy is often called “iterative” (p. 26). According to Silverman (2010), even the most inductive approach depends upon some theoretical orientation. In an inductive approach, the research question is the decisive factor which exerts a strong influence on the design of the study (Flick, 2014), not the theory. Saunders et al. (2009) present the differences between the two approaches (see Table 4.1 below) that should be considered by a researcher in the selection of a suitable approach for his/her research. In fact, the selection of the suitable approach is based on the philosophical stances of the researcher at the outset.

**Table 4.1: Differences between deductive and inductive approaches to research**

<table>
<thead>
<tr>
<th>Deduction emphasis</th>
<th>Induction emphasis</th>
</tr>
</thead>
<tbody>
<tr>
<td>• scientific principles</td>
<td>• gaining an understanding of the meanings that humans attach to events</td>
</tr>
<tr>
<td>• moving from theory to data</td>
<td>• a close understanding of the research context</td>
</tr>
<tr>
<td>• the need to explain causal relationships between variables</td>
<td>• the collection of qualitative data</td>
</tr>
<tr>
<td>• the collection of quantitative data</td>
<td>• a more flexible structure to permit changes of research emphasis as the research progresses</td>
</tr>
<tr>
<td>• the application of a control to ensure validity of data</td>
<td>• a realisation that the researcher is part of the research process</td>
</tr>
<tr>
<td>• the operationalisation of concepts to ensure clarity of definition</td>
<td>• less concerned with the need to generalise</td>
</tr>
<tr>
<td>• a highly structured approach</td>
<td></td>
</tr>
</tbody>
</table>
the necessity to select samples of sufficient size in order to generalise conclusions

Source: Saunders et al. (2009, p. 127)

Considering the above dichotomy, of the two approaches, it appears that the inductive approach is the more suitable one to investigate the current research problem. The inductive approach is commonly used by qualitative researchers as they are particularly concerned with the context in which such events are taking place (Saunders, 2009).

Denzin and Lincoln (2011, p. 3) have defined qualitative research as an “interpretive, naturalist approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meanings people bring to them”. Qualitative research is based on studying as many features as possible to understand one or a small number of phenomena to build and gain an in-depth understanding (Miles and Brewer, 2003). There are various reasons why a qualitative perspective has been adopted in this research.

Firstly, the complex nature of the research context means that it has multiple stakeholders with their conflicting demands and interests. Each group has different goals and expectations of the university which exhibit the nature of a complex social world. They cannot be generalised so easily by adopting a reductionist approach especially when the purpose of this study is to understand the changes in attitudes and behaviours of different stakeholders at different levels. Due to the existence of multiple realities in the research context, “it is essential to adopt a holistic approach to report these realities relying on voices and interpretations of informants through
extensive quotes, presenting themes that reflect words used by informants and advance evidence of different perspectives on each theme” (Creswell, 1998, p. 76).

Secondly, the change in the MCS is also considered in this research as a social construction where the systems, as well as their organisational constituents, participate in the construction process.

Thirdly, under the inductive approach, the independence of the observer is not strictly controlled; instead, the researcher is considered to be part of the research process (Saunders et al., 2007). Adopting an interpretive epistemological approach will be more appropriate in this research as “it is necessary for the researcher to understand differences between humans in our role as social actors” (Saunders et al., 2007).

Fourthly, in a case study, research is based on the constructivist paradigm (Yin, 2003) where the reality of the case organisation is considered to be constructed by the individuals; that is, the organisation shapes and is shaped by the individuals in the construction process through their day-to-day operating activities. Therefore, using a qualitative approach for this case study research makes more sense in that it allows the researcher to capture the variation of individual views and perceptions in their natural setting to get a more comprehensive understanding of the phenomenon. The following section explains the use of the case study method as a research strategy.

Accordingly, this case study research is based on the interpretive paradigm, analysed throughout using a qualitative research technique that attempts to interpret and understand the research phenomenon from a constructivist point of view. The
philosophical foundations and the adopted research approach are used to guide the following parts of the research design.

4.6 Research Strategy

This section elaborates on the third layer of the research onion framework to select and justify the methodology chosen for this research. The nature of the research phenomenon requires a close interaction with the stakeholders in their natural setting to understand their perceptions of changes. The use of any objectively defined variables may reflect their perceptions in a limited way. Alternatively, an interpretive case study methodology would be more appropriate to explain the complexity of the change process in a more meaningful way. The following section explains the ideas involved in the case study method along with their advantages and the application procedures adopted for this research.

4.6.1 Case study methodology

A case study is:

\[ an \text{ empirical inquiry that investigates a contemporary phenomenon (the “case”)} \]
\[ \text{in depth within its real-world context, especially when the boundaries between} \]
\[ \text{phenomenon and context may not be clearly evident. (Yin, 2013, p. 16) } \]

Creswell (2013) considered a case study as a methodology rather than a method, as it is a qualitative approach in which the investigator explores a real-life contemporary bounded system or multiple-bounded systems over time through detailed, in-depth data collection involving multiple sources of information.

Applying Yin’s (2013) definition above to this research, a case study has been conceptualised as the appropriate method as the research (is an inquiry) that investigates the impact of changes in the Management Control System (MCS) (a
socially constructed reality) in a higher educational sector (a contemporary real-world phenomenon) on individual operational behaviours (in-depth analysis) at different levels of the organisation (the case in which the boundaries between the phenomenon are broadly defined) in their day-to-day activities.

The case study definition can be considered to be embedded in the nature of this study in that it deals with a contemporary phenomenon where the purpose is to know how the major factors impact on the strategic changes in higher education organisations in Australia by considering a university as a case. An investigation to understand how the flow-on impacts of the organisational changes have impacted on staff attitudes and behaviours requires an interrogation and understanding of staff perceptions of the changes. The involvement of environmental factors is complex: there are multifaceted consequences (a complex reality) for the individuals at different levels of the organisation and they contribute to the multiple versions of reality in the same organisational context.

4.6.2 Use of a case study in organisational research

At the current time, the case study methodology has been used extensively in qualitative research. Many contemporary researchers have increasingly recognised case study research as a valuable research methodology (Yin, 2013). The above section demonstrates that the use of the case study method helps to explain the changes more appropriately. The case study methodology provides natural experiments that offer glimpses of insight into the inner workings of institutions (Suddaby and Lefsrud, 2010). Based on the social constructionist perspective, this case study helps to understand the changes in individual operational behaviours. The nature of the research phenomenon indicates that it is not possible to understand
individual perceptions by observing the phenomenon from outside the organisation. Only very little can be perceived by analysing the formal organisational documents or published sources without also interacting with individuals at different levels of the organisation. According to Glesne and Peshkin (1992), the five characteristics that form case study research are: the need to tell a personal story; understanding that reality is socially constructed; understanding that it is naturalistic in nature; the need to search for patterns; and having a study that includes a descriptive write-up. Unlike the deductive approach, it is also not appropriate to study the phenomenon by applying some objectively imposed variables followed by an analysis of the topic in a controlled environment.

Therefore, the nature of the phenomenon for this research demands the use of a more probing, questioning investigation for which the case study method is aptly suited. Yin (2013) suggested three conditions for considering a case study approach: first, the form of the research question is to answer the ‘how’ and ‘why’ questions; second, there is no control over the behaviour of the participants; and, third, the research focus is on contemporary events. The case study’s unique strength is its ability to deal with a full variety of evidence: documents, artefacts, interviews and observations.

4.6.3 Justification for selecting a single case

As the title indicates, a single university organisation has been chosen as a case to understand the research phenomenon. A single case study “can represent a significant contribution to knowledge and theory building by confirming, challenging, or extending the theory … such study even can help to refocus future investigations in an entire field” Yin (2014, p. 51).
On the matter of global and domestic environmental influences, there are many similarities in the impacts on universities (globally and locally). However, many impacts are unique to some universities and to their stakeholders due to the university’s size, orientation, traditions and purposes. To minimise the lack of external validity, the following characteristics of the case study organisation were considered in assessing that it was a suitable subject for investigation.

The case university selected for this research was formed as a direct impact of government higher education policy reform that combined former educational institutions in which the staff had their own unique organisational cultures and control systems. Considerable effort had been previously spent on integrating these prior institutions into consolidated organisations.

Given the limited resources for the research, it was necessary to focus on one case study and this university was particularly interesting due to the major restructuring preceding the study period. It allowed consideration of whether that traumatic experience influenced the responses to the MCS being studied. If it did, it would have major implications for future research as it could indicate that such research would need to be viewed from a contingency theory perspective. The single case therefore allows a more thought-provoking analysis of the research problem given the limited resources available. The use of multiple cases may have diluted the overall analysis (Creswell 2013). Thus “the more cases an individual studies, the less the depth in any single case” (Creswell 2007, p. 76).

This rationale is similar to what has been outlined at the beginning of the thesis in Chapter One, in that it provides the opportunity to gain an in-depth
understanding of how the revised MCS has changed staff attitudes over the 2004–2008 strategic planning periods, in a higher education organisation.

4.6.4 Advantages of a case study methodology for this research

The evaluation of methodologies revealed some of the advantages of the case study method based on its theoretical underpinning; more in-depth understanding of the complexity of the real world; and when used for the study of changes in operational behaviours.

As mentioned in Chapter Three and earlier in this chapter, this research uses institutional theory (both old and new) as the dominant research perspective. There are some specific advantages in using a case study to understand the external influences on university policies and strategic directions, and the changes in the internal rules, routines and beliefs in the internal organisational environment. According to Suddaby and Lefsrud (2010), a case study embraces explanations of complex causality (such as the adoption of a common organisational form or practice) which can occur as the result of different institutional causes (i.e. coercive, normative or mimetic pressures), and is ideally suited in studying extreme events or profound changes in social order that are useful to institutional researchers. Thus, a case study approach is appropriate to study the impacts of changes in the MCS on staff operating behaviours.

Patton (2002) believes that the purpose of selecting a single case is to support a detailed understanding of the complex social world of the organisation and its interaction with the external environment. Due to pressure from external stakeholders, Australian universities had to change the strategic directions of their major core activities of teaching and learning, research, and engagement. A previous
single case study research (Suddaby and Lefsurd, 2010) in Australian universities found that changes were mainly targeted to align with the demands of external stakeholders and were unrelated to technical or productive efficiency.

The major purpose of this research is to understand the changes in operational behaviour of individuals, as reflected though their day-to-day activities, due to changes in the MCS of the organisation. A case study method forces the researcher to adopt more finely grained analyses of the day-to-day behaviour in organisations (Suddaby and Lefsurd, 2010). Therefore, a case study method is appropriate for this research as it is related to organisational changes through changes in the MCS (Yin, 2009).

However, despite all the above specific advantages for adopting a case study method in this research, the researcher had to confront the most common weakness frequently posed by critics of adopting this method, that is, that a case study’s results are difficult to generalise except in some limited circumstances. However, according to Yin (2009), the purpose of a case study is not to generalise to a population but to the researcher’s purpose which is to generalise a particular set of results to some broader theoretical propositions. The purpose of the researcher is not to seek generalisation but to understand the research phenomenon and the results are expected to be, at best, transferable to similar cases.

### 4.6.5 Adoption of a case study in this research

Most of the impact of the government policy reforms on the higher education sector started to become visible through the adoption of different strategic goals by the universities at large for which many of the measures, previously seen as inappropriate by the higher education sector, were copied from other sectors
(Hammer and Star, 2004; Coaldrake and Stedman, 1999). The transformative changes have impacted on all participants in the sector in various ways: broadly speaking, traditional universities; newly combined colleges of advanced education (CAEs); large, medium and small universities; single campus universities; multi-campus universities; research-intensive or teaching-intensive universities; and other mixes of the universities all fell within this continuum.

The study of the changes in individual attitudes and behaviours, relating to their day-to-day operational activities, required consideration of those strategic plans that were potentially linked to the three core activities of teaching and learning, research, and engagement at the operational levels. Any significant changes in these strategic shifts should have impacted on the staff, especially the academics and academia generally, when such shifts eliminated or affected their long-held traditional values and the beliefs of the organisation. Therefore, from the overall strategic plans, a number of strategic goals have been selected that are potentially linked to the academics’ activities and can demonstrate an impact on their operating behaviours (see Appendix 4.9). Three sets of semi-structured questionnaires were then developed from the selected strategic plans, to be administered to individuals at three organisational levels, with minor variations to reflect their roles, with a view to understanding the impact of the organisational changes on their perceptions.

Table 4.2 below shows how the case study method was determined to be most appropriate for this research while narrowing down the research focus. The table was used in the development of themes and codes from the interview transcripts (details are provided in Section 4.7.3.6 ‘Development of themes and codes’). Table 4.2 also shows how the research phenomenon was narrowed down after
reviewing contemporary literature that covered the four levels of research (termed as the ‘impact level’ in this research).

**Table 4.2: Process of narrowing down from broad aspects to the research phenomenon**

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Impact level 1</th>
<th>Impact level 2</th>
<th>Impact level 3</th>
<th>Impact level 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contemporary issues</td>
<td>Broader context</td>
<td>Institutional context</td>
<td>Organisational context</td>
<td>Individual Context</td>
</tr>
</tbody>
</table>
| Global competition, changes in perceptions on higher education, and changes in community perceptions on education. | Government policy on higher education.                                       | Major changes in the higher education sector, academic freedom, funding issues and the introduction of managerialism in higher education. | Changes in strategic goals. Changes in management styles, i.e., reflected through budgets, strategies, communications and performance measures. | Individual goals
|                                                        |                                                                               |                                                                               |                                                                               | Workloads
|                                                        |                                                                               |                                                                               |                                                                               | Motivation
|                                                        |                                                                               |                                                                               |                                                                               | Cultures
|                                                        |                                                                               |                                                                               |                                                                               | Productivity
|                                                        |                                                                               |                                                                               |                                                                               | Operating
|                                                        |                                                                               |                                                                               |                                                                               | Behaviours

The above impact levels have been described in Chapter Three in detail and are used in the development of themes and codes in Table 4.11 of Section 4.7.3.6.

**4.7 Choice of Method**

The choice in this section refers to the idea of using either a single data collection technique and corresponding analysis procedures or multiple techniques and analyses. In deciding on the most suitable approach, Saunders et al. (2009) divided data collection into two broad categories: a mono method and multiple methods. A mono method uses a single data collection technique and a single analysis procedure (i.e. either a qualitative data collection technique and qualitative analysis procedure or a quantitative data collection technique and a quantitative analysis procedure).
Multiple methods use more than one data collection technique and more than one data analysis procedure to answer the research question. Each of these approaches has some unique characteristics that need to be considered. The research follows the philosophical foundations and the adopted research approaches discussed in Layer 2 of the research onion framework and the research strategies in Layer 3. It was decided to adopt a mono method approach to collect qualitative data from face-to-face interviews and to use interpretive analysis. However, there are certain combinations of multiple methods that could have been adopted in the current research as shown below:

![Research Choices Diagram]

**Figure 4.4: Research choices (Saunders et al., 2009)**

The multi-methods listed under the multiple methods are restricted to either a quantitative or a qualitative world view (Tashakkori and Teddlie, 2003, cited in Saunders et al., 2009). Under the mixed method, there was an option for the researcher to use both quantitative and qualitative methods and analysis procedures. However, based on the social constructionist view, the major purpose of this research is to understand the research phenomenon through staff perceptions with the
researcher and the interviewees participating in the construction of the meaning of reality through conversations. Therefore, an interview approach is more appropriate for understanding the research problem.

4.8 Time Horizon and Context

The research onion framework (Figure 4.2) indicates that the time horizon could be a snapshot taken at a particular time or a series of snapshots representing events over a given period with this also called the ‘diary’ perspective (Saunders et al., 2009). In this research, both types of analysis are used to understand the research phenomenon.

4.8.1 Cross-sectional and longitudinal analysis

A cross-sectional analysis is the study of a particular phenomenon at a particular time with this often employed in a survey strategy and also used in qualitative research (Saunders, 2009). Using this type of analysis in qualitative research, in the conversational interview style, can make the study more valid than using more formal instruments (i.e. surveys) for data collection (Bryman, 2012).

A longitudinal analysis, on the other hand, is used to study changes and developments (Saunders et al., 2009). Elements of a longitudinal design can be incorporated in qualitative research when the interview is carried out to capture social changes, shifts in people’s life course, and thoughts and feelings (Bryman, 2012).

The objective of this research is thus to understand how the changes in the strategic direction of a university have changed its MCS and how this has impacted on the operational behaviour of the organisational participants over a period of time (2004–2008). Staff perceptions are evaluated through face-to-face interviews
between the researcher and the interviewees with this considered the prime source of information for this research. In addition, the interviewees have been classified into three broad levels to understand the perception gaps between these levels. The next section explains the boundaries of the case.

**Boundaries of the case**

In this research, two types of boundaries have been considered: (1) the inter-organisational boundary (between the organisation and external organisations, e.g. government); and (2) the intra-organisational boundaries (between different levels of individuals/units/departments or processes).

The analysis of inter-organisational boundaries focuses on Research Question 1: how the major external factors influenced the strategic changes of the case study university. In Chapter Two, the Level 1 discussion provided details of the inter-organisational boundaries.

On the other hand, the analysis of the intra-organisational boundaries focuses on the understanding of the changes in different levels of the organisation in terms of strategies (related to the core activities of teaching and learning, research, and engagement) and the MCS processes (budget/resource allocation processes).

Based on major roles and duties at different levels of the organisation, the interview participants have been classified into the following three broad categories: Group One is top management; Group Two is middle management; and Group Three is the academic level.
**Group One: Top management**

Participants in this category are the executive level of the organisation, engaged in negotiating with the external environment. These comprise such members as the Governing Body, the Vice-Chancellor (VC), Deputy Vice-Chancellors (DVCs), Pro Vice-Chancellors (PVCs) and senior administrators. The Governing Body has the authority to approve for implementation any change that comes through the senior executives. These senior members have the most frequent interaction with external stakeholders and must assess the consequences of any pressure/demand on the organisation and contemplate the proposed changes to be implemented organisation-wide. In the majority of cases, the Governing Body formally approves the plans proposed by the senior executives. Therefore, it is important to know the views of the senior executives in understanding the impact of the external pressures that they had to face. It is also important to know how they adopted the changes, the objectives of these changes and how the strategies had been operationalised, as well as their expectations of the behavioural changes they expected from Group Two managers and Group Three academics.

**Group Two: Middle management**

The basic characteristic of this group is that they need to play vital roles in the implementation of plans passed on to them by the top management (Group One). This group comprises the Deans, Associate Deans and Heads of Schools and they are considered as the levers of control for the implementation of strategic plans (in this case during the period 2004–2008). One of the major responsibilities of this group was to negotiate the implementation of the changes with the academic-level staff (Group Three) and to provide feedback on the negotiation processes. As they needed to communicate between the top and the bottom levels of staff, their role was crucial
for the implementation. In addition, they needed to gather knowledge on the perception of top management and the academic level about the change process, with this combined with their own perceptions of reality. It is presumed that this group might have more balanced perceptions of the reality than the other two groups.

**Group Three: Academic level**

The majority of the interviewees in the study are from this category. The significant strategic changes by the university were related to its three core activities, that is, teaching and learning, research, and engagement which were closely linked to the academic staff and had a more direct impact on their day-to-day operational activities than on those of the general staff. Moreover, the successful implementation and achievement of the organisational goals were highly dependent on the effective change of the attitudes and behaviours of this group.

It is apparent from the above discussion that such a categorisation is crucial to understanding the perception gaps among the internal stakeholders and to aid in future strategic planning.

Although the research has selected the 2004–2008 strategic planning period, it does not consider the time frame as an isolated transformation event. Instead, it is seen as a continuation of previous change processes with the time frame being considered as indeed significant enough to study the impact. More detailed discussion of the change process is provided in Chapter Five.

**4.9 Data Collection and Analysis Process**

The sixth layer of the research onion framework (Saunders et al., 2009) adopted in this study is the data collection and analysis. This layer explains the techniques and
procedures applied in this research to analyse the research question in the discussion and analysis chapter (Chapter Five). The data collection strategies are guided by earlier discussion of the previous layers starting from the philosophical foundations of this research. Document analysis, face-to-face interviews, semi-structured questionnaires and interviewees checking the transcripts of the interviews were used as the data collection method with the justification explained for each data collection method. To gain an understanding of the changes in attitudes and behaviours among the organisational stakeholders, the major challenges were to collect background information of: (1) the external environment that had influenced and impacted on (2) the institution, (3) the organisation and, finally, on its (4) internal stakeholders who participated in the construction of the reality of the research context.

Therefore, it was vital to use multiple sources of data collection for understanding the change processes in order to comprehend the impact on the attitudes and behaviours of individuals. Yin (2009, p. 101) recommended the six most commonly used sources of evidence for case studies as being: documentation, archival records, interviews, direct observations, participant observation and physical artefacts. The major advantages of using the multiple sources identified for this research are:

(1) the perceived inadequacy of a single source to encapsulate the complexity of the research context by having multiple realities constructed by individual participants

(2) multiple sources of evidence can be used as supportive or confirmatory information for each other (such as information provided by formal
documentation can be confirmed through observation or participant observation.

(3) each source of data collection has its inherent strengths and weaknesses which can be minimised through the combination of different sources which will help to ensure more reliable data collection and analysis. For example, the strategic planning document of the case study organisation, which is publicly available, exhibits the formal strategy and control systems of the organisation and helps as a starting point for understanding the organisation’s formal response to its strategic environment. However, this document is less reliable for understanding how staff perceived the implementation of the strategies in their organisational environment for which the observation method and interviews would produce much better information. Therefore, for a good case study, the use of multiple sources of evidence is highly complementary (Yin, 2009).

Although a number of sources have been utilised in this research, caution has been taken so that each of the sources of evidence (what/why) have been used appropriately (how) by considering the time and context (when).

The following sections describe how each source has been utilised for this research.

4.9.1 **Document analysis**

As mentioned above, in line with the nature of case study research, a number of sources have been sought to understand the nature of the reality of the university. The sources reviewed included: minutes of the Governing Body meetings; blogs; articles; previous theses on the university; government reports (including White Papers, Green Papers and reviews); newspaper articles; the university responses to
government policy discussions and responses to White Papers and Green Papers; and university internal publications/reports on policy and strategies.

The above-mentioned resources provided valuable information on the university’s internal and external strategic environment that existed during that period. It also provided a track record of how strategic changes were experienced, observed, accommodated, adopted and infiltrated and/or implemented in the organisation. The minutes of the university’s Governing Body, for example, have traces of the negotiation process the university went through to adopt new plans and policies. Reports on the university from the Australian Universities Quality Agency (AUQA) also provided insights to the researcher on the comparative status of the performance indicators on whether the university managed to achieve the performance targets imposed on it by the Australian government. These types of evidence also encouraged the researcher to design interview questionnaires to confirm or refute the empirical evidence based on the major theoretical perspectives. The following sections present the justification for the use of each of the multiple sources of data collection.

4.9.2 Archival records

The university archival resources were utilised to understand the adoption and implementation of the strategic changes within the organisational environment. Some of the major sources were the university strategic plans (short-term and long-term) before and during the time of the research context; AUQA reports; government reviews; reports and publications on the case university; university resource allocation model documents; and performance evaluation reports.
4.9.3 Interviews

The interview is considered as the prime source of information for this case study research. It can help to gather valid and reliable data that are relevant to the research question and objectives (Saunders et al., 2009). One of the major advantages of interviewing is it helps us to understand unobservable phenomena (Patton, 2002). As this case study research is based on an interpretive social constructionist approach to understanding staff perceptions (an unobservable phenomenon) on how their operational behaviours (another unobservable phenomenon) have changed, the interview technique is one of the most important sources of case study information (Yin, 2009) and, hence, is widely used in qualitative research (Bryman, 2012).

Interview types are classified as structured, semi-structured and unstructured. Yin (2012, p. 107) has classified and described interviews in the following three categories:

Structured interviews: where the interview entails more structured questions along the lines of a formal survey.

Focused or semi-structured interviews: where a person is interviewed for a short period of time. The interviews may still remain open-ended and assume a conversational manner but the interviewer is more likely to be following a certain set of questions derived from the case study protocol.

In-depth or open-ended interview: also considered as an unstructured interview where the key respondents are asked about the facts of a matter as well as their opinions about events. In some circumstances, the researcher can ask the interviewee to propose his/her own insights into certain occurrences and may use such propositions as the basis for further inquiry.
The above three sources of data collection are utilised for this study. Table 4.3 summarises the sources of evidence considered for this research with the purpose of their adoption and the perceived benefits as noted by Yin (2009).

**Table 4.3: Sources of data collection and perceived utilisation benefits**

<table>
<thead>
<tr>
<th>Sources of Evidence</th>
<th>Nature (What)</th>
<th>Purpose (Why)</th>
<th>Perceived Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation</td>
<td>Management communication, minutes of Governing Body on strategic issues and agendas</td>
<td>Strategic environment of the university</td>
<td>Stable: can be reviewed repeatedly</td>
</tr>
<tr>
<td></td>
<td>Consultants’ reports on university strategic development</td>
<td>To review the strategic direction of the university</td>
<td>Broad coverage: long span of time, many events and settings</td>
</tr>
<tr>
<td></td>
<td>University responses to government reviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal reports on university strategic changes and changes in control measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>University academic calendars</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Progress reports in terms of teaching and learning, research, and engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Formal studies and evaluations conducted by internal research teams</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Newspaper articles on university matters</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A book published on the university history</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archival Records</td>
<td>University strategic plans</td>
<td>To understand the impact of the external pressure on the internal organisational environment and the perception of external</td>
<td>Same as documentation above</td>
</tr>
<tr>
<td></td>
<td>Government reports on the university</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DEST, AUQA Reports</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| University budget documents, internal report on the resource allocation model, organisation flow chart on changes in governance and control systems | stakeholders on the organisation  
University’s formal responses to those expectations  
Adoption of formal changes within the organisation | Interviews  
Semi-structured interviews, observations | Formal and informal implementation process, changes in the internal control systems within the organisation, changes in attitudes and behaviours within the organisation, perception gaps | Targeted: focuses directly on case study topics  
Insightful: provides perceived causal inferences and explanations |

**Source: developed by the researcher**

Notes: AQUA = Australian Universities Quality Agency; DEST = Department of Education, Science and Training

Creswell (2007) suggested a six-step procedure for interviewing: (i) identifying interviewees; (ii) determining the most appropriate type of interview to capture the most useful information to answer the research questions; (iii) using adequate recording procedures when conducting one-to-one or focus group interviews; (iv) designing and using an interview protocol; (v) refining the interview questions and the procedures further through pilot testing; and (vi) determining the place of interview. Similar steps have been adopted in this research wherever and whenever necessary.

The following sections provide details on the interviewee selection criteria; questionnaire development; pretesting of the interview questionnaire and refinement through the peer review process; gaining access to the research context; and, finally, how the validity and reliability of the interview process were ensured.
**Interviewee selection**

Considering the nature of the research problem and the type of information sought, it has already been indicated that the face-to-face interview method was considered as the most suitable source of evidence for this research where the selected participants would share their views/beliefs/opinions on the changes in strategy directions and the implementation of the new MCS in the university. Conversations between the researcher and participants would help to understand their changes in attitudes and behaviour towards their operational environment.

In the selection of interviewees, the researcher needed to apply three broad criteria. Firstly, the interviewee must have been a staff member of the case study organisation who had experienced the changes during the 2004–2008 strategy implementation process.

In this process, one of the most important tasks was to select participants for the interview who were suitable, that is, those who had been continuing staff during the strategic planning period 2004–2008. Throughout the different levels of the organisation, some had been initiators of the strategic changes (a majority of these were top-level staff); some had been used as the levers of control for the implementation of the intended strategic changes (mainly the middle-level management); while a significant number had carried out core activities (teaching and learning, research, and engagement) as per the strategic plans pushed down from the upper levels. In recruiting the potential interviewees, the above-mentioned criteria were considered at all times. Table 4.4 shows the classification of interviewees based on the above criteria.
### Table 4.4: Classifications of groups for interviewees

<table>
<thead>
<tr>
<th>Group Level</th>
<th>Title</th>
<th>Criteria and Designation</th>
<th>Number of Interviewees</th>
<th>Basic Role in the Change Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Top Management</td>
<td>Planners: VC, DVCs, PVCs, administrators</td>
<td>3</td>
<td>Engaged in the design and overall implementation of the strategic plan throughout the organisation</td>
</tr>
<tr>
<td>2</td>
<td>Middle Management</td>
<td>Implementers: Deans, Assoc. Deans and Heads of Schools</td>
<td>6</td>
<td>Engaged in the implementation of the strategic plans passed on from top management and communicating with Groups 2 and 3</td>
</tr>
<tr>
<td>3</td>
<td>Academics</td>
<td>Operation: Professors, Assoc. Professors, Senior Lecturers, Lecturers and Associate Lecturers</td>
<td>10</td>
<td>Adapting to the changed policies and applying to their day-to-day operating environments</td>
</tr>
</tbody>
</table>

**Notes:** DVC = Deputy Vice-Chancellor; PVC = Pro Vice-Chancellor; VC = Vice-Chancellor

The classification of interviewees into three categories allows for the identification of perception gaps between the three levels. However, in the selection of academic-level interviewees (Group Three), the list has been further classified as the changes in strategies and operative measures are related to the three core activities: teaching and learning (T&L), research, and community engagement (engagement).
Table 4.5: Group Three interviewees further classified

<table>
<thead>
<tr>
<th>T&amp;L-focused</th>
<th>T&amp;L and Research-focused</th>
<th>Research-focused</th>
</tr>
</thead>
<tbody>
<tr>
<td>T&amp;L and Engagement</td>
<td>T&amp;L + Research + Engagement</td>
<td>Research and Engagement</td>
</tr>
<tr>
<td>Engagement-focused</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: developed by the researcher

The major purpose of using the core activity-related questions was to ensure that the staff perceptions collected covered the three core activities and were properly reflected in the interview questionnaires. It was also perceived that the selection of academic staff solely on the basis of engagement activity would be a difficult choice because T&L and research are the major activities in order of priority for any academic staff member for any university and engagement activities are usually ancillary to these two. Therefore, it is presumed that, in terms of engagement, an academic’s roles can be linked with engaged teaching or engaged research or both, whereas an academic’s job based only on engagement is exceptionally rare.

After obtaining approval from the Human Research Ethics Committee (HREC) to conduct the interviews, the appropriate person from the Human Resources Office was contacted to obtain the list of interviewees within the above-mentioned categories. The hierarchical position of the interviewees was confirmed from the university academic calendars (from documentary analysis) and the university digital search engine was utilised to identify the current positions and
locations for continuing staff. Google was used as the search engine to access publicly available information on websites to identify staff who had left the university but who had been there and involved during the chosen period. In some instances, the addresses of previous staff were collected from continuing staff. The research questions outlined in Chapter One and the three levels of analysis were reviewed and the list of potential interviewees was evaluated to select potential interviewees based on their position in the organisational hierarchy and their roles and responsibilities. The acquired list was registered for interviewing.

Moreover, the researcher needed to review the university archival records on the prospective interviewee’s roles and responsibilities to ensure that the selection process covered participants from different levels/units/disciplines to make it more representative while, at the same time, being manageable for this research. Table 4.6 below shows the number of interviewees who agreed to participate.

Table 4.6: Spread of selected interviewees

<table>
<thead>
<tr>
<th>Organisational Level and Designation</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy Vice-Chancellor</td>
<td>2</td>
</tr>
<tr>
<td>Senior Executive</td>
<td>1</td>
</tr>
<tr>
<td>Deans</td>
<td>2</td>
</tr>
<tr>
<td>Associate Deans</td>
<td>3</td>
</tr>
<tr>
<td>Head of School</td>
<td>1</td>
</tr>
<tr>
<td>Professor</td>
<td>2</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>1</td>
</tr>
<tr>
<td>Senior Lecturer</td>
<td>2</td>
</tr>
<tr>
<td>Lecturer</td>
<td>2</td>
</tr>
<tr>
<td>Associate Lecturer</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

Notes: The designations in the above list were during the years 2004–2008.
The interviewees who agreed to participate included both continuing and non-continuing staff (i.e. at the time of the interview, the latter were no longer employed at the case study university). Three rounds of invitations for interviews were emailed to the targeted interviewees, accompanied by a standard invitation letter, information about the research, the interview protocol and an interviewee consent form. Each of the documents was approved by the HREC Office for distribution.

**Round I**

In response to the first round of invitations, a total of 16 individuals (including the three top-management individuals) agreed to participate and the researcher confirmed with the supervisors that the sample was sufficient and broad enough in coverage to allow for the possibility of a diversity of perspectives. The researcher himself conducted the face-to-face interview sessions following the predesigned interview protocol (see Appendix 4.3). Following the interview sessions, the supervisors were briefed about the responses for further guidance on refinement and development of the interview questionnaires.

**Round II**

A reminder email was sent to the non-responding individuals. However, in the second round of invitations, only three (3) individuals agreed to participate. The procedures were followed as per the research protocol.

**Round III**

The third round of interview invitations did not result in any acceptances. One senior management staff member initially agreed to participate but subsequently expressed an inability due to travelling overseas for a long duration, and two senior academics who initially agreed to participate did not respond later to
attempts to set a meeting time and place. The list of participants was discussed with supervisors to decide whether the spread of the interviewees was representative enough to investigate the research phenomenon of the case study organisation. After considering the spread of interviewees across the university, it was decided that the number of interviews was adequate to investigate the research phenomenon. The following section explains the questionnaire development process.

**Development of interview questionnaire**

In the development of the interview questionnaire, it was important to link the philosophical foundations (ontology, epistemology and axiology); the theoretical stance taken; the research methodology; the research problems (identified in Chapter One); and the level of analyses presented in Chapter Two with the roles and responsibilities of the interviewees at different levels within the organisation. Based on the social constructionist approach, the majority of interview questions developed were open-ended and applicable to all participants.

The questions were classified into four categories: (1) broad general questions; (2) questions related to the selected strategic plans and MCS (such as the internal resource allocation process); (3) questions related to the three core activities (teaching and learning, research, and engagement) with their goals, operating measures and effectiveness; and (4) questions related to the impact on staff attitudes and behaviours.

The broad questions were used as discussion openers that led to follow-up questions for the participants of all groups to elaborate on their experience in the construction of the change process. The expectation was that this classification could help to unearth the perceptual gaps between/among the groups and, thus, would
benefit the organisational stakeholders and the industry in seeking remedies for these gaps in perception.

Table 4.7 presents examples of the four categories of questions that the interviewees were asked (see Appendix 4.11 for the detailed questionnaire). The broad questions related to general information about their job duration and their positions in the organisation (discussion-opener questions); whether they were aware that the strategic changes introduced by the organisation were linked to external and internal factors (see Levels 1 and 2 analysis in Chapter Two); and whether they understood the consequential impact on the organisation of such changes including on their own day-to-day work practices and changes in behaviour. Table 4.7 also demonstrates how the open-ended questions have been linked to the criteria of the participants (Groups One to Three), as mentioned in the previous section, and the linkages to different elements of the research phenomenon, that is, strategy, the MCS and performance evaluation, including the linkage to the theoretical framework presented in Chapter Three.

Table 4.7: Question linkages

<table>
<thead>
<tr>
<th>How this question is linked to the research issue</th>
<th>Interviewee Group I (VC/Senior administrator/DVC/PVC)</th>
<th>Interviewee Group II (Dean/Ass. Dean/HOS)</th>
<th>Interviewee Group III (Selected staff)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To confirm that the interviewee was a staff member during the 2004–2008 period</td>
<td>When did you start with the university?</td>
<td>Same</td>
<td>Same</td>
</tr>
<tr>
<td></td>
<td>How long have you been working at this university?</td>
<td>Same</td>
<td>Same</td>
</tr>
<tr>
<td>Question</td>
<td>Interviewee’s Response</td>
<td>Context</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>To ensure that the interviewee was an existing staff member during the implementation period</td>
<td>What was/were your position(s) during the 2004–2008 period and how long did you hold the position(s)?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td>To evaluate the staff member’s awareness on the strategic changes and the environmental pressures</td>
<td>What were the major strategic decisions made during those periods that affected your roles and responsibilities?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To what extent were your responsibilities linked with strategic decision making?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td>To understand the management perceptions on the strategic implementation</td>
<td>In your opinion, how successful was the implementation of the strategic changes? Why do you have this opinion?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td>To understand the changes in the MCS and how staff at different levels viewed these changes</td>
<td>What were the major changes in the MCS in this organisation in 2004–2008?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In your understanding why were the changes necessary?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To what extent did the MCS assist you in strategic decision making?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td>To understand the resource allocation process as a means of control at different levels and to understand its link (if any) with resource dependence theory</td>
<td>Were any initiatives in your area supported by a strategic project? Did you receive any funding for a strategic project?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Were any initiatives in your area supported by a strategic project? Did you receive any funding for a strategic project?</td>
<td>Same</td>
<td></td>
</tr>
<tr>
<td>To understand the influence of external and internal factors on the</td>
<td>In your opinion, what was the role/influence of stakeholders (internal and external)</td>
<td>Same</td>
<td></td>
</tr>
</tbody>
</table>
changes, and coercive
and mimetic
isomorphism linked with
institutional theory
external) in influencing
developing changes?
In your opinion what
were the major barriers
from the external and
internal environments in
implementing the
strategic changes?

<table>
<thead>
<tr>
<th>Strategy implementation</th>
<th>How was this particular strategy operationalised?</th>
<th>Same</th>
<th>Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance evaluation</td>
<td>How did you use this KPI for performance evaluation?</td>
<td>In your opinion, how was the individual KPI aligned with the strategic goals of the organisation?</td>
<td>In your opinion, how was this KPI aligned with the university’s strategic goals?</td>
</tr>
</tbody>
</table>

Notes: DVC = Deputy Vice-Chancellor; HOS = Head of School; KPI = key performance indicator; MCS = Management Control System; NA = not applicable; PVC = Pro Vice-Chancellor; VC = Vice-Chancellor

As previously mentioned, to ensure validity, some of the questions in the questionnaire were only targeted to a particular group; otherwise, most of the questions were applicable to all participants in the three groups (see Appendix 4.11 for details).

One of the major purposes of this research is to understand the changes in operational behaviours of academic staff in relation to the three core activities. The majority of the university’s strategic goals related to the core activities of teaching and learning, research, and engagement; thus, it is very important to understand how strategic changes implemented through the MCS directly influenced operational practices. Therefore, the same three groups of interviewees as in Table 4.7 were asked a set of semi-structured questions related to these three activities.

To understand the changes in attitudes and behaviours of the interviewees at different levels of the organisation, a few key words were used to open up the discussion. The questions under this category include: how a particular strategic plan was implemented; the impact of the implementation; the changes in the MCS to
implement the strategic goals; changes in workload; funding of the strategic plans; the role of the interviewee in the implementation/decision making and execution of the plan; and the specific performance measures used. The ultimate objective of these open-ended questions is to know how the staff adapted (or refused to adapt) their operational behaviours in order to align them with the organisational goals (see Appendix 4.11 for details).

Table 4.8: Questions linked to changes in operational behaviours

<table>
<thead>
<tr>
<th>Strategic goal 1: Provide distinctive, professionally-oriented and flexible academic programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-goal: 1.2 Ensure the relevance, academic integrity and viability of academic programs</td>
</tr>
<tr>
<td>How this question is linked to the research issue</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>To identify the environmental pressures and their influence on teaching and learning activities (also to gain an understanding of the related theoretical links/legitimisation)</td>
</tr>
<tr>
<td>Changes in strategic focus, leadership style and implementation</td>
</tr>
</tbody>
</table>

Notes: DVC = Deputy Vice-Chancellor; HOS = Head of School; PVC = Pro Vice-Chancellor; VC = Vice-Chancellor

Interview protocol

The purpose of this section is to describe how the interviews were conducted, the type of documents used for the interviews and how the challenges of the interview process were tackled by the researcher. According to Yin (2012), throughout the interview process, a researcher has two jobs: the first is to follow his/her own line of
inquiry (as reflected by the case study protocol) and the second is to ask actual questions in an unbiased manner (conversational) that also serve the needs of the researcher’s line of inquiry. It was therefore very important to set up standard interview procedures for this research.

The face-to-face interviews were conducted by the researcher on a one-to-one basis at a time and location convenient for the interviewee. This approach was helpful to make the interviewee feel comfortable and safe to talk freely about their opinions and experiences.

At the beginning of the interview process, the researcher provided the basic information about the interview and also read out the interview protocol to the interviewee. Once accepted, an interviewee consent form was handed over to the interviewee for signature.

The major documents developed and adopted for the research were as set out in Table 4.9.

Table 4.9: Interview resources

<table>
<thead>
<tr>
<th>Items</th>
<th>Description</th>
<th>Quantity</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Invitation letter</td>
<td>1</td>
<td>Appendix 4.1</td>
</tr>
<tr>
<td>2</td>
<td>Broad questionnaire</td>
<td>1</td>
<td>Appendix 4.11</td>
</tr>
<tr>
<td>3</td>
<td>Questionnaire related to core activities</td>
<td>3</td>
<td>Appendix 4.11, 4.12 &amp; 4.13</td>
</tr>
<tr>
<td>4</td>
<td>Group One Participant Information Sheet</td>
<td>1</td>
<td>Appendix 4.3</td>
</tr>
<tr>
<td>5</td>
<td>Group Two Participant Information Sheet</td>
<td>1</td>
<td>Appendix 4.4</td>
</tr>
<tr>
<td>6</td>
<td>Group Three Participant Information Sheet</td>
<td>1</td>
<td>Appendix 4.5</td>
</tr>
<tr>
<td>7</td>
<td>Interviewee consent form with an</td>
<td>1</td>
<td>Appendix 4.6</td>
</tr>
<tr>
<td>8</td>
<td>HREC Ethics Protocol Report</td>
<td>1</td>
<td>Appendix 4.7</td>
</tr>
<tr>
<td>9</td>
<td>Letter of ethics approval from the HREC</td>
<td>1</td>
<td>Appendix 4.8</td>
</tr>
</tbody>
</table>
In the information sheet and the invitation letter, it was mentioned that the interview would be tape recorded provided the interviewees did not object. None of the interviewees objected. The interviewees were also assured of the confidentiality of their name and other personal information. In addition, they were assured that the transcribed data would be emailed to them to give them an opportunity to review the details and to make any alterations they felt appropriate. This occurred but no one suggested any changes.

**Challenges**

Miller and Brewer (2003) listed six limitations that a researcher has to address when using an interview method involving face-to-face and semi-structured interviewing. Some of the limitations/challenges of the interview method were managed by careful planning and the interview approach as presented in Table 4.10.

**Table 4.10: Approaches to tackle inherent limitations of interview method**

<table>
<thead>
<tr>
<th>Limitations</th>
<th>Issues or Challenges</th>
<th>Approach taken in this Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>As the data are not standardised</td>
<td>The reliability challenges have been tackled by collecting and confirming data from different authentic sources checked by the researchers. The majority of the data were collected by the researcher from primary sources.</td>
</tr>
<tr>
<td>Comparability</td>
<td>Asking different questions to different interviewees or asking the same questions differently may make the comparison difficult</td>
<td>The majority of the questions were broad and based on the university’s strategic documents and related to the interviewees’ day-to-day activities. The use of alternative terms was clarified by the researcher or the researcher asked the interviewee for clarification.</td>
</tr>
<tr>
<td>Time Consuming</td>
<td>Time taken in arranging interviews, the transcription of interviews or due to the geographical spread of interviewees</td>
<td>The list of interviewees was collected from the university’s academic calendar and the university’s Human Resource Ethics Committee (HREC) Office. The process typically took 25 hours and hence the limitation in the size of the sample. A number of technological resources, such as a tape recorder and a Livescribe smart pen were used to manage interview data. The majority of interviewees were either current staff or living in the surrounding areas.</td>
</tr>
<tr>
<td>Costly</td>
<td>In terms of travelling and transcribing</td>
<td>Same as above. The researcher used a professional transcriber from the list of trusted transcribers obtained from the research office for four of the interviews. Interviewees’ names were coded to maintain confidentiality. The other interviews were transcribed by the researcher. Travelling cost was minimised as the different campuses were located in the same region with some interviews arranged at the same campus and on the same date to avoid repeated visits.</td>
</tr>
<tr>
<td>Interruptions</td>
<td>Due to the public coming or going, phone calls, etc.</td>
<td>Interview time and location arrangements were discussed and it was agreed by both by the researcher and interviewee that there would be no interruptions to the interview.</td>
</tr>
<tr>
<td>Lack of Anonymity</td>
<td>Due to knowledge of the interviewee’s name and location and face-to-face discussion with the researcher</td>
<td>The interviewees were assured that their details would be dealt with confidentially and also were given information regarding the HREC ethics approval number in case they believed their confidentiality had been compromised. The transcribed data were emailed to them to give them an opportunity to review the details and to make sure that their confidentiality were not compromised. However, no one suggested as such.</td>
</tr>
</tbody>
</table>

Source: Adapted from Miller and Brewer (2003)
In addition to addressing the above challenges, another challenge, envisaged by the researcher in contemplating the interview process, was the strategic planning period (2004–2008) examined in the research. The validity of the interviewee responses could be questioned due to the need to recall the memory of their past experience starting from around 2004 and linking this to the end of the period around 2008. To reduce the risk, the researcher supplied an information sheet well ahead of the interview session so they had a chance to recollect the basic information. In addition, during the interview session, some background information was also supplied by the researcher (i.e. copy of the selected strategic goals; information sheet see Appendices 4.3–4.5 and Appendix 4.8) to help in the recollection process plus some initial questions were set up to mentally engage them with the period of the changes. It was observed by the researcher that none of the interviewees had any problem in interpreting their life experience as most were still performing similar tasks and some of the impacts were still present.

*Data analysis procedures*

Each face-to-face interview was conducted and recorded by the researcher. Certain advantages of tapes and transcripts have been outlined by Silverman (2010, p. 240). First, they are a public record, available to the scientific community in a way that field notes are not. Second, tapes can be replayed, transcripts can be checked and analyses can take off on a different tack unlimited by the original transcripts. The third advantage is that the transcripts can be inspected for the sequence of utterances without being limited to the extracts chosen by the first researcher.

During the interview session, the researcher also took notes on the interviewees’ responses, their reaction to the questions, their facial expression and
variations in their tone. Shortly after the interviews, the researcher performed the transcriptions, with the exception of four interviews where he sought professional assistance with the transcriptions to save time. These transcribed copies were verified by the researcher to confirm their accuracy. The recorded versions were used in parallel to the transcriptions for coding and analysis particularly in relation to tone and context. The transcribed data were simultaneously coded using the QSR NVivo™ Version 10 software: the coded responses were provided as input to the main analysis table developed for in-depth scrutiny of the responses and to interpret the findings. The details of the NVivo™ coding scheme are provided in the next section.

*Analysis and interpretation of interview data*

As mentioned in Section 4.3, ‘Research Approaches’, based on the ontological and epistemological position of the researcher, this case study research has adopted the interpretive paradigm to understand the research phenomenon using an in-depth interview method. Using the interpretive paradigm provides a meaning-oriented methodology to understand the reality and both the researcher and the participants are involved, with the goal of the researcher being to rely as much as possible on the participants’ views of the situation. The participants develop subjective meanings of their experiences that are varied and multiple. Therefore, the researcher needs to look for the complexity of views and the questions should be broad and general and open-ended so that the participants can construct the meaning of the situation. The researcher should listen carefully to what people say or do in their life settings (Creswell, 2009). The following section demonstrates the interpretive analysis of the interview data based on the above idea.
In order to avoid the infiltration of any preconceived ideas in the analysis process, the data analysis process started with the reading of a single interview transcript from each interview group without any preconceived coding scheme in mind. Initially the purpose of selecting a single transcript from each group was to conduct a comprehensive analysis of a single interview to identity pattern(s) of the responses and to search for similar patterns or to find something unique compared to what had been identified in the literature. The following section elaborates on the coding process.

**Development of themes and codes**

The analysis is a combination of looking at the data and identifying as independently as possible what categories are suggested by the respondents’ commentary and seeing patterns which may coincide with the theoretical schema from the literature search or may lead to differences and further research of the literature.

The coding scheme for this research started from the introductory information search related to the research topic. Initially, a basic summary of the information search was maintained in MS Word and, as the information sources increased, an index of information sources was further classified in an Excel spreadsheet. As the information sources increased, efficient storing and management of information became an issue. With the advice of the supervisors, the researcher participated in an intensive training session organised by QSR International on NVivo™, well-known software for managing data for qualitative research analysis (Silverman, 2014). From the training session, it was realised that the software would be helpful for organising data and information for this research especially when working with a large volume of data (Silverman, 2014). Therefore, all the information was transferred to the
NVivo™ software. The capabilities of the software helped to manage the data efficiently; however, the researcher needed to undertake all the analysis as the software cannot do the analysis by itself. The initial data collected for the research project were gradually labelled and coded through a two-step coding process using topical coding and analytical coding.

Topical coding merely allocates passages to topics and usually involves little interpretation, functioning as a sort of data disposal. Based on the phenomenon being studied in this research, the broad information related to the topics themselves was stored (Richards, 2015). This included topics such as: strategy implementation; MCS; budget; government higher educational reforms; resource allocation process; Australian higher education sector; globalisation; internalisation; behaviour; and attitudes. The researcher was able to label and categorise information related to the research topic through the use of the software. Furthermore, through allocation of the coding, more analytical categories were able to be used in what is called analytical coding.

For the study a semi-structured questionnaire was used in the interview process and analytical coding was used for interpretation and reflection on meaning (Richard, 2015). The analytical coding helped to organise the data collected for the analysis of the interview data, as reported in Chapter Six, in developing an understanding of the answers to the research questions outlined in Chapter One. A significant number of codes created were emerged from the interview process, when each interviewee shared their experience (interpreted the meaning of their reality) in the research context. The researcher managed to name the topic of the text taking into consideration the meanings in this context, creating categories that expressed
new ideas about the data, and coding and reflecting on all the data related to the interviewees (Richards, 2015, p. 112). At the analytical coding stage, many previous codes were refined, or cancelled or merged with the codes developed through analytical coding.

As a continuation of the above process, a thematic scheme was developed (see Appendix 5.2) based on the analysis of the transcripts in order to code the patterns using the data analysis software, NVivo™ Version 10. At the analytical coding stage, the analysis of the interview data indicated what type of codes or themes should be used, rather than using any preconceived coding scheme, and analysing the same for patterns. However, as use of the coding scheme continued, it was possible to link the codes with some of the codes identified in the literature, and with the theoretical framework that set the foundation for the discussion and analysis in the next chapter. Table 4.11 shows the linkages between the research questions (see Chapter Two) and the three levels of analyses (also see Chapter Two), the adopted theories and the themes and codes developed for the analysis and interpretation of interview data.
<table>
<thead>
<tr>
<th>RQ</th>
<th>Analytical Level</th>
<th>Questionnaire</th>
<th>Theme</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ1</td>
<td>1 and 2</td>
<td>Change Factors (Theory: New Institutional Theory)</td>
<td>External</td>
<td>Globalisation; economic and political pressures; role of government reforms and budget; increase in student numbers; community expectations; location of the university</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Internal</td>
<td>University responses: need for a unified vision; restructuring,</td>
</tr>
<tr>
<td>RQ2</td>
<td>2</td>
<td>Strategic Impact on Management Control System (MCS)</td>
<td>Implementation</td>
<td>Legitimacy; strategic planning and reporting framework; management expectations; strategy communication; levers of control; roles and responsibilities,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>MCS changes</td>
<td>MCS style; resource allocation process; workloads; performance measurement</td>
</tr>
<tr>
<td>RQ2</td>
<td>2</td>
<td>Institutional theory and resource dependence theory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RQ3</td>
<td>3</td>
<td>Impact on attitudes</td>
<td>Attitude changes</td>
<td>Workload; core activities: teaching and learning; research; regional and community engagement</td>
</tr>
<tr>
<td>RQ3</td>
<td>3</td>
<td>Behavioural implications Silence theory</td>
<td>Changes in operational behaviours</td>
<td>Resistance; conflicts; tensions; competition; productivity; trust; authority; power; collegial culture</td>
</tr>
<tr>
<td>RQ 1, 2, 3</td>
<td>1, 2 and 3</td>
<td>Findings</td>
<td>Perception gaps</td>
<td></td>
</tr>
</tbody>
</table>
In the coding process, three levels of coding were used: these are similar to the analytical levels discussed in Chapter Two and the research questions in Chapter One. For the analysis in Chapter Five, the themes and codes are linked to the research questions, the analysis of the literature review and the adopted theories. However, caution was taken in interpreting the data linked to the theory. Silverman suggested that a theory should be “neither a status symbol nor an optional extra in a research study”. Without theory, research is impossibly narrow. Without research, “theory is mere armchair contemplation” (Silverman, 2010, p. 110). According to Silverman (2010), coding of data according to some theoretical scheme should only be the first stage of data analysis: there is then the need to go and examine how elements are linked together. The above coding scheme was developed throughout the research process, as new information and/or ideas appeared from the literature review, documentary analysis, theoretical perspectives and finally the interview process.

The above idea has been adopted in the development of themes and codes for this research which has therefore been based on the revelation of facts from the data collection and the linked theories.

Up to this point, the six layers of the research design have been explained using Saunders et al.’s (2009) research onion framework. The adapted research onion framework for this research is presented in Figure 4.5 on the following page.
Figure 4.5: Research methodology framework (using the research onion framework from Saunders et al. [2009])
The above discussion presents the overall research design using the research onion framework (Saunders et al., 2009) and, as was mentioned at the beginning of the chapter, the different layers of the onion are interrelated. The approach followed is consistent with the qualitative research design. For example, Creswell (2009) suggested that, at the outset, researchers should outline the philosophical foundations very clearly in the belief that this information will help to explain why a particular perspective (qualitative, quantitative or mixed methods) has been adopted for the research. The framework developed by Creswell (2009) also shows how the philosophical view is linked to the whole research process and is similar to the one adopted for this research. The framework is presented in Figure 4.6.

![Figure 4.6: Framework for design (Source: “The Interconnection of Worldviews, Strategies of inquiry, and Research Methods” [Creswell 2009, p. 5])](image)
In his framework, Creswell (2009) also provides validation as a component of research design. The following section therefore provides details about validity and reliability related to this research. The final two sections present a discussion of the ethical considerations and a summary.

4.10 Validity and Reliability of Data

Reliability, forms of bias, validity and generalisability are a number of issues related to the use of semi-structured and in-depth interviews (Saunders et al., 2009). The terms are commonly used in quantitative research; however, the same terms need to be redefined for qualitative research. These are conceptualised as trustworthiness, rigour and quality in a qualitative paradigm (Golafsi, 2003). In terms of generalisation, qualitative research using semi-structured interviews or in-depth interviews will not be able to make statistical generalisations applicable to the entire population (Saunders et al., 2009). As mentioned in Section 4.4.4, the purpose of a case study is not to generalise to a population but rather to the proposition through which the researcher’s purpose is to generalise a particular set of results to some broader theoretical propositions. Yin (2009) suggested four tests to establish the quality of empirical social research and identified several case study tactics to deal with them. As this research is also using a case study approach, the tactics adopted are as presented on Table 4.12.
**Review process**

The University had a five year cyclical review process for schools and administrative units and uses periodic thematic reviews of key areas of risk or relevance.

**Table 4.12: Case study tactics for four design tests**

<table>
<thead>
<tr>
<th>Tests</th>
<th>Case study tactic</th>
<th>Application to research context</th>
<th>Phases of research in which tactic occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct Validity</td>
<td>Use multiple sources of evidence</td>
<td>Document analysis, archival records, interviews</td>
<td>Data collection</td>
</tr>
<tr>
<td>Internal Validity</td>
<td>Undertake pattern matching; address rival explanations</td>
<td>Peer review, consultation, clarification of the data sources</td>
<td>Data analysis</td>
</tr>
<tr>
<td>External Validity</td>
<td>Use theory in a single-case study</td>
<td>Theory triangulation</td>
<td>Research design</td>
</tr>
<tr>
<td>Reliability</td>
<td>Use case study protocol</td>
<td>Adequate field notes, using quality tape recorder, using reliable transcription methods (Creswell, 2013)</td>
<td>Data collection and verification</td>
</tr>
</tbody>
</table>

*Source: Adapted from Yin (2009). “Case Study Research: Design and Methods” (p. 41).*

### 4.11 Ethical Considerations

For the data collection through interviews, document analysis, archival records and observations, an ethics application was submitted to the Human Research Ethics Committee (HREC) and approval was granted within one month of lodgement. All formal procedures for the university’s code of ethical conduct have been followed in conducting the interviews, the communication procedures, data storage, data management and the purposes of data use. From time to time, clarification was sought from the HREC Responsible Officer if there was any concern (e.g. communicating with interviewees).
4.12 Summary

This chapter has presented the overall research design using the six layers of the research onion framework (Saunders et al., 2009). It has demonstrated how each layer is linked to the next layer and has outlined the overall methodology adopted for this research. The research is based on the social constructionist perspective and has adopted the interpretive approach for understanding the research phenomenon. This chapter has also justified the use of a case study method as the appropriate research strategy and has explained how a single case study will help to gain an understanding of the complex reality of the organisation. While explaining the layers, the chapter has also cited the linkages to the adopted philosophical foundations, approaches and strategies, that is, to the research problem in Chapter One, the three levels of analysis of the literature in Chapter Two and the theoretical propositions adopted in Chapter Three. The chapter has explained why a mono method qualitative approach was suitable for gaining an understanding of staff behaviour in their operational activities through their perception. In line with this approach, the choice of the face-to-face interview method was explained as appropriate based on the social constructionist perspective that the interview process is also a social construction where both the interviewer and interviewee participate in the construction of social reality.

The following chapter will present the analysis and discussion of the collected data. It will adopt the theoretical framework outlined in Chapter Three and, while presenting the analysis of the interview data, will also establish the linkages between the research questions, the literature review and the adopted research approaches.
Chapter 5: Development of Strategy and Management Control Process of the Research Context

5.1 Introduction

The purpose of this chapter is to provide a description of the strategy development process and the consequential impact on the MCS of the case study university in order to facilitate the discussion in Chapter Six.

Recall that Chapter Four elaborated the research plan and the philosophical foundation section (Section 4.2) clarified that the researcher has adopted a social constructionist approach to study the phenomena. Strategy development and the consequent changes in the Management Control Systems (MCS) are part of the social construction process. To understand staff perceptions on the construction process this research adopted research approaches (Section 4.3), research strategies (Section 4.4) and the data collection analysis process (Section 4.7) is formulated consistent with a social constructionist approach. This chapter has been designed as follows:
5.2 Overview of Strategy and MCS and their Interrelationship in a University Context

The purpose of this section is to present an overview concept of strategy, Management Control Systems and performance measurement, the interrelationship in a not-for profit context. The initial discussion will lead to the development of the above in the case study organisation.
Strategy

Strategy has been defined by Simons (1994) as an intended course of action that is inferred from consistency in behaviour even if it is not articulated in advanced or even intended. According to Simons (1994), “managers control emerging patterns of action, often created spontaneous employee initiatives, by using interactive control systems to focus attention on strategic uncertainties – uncertainties that could undermine the current basis of competitive advantage”. (p. 9). In a strategic plan, management defines the direction in which the organisation is to grow and which areas are to be given priority in the allocation of future resources (Doyle and Lynch, 1979).

Strategic planning for a university

The discussion on the changing context of the higher education sector indicates that for accurate decision making, accurate analysis of the external environment is essential (Bourgeois, 1985). For the public or not-for-profit organisation, strategic planning is designed to respond effectively to their new situations. According to (Bryson, 1988, p. 74), It is a “disciplined effort to produce fundamental decisions and actions shaping the nature and direction of an organization’s (or other entity’s) activities within legal bounds”. Some of the major benefits outlined by Bryson (1988) of strategic planning for public or not-for-profit organisations are, it can help them to think strategically, clarify future directions, improve performance and deal effectively with rapidly changing circumstances. More specifically, the major advantages of strategic planning for a university are, it forces the university's top administrators to concentrate on the critical parameters of performance, forces the university to think ahead about the fundamental changes taking place in higher
education and it allows resource changes to be programmed smoothly over a number of years (Doyle and Lynch, 1979). Organisation leaders need to follow a structured process, that is, development of initial agreement concerning the strategic planning effort, identification and clarification of mandates, development and clarification of mission and values, external and internal environment assessment and finally strategy issue identification (Bryson, 1988). The discussion on the strategy development process in Section 5.2 in the following elaborates how the process was followed in the case organisation.

The relationship between strategy and Management Control Systems in a not-for-profit organisation

There is scope to understand the role of management control systems and strategy (Langfield, 1997) and the need to understand the relationship between Strategy and MCS is crucial for a complex not-for-profit organisation. According to Tucker and Parker (2013) since 1980 the relationship between strategy and management control systems (MCS) has attracted increasing attention in the management accounting literature. However, ‘the implications for how strategy and MCS interact within an NFP context have rarely been explicitly considered and the contribution of management accounting research in informing this debate has been limited’ (p. 234). In their study, Tucker and Parker (2013) identified the MCS and strategy relationship in the for profit research is also similar to that of for not-profit context and contend that institutional pressures are instrumental in driving control processes in relation to non-profit strategy. The finding is also similar to what has been identified in the higher educational sector in Australia. The development process in the research context in the remaining part of this chapter provides reflection of the above reality.
Adoption of performance measures in a higher educational context

A performance measurement system has been defined as a set of metrics used to quantify both efficiency and effectiveness of action (Neely et al., 2005, p. 2). In the last decades due to the increase pressure on higher education to use resources more effectively and efficiently measuring performances in the public sector (or not-for-profit sector) has been a central theme for researchers, practitioners and politicians for over two decades (Arena et al., 2009). The demand for more accountability and information on the quality of higher education from the external environment has put more pressure on the universities to establish performance indicators to measure progress towards the establishment of national goals (Kyrillidou, 1998). It has been indicated that due to the rapidly changing business environment it has become increasingly important for (universities) organisations to be constantly changing their strategies and operations as well as their performance measures so that it reflects the changing circumstances (Kennerley and Neely, 2003). As such organisation leaders are increasingly concerned about measuring and organisational performance using financial and non-financial performance measures (Kaplan, 2001).

The process of strategy development and establishment of (management) control systems through the selection of ideal performance measures is intertwined. Accordingly in this research (refer to Figure 1.2 in Chapter One) it has been considered that they operate in a cyclical process where due to the changing circumstance strategies, control systems and performance measures shapes and are shaped by each other. Evidence on the way performance is used in a control framework, such as Tuomela (2005), found that the interactive use of performance measures is apt to improve the quality of strategic management and to increase commitment to strategic targets. On the other hand, interactive discussion of specific
performance metrics increases the visibility of actions which may initiate resistance. In this research there is scope to understand the impact of the use of newly adopted performance measures on staff perception.

5.3 Strategy Development Process of the University

The concept of strategy and strategic planning has been elaborated in Section 2.4.1. That section highlighted some advantages of strategic planning for a higher educational organisation, and how frequent changes in the internal and external environmental pressures caused universities to readjust their strategic plans quite frequently. Since its creation the case University experienced such reality and part of the construction process started long before the formal adaption of the 2004–2008 comprehensive strategic plans. In this research the consequential impact of the major changes is considered as parts of a single transformation process started with the creation of the university and how it had constructed its social reality that shaped itself and its internal stakeholders. Although this study considers the 2004–2008 strategic plans, to understand the research phenomenon it is important to provide the sequence that started before 2004. Therefore, before analysing the impact of strategy implementation on the Management Control Systems it is essential to present relevant background of the strategic development process of the university being studied. For discussion purposes the development process until 2008 has been categorised in the following periods.

____________________

4 The focus of the study is 2004–2008 and considers events started before 2004. However, there are further scope to see the implementation impact during 2009–2016 which was not possible to discuss due to the limitation of time and scope of the research outlined in Chapter Two. However, 2009–2016 was a period of academic staff reductions, a major shift to blended learning with a corresponding reduction in face to face contact.
From the creation of the university to 2000: Formation, leadership change and restructure

The story starts with the creation of the University from the combination over time of old institutions into a loose federation of semi-autonomous institutions as the aftermath of the Dawkins Reform (1989). The members of the federated university had separate management structures, internal resource allocation processes and their own academic programs. The strategic journey of the university actually began and then another major event that significantly boosted the transformation process was the appearance of the new leadership (the Vice Chancellor; will be termed as the VC) in the top role (the year of appointment is intentionally omitted to maintain confidentiality of the organisational identity). It appears to the researcher that since the creation of the University, the overall changes throughout the organisation under the new leadership left an impression that the appointment of the new VC was in fact one of most significant strategic steps to implement the 2004–2008 strategic planning process. The analyses of documentary evidence of the research context provide a scenario of the social reality that existed during the appointment of the new Vice Chancellor described in the following discussion.

Among the many challenges faced by the new leadership, the most significant one that induced the University to search for new strategic directions were the: (1) sector-wide reduction in public funding; (2) rising compliance costs; (3) increased volatility in student intakes; (4) the government’s privatisation proposals through fee-paying undergraduate places; and (5) enterprise bargaining and voluntary student unionism. During that time, a Commonwealth report found that the University was below the national benchmark for staff with doctorates (a majority of them were teaching focused staff) and full time graduate students and above mean expenditure and administration costs. Two important findings of the Commonwealth...
reports were very crucial; the University was too expensive to run and spent too little on students and thus was at risk (source: University history, p. 161). The Audit Office also reported that the university had the highest cost of administrative staffing of any university in the state, because of numerous duplications of administration; and the rivalry between the federation member institutions caused poor service to students (Audit Office, 1999). So there was demand from the government for more efficiency and cost control and from the community for better quality and more services (related to efficiency).

5.4 Major Factors for Changes (Critical Success Factors)

Due to the above mentioned challenges, strategic changes were imminent for the University to recover from the legitimacy crisis and sustainability. The separate operations of the old educational units meant there was duplication of costs of running academic programs, administration costs and the separate organisational structure that made it inefficient in operating and managing the cost, especially at the time when there was sector-wide reduction in funding. Therefore, from the management control perspective the above mentioned challenges were considered as the Critical Success Factors for the University in developing new strategic plans to establish a legitimate view of the organisation to the external environment by achieving efficiency in operations, quality and cost control to ensure the flow of government funding. The policy directions of the university showed that to tackle these challenges the leadership had to focus on identifying what the University as a whole must do to remain sustainable in a rapidly and constantly changing business environment.

Based on the above reality the University’s view on the major factors was
influenced by legitimacy and sustainability challenges. The top management (categorised as Group One interviewee in this research) tended to focus on the challenges faced by the leadership as a result of the pressures from the external environment on how the university should respond. Achieving legitimacy was one of the biggest issues faced by them and accordingly the participants believed that the need for a vision as a university was an equally important factor crucial for legitimacy (basically answering what and why questions). The task of establishing the image as a university dominated the top management agenda.

‘[the vice chancellor] said that we cannot strategically plan, we cannot actually respond to whatever is happening out there in the external environment unless we have a clearer understanding of what kind of university we are and want to be. So you need to know yourself very well to be able to strategically plan where you want to take you, and we needed to know in that context what kind of university’... ‘So they’re the two single biggest things that affected the way in which these strategic plans were developed.’ (Group One Interviewee)

It was mentioned previously that the reality of the top management was to ensure legitimacy to the environmental stakeholders especially the government which is an external stakeholders. Therefore the University subsequently undertook several initiatives to change the internal organisation structure to meet the expectations from the outside environment. The people at the top had to take on the responsibilities to create the image and took significant change initiatives, one of the significant ones was the restructuring the organisation in 2001 which the following the top management interviewee considered as equally significant as the other external factors:

“clearly the external factors there had to do with the kind of developmental path the university was on. Its transition from being former [educational institutions] to becoming a full scale university, a research and teaching university. So the impetus really came to develop; research came from that university history and the particular strategy, which was essentially selective concentration in certain areas of research building, was how to get that some form.” (Group One Interviewee)
The above comment also reflects how the legitimacy view to develop as a university was the prime focus for top management. In this connection it is essential to reflect back to the government policy reforms and the major restructure of the University in 2001. Both the events actually fall outside the research period (2004–2008); however, the major impacts of these two changes actually started to be visible from 2004. Therefore, based on that view of Critical Success Factors (i.e. legitimacy and sustainability), the strategic development process shifted to the next stage of restructure as mentioned below.

5.5 Merger and Restructuring 2000–2001

The above changes are the reflection of the adoption of Dawkins Reforms (1987, 1988) and the further adoption of the recommendations of the West Review (1998). In the West Review (1998), there was recommendation of centralisation of administration and fund management with emphasis on reducing costs, removing complexities in the decision-making process, more deregulation and decentralisation (holding lower levels responsible for strict compliance with budgets) at different organisation levels (see Table 2.1 in Chapter Two).

During 2000–2001, the organisational activities of the semi-autonomous units were centralised, many duplicate academic programs were combined, as well as many academic courses and units eliminated which was part of the cost reduction policy of the University and thus significantly reduced the operating cost for academic and administrative activities. There were many hidden costs such as the increased travel by academic staff, and a number of senior roles (but not all) which were eliminated were over time replaced by new senior administrative posts. Furthermore, during the reorganisation phase, administrative functions were
inadequate because so many people were in new roles and much accumulated soft knowledge was lost. The need for the uniformity in operating activities, transparency and control of university financing was among the biggest challenges for the new leadership.

5.6 Development of a new Resource Allocation Model (RAM)

With every change in strategic initiatives the University had to remodel its RAM as it had been used to reinforce strategy implementation. A major change in the funding model came in 2001 as before that each of the semi-autonomous institutions used to have their own RAMs. Further refinements were made throughout the study period (2004–2008) in light of experience and changes in government policies. The university had to redesign the new RAM after the 2001 restructure to facilitate the integration and to reinforce the strategic goals. The new model in fact, changed the traditional resource allocation process, and used the new RAM as a power tool (as the levers of control) to implement the desired strategic changes. The resource allocation process provided funding for strategic initiatives and capacity for consultation and review and therefore was not entirely formula-driven. The purpose of the new RAM was to provide revenue and performance-based budgets for the colleges (University internal document; Johnston, 2003). The new funding model was developed by a working group of senior executives established by the VC in early 2001. The members in the working group consisted of two DVCs, one College Dean, one Director of Finance, Business Development and Planning and Quality and other senior staff. The documentary review of the University shows that the RAM was based on five key principles (see Appendix 5.1).
As mentioned above to reinforce the strategic initiative the University had to develop a new Resource Allocation Model (RAM) for internal allocation of funding. One of the internal reports of the Organisation shows that such cost cutting measures resulted in the reduction of 50% of senior positions (Director Level and above) and savings of over $10 million in administrative and academic support costs. The existing 56 academics schools and faculties were merged into 22 schools and 4 colleges (Johnston, 2003). It appears from the sequence that the centralisation of governance and administration processes was a significant demand on time for the University and the other changes in the internal organisation were mere manifestations of the adopted strategic initiatives. The RAM had to reflect the strategic allocations, changes in organisational units and funding per student, in the various disciplines, in order to arrive at the budget for each organisational unit.

The shift to a different RAM was the consequence of the centralisation of the university academic and administration programs as it was essential to increase the efficiency of running the activities across campus during the period of reduction in government funding. In such circumstances adopting a new RAM was a rational strategic option for the University and according to Johnston (2003, p. 1), “the model’s reinforcement of the newly integrated structure has enabled historically-based budgetary allocations and cost structures to be challenged. In the context of a major restructure, such a resource allocation model had the potential to be a powerful tool for supporting strategic change”.

However, operating as a combined university under a central administration was a huge challenge for the leadership because at that time the management had to struggle to stabilise the internal politics, internal conflicts and tension that prevailed everywhere.
'And the other sort of dynamic in play up to 2004 was the recent unification of the university and a lot of people not necessarily warming up to that immediately. So 2001-2 were very difficult years. 2003 we started planning as a way, amongst other things, to get a unified understanding of what the university was trying to do.' (Group One Interviewee)

There was conflict over leadership, another major source of conflicts circled around the RAM and there were demands from the staff at college and school level for more transparency in the internal allocation of funds that will be explicated in the next chapter.

The researcher observed that initially many staff reflected a concerted view on the purposes of the unification process in 2001 that was to increase efficiency in running administrative and academic programs, cost savings by eliminating duplication costs but at the same time they also exhibit contrasting views of their experience on the complex process of implementation and the consequential impact on their operating environment in terms of conflicts, tensions, competition, etc. The comment of a top management interviewee reflected the purposes, challenges complexities and outcomes of the process in the following manner:

'We had to work to actually achieve those savings by bringing together administrative and teaching units and things of that nature. So there was a fair bit of politics. Like there were three different heads of schools for business for instance. I think there might have been two. Nursing was one; it had two different heads of school. Well they [were] almost... mirrored about ten times. They had to be manipulated and then got together. And that had to be done I think. If it wasn’t done then we would have the same inefficiencies, and loss of income... issue of... increase in expenses.' (Group One Interviewee)

On the other hand, the interviewee responses of mid-level managers (Group Two) and operating level staff (Group Three) showed a mix of attitudes on the external impact of the strategic changes. The information they had on the external factors was not different from Group One although their attitudes was influenced by the way the university responded to these external pressures by adopting changes within the
organisation. The consequential impact of these changes at their respective operating levels was perceived differently. Having passed the turbulence of the restructuring process the focus shifted to developing a more integrated strategic plan for the university that was finally reflected in the 2004–2008 strategic plans. The following section provides some details background to this period.

5.7 Development of the 2004–2008 Strategic Plans

Since its creation, the University had undertaken different strategic initiatives and started to establish its identity as a single university in the domestic and international arenas. Having unified as one university and consolidating the academic and administrative programs the next major challenge was to set the vision and mission of the organisation in the midst of internal politics and conflicts among the senior members of the old semi-autonomous units. The University was desperately in need of a unified vision to achieve the strategic goals for which it was an imperative to have a balanced, comprehensive and integrated strategic plan.

The University established a Strategic Planning Taskforce to advise on its strategic directions for the University for the 2004 – 2020 periods and also for the years making up that period. The Strategic Plan for 2004–2008 was reviewed by an external consultancy firm and a refined ‘strategy pyramid’ was developed for it (Source: University Planning Guide, 2006). There had been rigorous consultation process in the implementation of the same.

‘We had a number of people whose job it was to lead the consultations in the university about planning. So they ran forums, they ran particular strategy sessions, they ran conversations at all of our normal things; so whenever the organisational development unit ran a whole day thing, one of these groups would go and say we’re doing some planning [and] want to ask you some questions. And then we would have meetings of the strategic planning group which I would attend and we work through them. We had some whole couple of
days sessions when we just sat there and threshed it out so... The way in which each of these – the teaching and learning plan, the research plan, the regional and community engagement plan, and the overarching university plan – was developed using that process. I would bring it back to the senior staff, to the vice chancellor, to the executive and say “This is how we’re progressing. What do you think?” and I would get feedback and take that back to the group.’ (Group One Interviewee)

The above comment is a summary of the whole process followed during that period and also reflects the management’s perception of the change process.

In fact, the development of the 2004–2008 strategic plans was the first comprehensive set of strategic plans of the University that integrated the core and non-core activities with internal resource allocation and performance measures systems to be implemented at different levels of the organisation. The ‘strategy pyramid’ developed by the consulting firm identified student learning experience; focused, relevant and engaged research; financial capacity; and, engagement with the regional community as the four reportable battlefields that identified fifteen strategic imperatives should be the focus for the college plans and also for the high level enabling plans (Source: University Planning Guide). The 2004–2008 strategic plans covered three enabling plans related to the core activities of Teaching and Learning, Research, and Regional Engagement. Each of these plans contained multiple goals with their sub-goals and operating measures. The necessity of such a comprehensive set of plans again was a need for reality construction when the University was reconstructed to a unified university by consolidating all the academic and administrative activities.

Since the 2004–2008 strategic plans were put in to action, until the next planning stage the University had to adjust its control systems on different occasions. In this sequence the University had to do significant changes in its organisation structure and the RAM. Under the governance systems of the University the Vice
Chancellor is the University’s chief executive officer, it’s academic and administrative head, and is responsible to the Board for the management of the institution and is supported by the senior executive team (AUQA, 2006, p. 11). Further discussion on the implication of this plan for the management control systems will be provided in the analysis of the Research Question 2 in Chapter Six.

5.7.1 Impact on Management Control Systems (MCSs)

It has been mentioned in the Chapter Two that the Dawkins White Paper (1988) provided clear directions to the universities to adopt a top-down management control structure that ensures a strong management mode of operation, adequate levels of consultation and accountability, streamlined decision making and maximum flexibility in the capacity of an institution to implement new policies (Bessant, 1996). In addition, it was noted by Anderson (2008) that the adoption of such a management style placed emphasis on a particular style of accountability, development of market orientation and securing non-governmental funding increases. Thus universities were to have greater emphasis on the issue of efficiency and economy and the changes were to be “implemented through a range of managerial practices, including performance management schemes, quality assurance mechanisms, the restructuring of academic departments and the implementation of budgetary devolution” (Anderson, 2008, p. 251).

Adoption of the above government directions was reflected in the internal resource allocation process mentioned in the previous section. For example, reduction of staff during the restructure process was a reflection of the cost cutting policies pursued by the University, departure of senior staff was one of the major changes in their internal organisation.
5.7.2 Adoption of performance measurement systems

The internal documents of the University revealed that the planning and reporting process during the 2004–2008 period consisted of four interrelated components, the planning process, action plans, reporting systems and the budgeting process. The components and sub-components of each plan with their purpose are presented in the following table (Table 5.1).

Planning framework

Under the planning process there were plans at different levels of the organisation such as the College and School plans are formulated, implemented and reviewed on a three year rolling basis.

Table 5.1: Planning framework

<table>
<thead>
<tr>
<th>Plans</th>
<th>Description</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>College and School rolling</td>
<td>Formulated, implemented and reviewed on a 3 year rolling basis</td>
<td>To identify a small number of locally strategic directions consistent with the overall university strategy, also included key improvement priorities generated from current performance</td>
</tr>
<tr>
<td>School plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enabling Plans</td>
<td>Delivered on a 3 year rolling basis for the areas of the Library, international activities, IT infrastructure and services, capital works and facilities, campus development, equity and EEO, student administration and human resources. The plan included strategies for operational improvement identified through user feedback and other mechanisms.</td>
<td>For consistent and effective implementation of goals for the 3 core activities of learning, research and engagement.</td>
</tr>
<tr>
<td>Resource and budgeting plan</td>
<td>Combined targeted support for key directions and for existing operations through the University’s ongoing funding model, and a targeted staff development strategy.</td>
<td>The University Budget Plan were focused on supplementing existing sources of income</td>
</tr>
</tbody>
</table>
Individual Plans | For all staff ranging from the Vice Chancellor, Senior Executives, Academic and Admin staff | Performance evaluation

Adapted from [University] strategic planning and review document 2006

Reporting framework

Reporting on plans, where possible, uses qualitative and quantitative time series and benchmarked data. Measures were identified in the overall key strategic plans, improvement plans and operational plans and are increasingly linked to the individual performance plans of senior staff.

Table 5.2: Performance review process

<table>
<thead>
<tr>
<th>Type of review</th>
<th>Description</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local self-review</td>
<td>Local Review of performance reports provided by the Office of Planning and Quality (OPQ) and other sources on the implementation of each rolling plan and review recommendations undertaken</td>
<td>to identify what is working well and what requires further enhancement</td>
</tr>
<tr>
<td>Confirmation</td>
<td>Confirmed by supervisors and the Planning and Quality Committee that the self-review is valid and that action plans to address agreed improvements are relevant and achievable</td>
<td>- checking the agreed actions have been delivered - discussion of performance against key plans and improvement priorities in the annual individual performance reviews of staff, especially those accountable for each plan</td>
</tr>
</tbody>
</table>

[Source: University Strategic Planning and Review document, 2004]

In addition to the changes in performance evaluation system, the impact of strategic direction on the Management Control Systems (MCS) of the University was vividly reflected in the changes of the internal resource allocation process during the 2004–2008 strategic plans. Details are provided in the following discussion.
5.8 Further Restructures and Modification to the RAM

As mentioned previously the university studied was operating in a dynamic environment. While the restructure in 2000–2001 was a major upheaval and an attempt to change the culture, it was not a one off change. The pressures which resulted internally from those significant changes encouraged the development of a new university-wide RAM to link in with the 2004–2008 strategic plan and to provide greater transparency. In this approach, there was greater scrutiny by top management of school (academic department) performance as opposed to the previous emphasis on college (faculty performance). However, there was a learning experience and also external developments in the form of the Nelson Review (2003–2007) which was discussed in Chapter Two (see Table 2.1). Based on the learning and the government’s latest priorities the university undertook another reorganisation and modified the RAM to match with the new organisational structure. It should be noted that the reorganisation was, in the main, much less dramatic than the one in 2001 and the revision of the resource allocation model was a continuation of the previous approach with modest refinements.

‘The 2006 reorganisation provided a stronger leadership level at the school and that was part of the design of that restructure ... the head of school positions, were more complex. There was a wave of recruitment externally for people to fill those roles ... not exclusive but a large number of heads of school externally as part of that process, so there was a focus on giving the heads of school more responsibility’ (Group Two Interviewee)

In doing so, the University had increased reporting responsibilities and also monitored the budget more closely at the school level;

‘four management accountants ... each of those management accountants had a specific school that they would look after, and the budget got split up finely. So they’d monitor that budget. They had input to the creation of the budget. They’d also monitor it during the year and have regular meetings with each head of school, and make sure that they were on track to meet budget during the year.’ (Group One Interviewee)
The top management (Group One) subscribed to the idea that with more concentration on efficiency it was easier to report to the external stakeholders especially to the government by using financial measures. It was observed that there were mixed views among individuals regarding the cost cutting initiatives by the university. A majority of them conceded that there were duplications of costs in managing academic and administration activities and some cost cutting strategies were reasonable options to management.

However, their opinion differs on the way the strategies were executed. Many participants questioned the implementation of the top management expectations on the ground of effectiveness especially when under the new Resource Allocation Model (RAM) many non-core activities were being funded by reducing the cost of the core activities especially the teaching and learning programs. Chapter Six will show that some participants believed that the strategic initiative was ineffective as the increased demands on academics for the development of teaching did not coincide with the achievement of quality due to such rationalisation of funding. It will be seen that such views were also expressed by some Deans and Head of Schools interviewed.

The details on the impact of the RAM on staff perceptions and the behavioural implications will be elaborated in Chapter Six.

5.9 Summary

Recall that the main purpose of this chapter is to provide a background of the strategy development process of the university and its impact on the Management Control Systems in order to facilitate the analysis and discussion of the next chapter (Chapter Six). Accordingly, the discussion in this chapter highlighted the influence
of environmental pressures on the higher educational sector that also impacted on the strategy directions of the University. The major impact of the strategic changes was reflected in the changes in governance and management control structure. It was also discussed that government policy was the dominant factor for the major changes and there was uniformity in behaviour on how universities responded to the change process. The case study university actually followed the institutional trend by focusing on the restructuring of organisation units, and changing planning, and reporting and review frameworks, that is, internal resource allocation (budget) process and performance measurement systems. The analysis in this chapter was dominantly based on University documents and literature review and interviews with individuals from within the organisation. The analysis and discussions in the next chapter will elaborate the phenomenon in detail by examining staff perceptions and behaviours from different levels of the organisation.
Chapter 6: Interview Analysis and Findings

6.1 Introduction

The purpose of this chapter is to analyse the interviewee responses related to the three research questions and to evaluate the findings in relation to the theoretical framework explained in Chapter Three and the literature review covered in Chapter Two. The three research questions will be addressed. Part One will analyse the interviewee responses on the major influential factors for the strategy formulation and the management control systems, and their perceptions of their appropriateness (Research Question 1). Part Two will analyse staff perceptions as to how the Strategic changes impacted on the Management Control Systems (MCS) of a University Organisation (Research Question 2). Then part three will analyse how the management control systems impacted on staff operational behaviour (Research Question 3).

The previous Chapter Five provided discussions on the concept of strategy and management control systems and their implementation in a higher educational context. It explicated the challenges and unique features of strategy development and implementation of management control systems in the higher education sector compared to a traditional business organisation. Furthermore, the chapter examined the expected impact of the university’s approach to strategy and management control systems on the operational behaviour of individual staff.

In contrast, this chapter looks at the actual results which will be examined in this research context from the analysis of interview data. The discussion and analyses of the collected interview data will be based on the theoretical framework designed
in Chapter Three, Table 3.9. This reflects that the interpretative approach recognises the analysis of our observations are unavoidably influenced by researcher’s and the participants’ cultural environments. Table 3.9 showed how the interpretation is linked to the research questions developed in Chapter One, and the expected relationship to the literature review detailed in Chapter Two. The research methodology chapter (Chapter Four) explained that the interview data will be analysed from a social constructionist perspective using interpretive analysis. It was mentioned in Chapter Four that this research will utilise the Nvivo 10™ software as a tool to develop themes and codes linked to the three research questions to facilitate the analyses of the interview data. The structure of this chapter will follow the Themes and Coding Scheme presented in Table 4.6. The analyses of those parts will be followed by the discussion of the major findings.

The organisation of this chapter is presented in the following figure:

![Figure 6.1: Structure of Chapter Six](image)

- **Part One**: Staff perceptions on the major influential factors for strategic changes
- **Part Two**: Impact of Strategic changes on the Management Control Systems on a university organisation
- **Part Three**: Management Control Systems impact on staff operational behaviours
- **Summary of key findings**
PART ONE: Major Change Factors

As mentioned in the introduction section, this part will present analyses of staff perceptions based on their responses related to research question 1:

Research Question 1

*What environmental factors are perceived to influence the University’s strategic directions and are the subsequent changes viewed as appropriate or legitimate?*

To help answer this question the researcher asked the individual staff what they considered were the important environmental factors which caused the changes in strategic directions of the University and how they identified those factors as significant. The reason for this approach is to give a basis for understanding what issues were perceived as relevant and thus at least partly explain whether the subsequent changes are appropriate. Most of the reforms in higher education sector are directly or indirectly linked to the changes in the external environment (Varghese, 2004a). Thus consistent with the adoption of a social constructive approach in this research it is important to know the construction of the social environment [and how] that shaped the reality of both the University and its internal stakeholders. Therefore, where the respondents say directly or indirectly they were influenced by an event or environmental factor the analysis may provide details of such where, and only where, it is necessary to have such information to understand the comments quoted.

Based on interviewee responses the major influential factors have been broadly categorised as environmental factors external to the university and environmental factors internal to the university. The major external factors identified by the
interviewees were globalisation, government policy reviews, especially the
government funding policies and subsequent reviews, need to establish its identity to
the external stakeholders as a university, community expectations, increases in full
fee-paying students, and competition in both domestic and international markets as
the major external factors that had the major impact on the strategic directions of the
University. Among these factors the most significant one was the government
funding policies that have the most significant impact on the University strategic
changes. While in identifying the major internal factors for changes identified by the
participants are the restructuring of academic programs and administrative units,
pressure from internal stakeholders for more transparent allocation of resources and
need to improve efficiency are the most commonly cited ones. There are other
factors indicated by the participants which are actually due to the consequential
impact of the external environment pressures. However, it was their significance in
changing their operating environment that led to their identification as another
independent factor. The following sections present detailed analyses of interviewee
responses on external and internal environmental factors.

6.2 External Factors

Table 6.1 shows that majority of interviewees identified similar factors as
influencing university strategic directions. However, the impact column shows that
they had different perceptions of their significance for strategic changes depending
on the type of operating environment they were exposed to and the roles they played.
The responses in the impact column indicate how their attitudes were influenced by
those factors and the strategic responses column shows the changes in the strategy
and control environment of the organisation.
For the purpose of analyses the responses of the three groups of interviewee have been summarised in the following:

*Table 6.1: Interviewee responses on major external factors*

<table>
<thead>
<tr>
<th>Group</th>
<th>Responses (Pressures for change identified)</th>
<th>Impact</th>
<th>Strategic Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government Policy reform</td>
<td>‘the old funding model was replaced with a new one which would mean we would lose $30 million dollars in three years of the new funding arrangement’</td>
<td>Lobbying to receive compensation as large multi campus university</td>
</tr>
<tr>
<td></td>
<td>International competition</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pressure for internal restructuring to become more efficient</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Need for a vision as a university</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Government funding policy</td>
<td>Reduction of funding, cost consequences, increased accountability on the university that spread to the departmental level</td>
<td>Cost reduction policy by the University</td>
</tr>
<tr>
<td></td>
<td>Uptake of medical school and cost consequences</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Competition from online universities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Competition for full fee-paying students</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in accounting and reporting responsibilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Community expectations within the catchment area of the University and in its surrounding regions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>National economic condition - unemployment problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes in permanent residency rules by the government</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The major influencing factor would be the decisions of the governing body, in response to recommendations of the</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mobilisation of implementation by the Deans and Head of School levels
The above table shows that all groups believed that the role of government is the major influential external factor for any changes in the higher educational organisations. However, the way they viewed the pressure is different among the three groups. In identifying the major influential factors, the Group One (top management) participants for example, displayed a more holistic and outward looking perspective compared to the other two groups. They considered the government policy reforms, the need for a vision, community pressure and competition in the international and domestic environment influencing strategic changes by the university. This is probably due to their frequent exposure to the external environment for strategy and policy development and the need to have responses that are acceptable to the external stakeholders. While, at the other extreme, the Group Three-level staff views were more focused on the consequential changes in their operating environment related to the core activities of teaching and

| 3 | • Federal Government. funding  
• Pressure on university to rationalise, improve efficiency, and look into ways of compensating for loss of income  
• Political Environment  
• Pressure from the industry  
• Changes in permanent residency rules by the government  
• Govt. Policies  
• Community expectations  
• Location of the University | Community was upset as a consequence of course cuts. | Amalgamation of academic and administrative programs, Development of new Resource Allocation Model (RAM) |
learning, research, and engagement. Group Two, are the mid-level management in the organisational hierarchy who have more frequent communication with the top management and the operational levels, and they displayed a more balanced view of the external factors. They displayed enhanced understanding of the strategic environment compared to those at the operational level (Group Three) and better understanding of the operating environment and staff experience than the top level (Group One). In addition to that their responses were also primarily focused on the challenges related to strategy implementation assigned by the top at their levels. It is important to mention at this point that majority of the external factors are somehow linked to the government role, that is, funding, increases in the number of students, university restructuring, etc. and the discussion in the following is also a narrative on the impact of government policies, reforms and reviews of higher education sector. The following sections analyse interview responses on the major factors.

### 6.2.1 Globalisation

The acceptance of neoliberal philosophies brought with it globalisation and looking to the markets instead of the state for answers. Due to globalisation the government adopted the market-based philosophy that promotes turning to the markets instead of the state for answers, supply-side economics, privatisation, competition theory, the promotion of free trade and reduction of protective tariffs, and both macro and micro economic reforms. The pressure from government exposed the Australian higher education sector to the challenging areas of globalisation where they need to compete in domestic and international frontiers. Education was considered as an economic product similar to other public goods, so government put pressures on the universities to reduce demands on public funds and thus the search for alternative sources of funding. Through several reforms government also increased pressures to
improve efficiency of universities by reducing operating costs. These pressures pushed universities to adopt cost reduction strategies organisation-wide.

In the case study organisation, the globalisation indirectly impacted on the strategic approach of the top management in terms of adhering to the government policy reforms, increased competition both at the domestic and international market, the internal fund allocation process, students and staff relationships. Globalisation is a key motivator and driver for university reforms that produced both international and external pressures on universities (Blackmore, 2002). In this research context such reality was echoed in the responses of the following participant in explaining the background of the development of the 2004–2008 strategic plans, and the challenges faced by the top management:

‘It’s being able to understand the world in which we live, the sector in which we live, and the policy and funding drivers that promote the way in which universities operate.’ (Group One Interviewee)

The above comment indicates that they (Group One) felt the need to develop a broader perspective when considering the external factors for changes. It also shows according to their views, how the external factors are sequentially interrelated:

*Once we did those plans, then we had something on which to base a whole lot of other systems and processes and funding and reporting and those sorts of things. And also marketing, positioning of the university. It changed the dynamic of the university quite dramatically ... in a good way.* (Group One Interviewee)

The impact of this factor was more clearly stated by the Group One participants in considering its strategic impactions on the overall organisation. The above comment also indicates how the impact of this factor had influenced different areas of strategic changes. The globalisation factor and its impact was viewed by the participants in other group based on how they have experienced the changes at their operational
levels such as increase in the number of students, workloads, student staff ratios and internal funding. However, the overall staff perception is similar to the impact identified in the literature review (i.e. Anderson, 2006; Vaira, 2004; Slaughter and Leslie, 1997; Porter and Vidovich, 2000; Marginson, 2000).

6.2.2 Economic and political pressures

It was explicated in Chapter Two that the political and economic environment around that period was responsible for creating pressures on the management for changes because organisations are bounded by the condition of their environment (Pfeffer and Salancik, 2003). Some interviewees shared their views on this. One interviewee believed that unemployment condition in the economy had a direct impact on student enrolment as it is linked to the availability of government funding and thus was significant to the University for Strategic Analysis.

‘from my experience at.. [other universities] before I came to [this university], there is a big factor that involves unemployment. If unemployment goes up, more students come to university, there’s less pressure on you [for funding]. If unemployment goes down, it’s just - most students can get a job and there’s more pressure on university to get students in. Now, that is a factor.’ (Group Two Interviewee)

The economic and political pressures are the reflection of the government view on higher education sector due to globalisation trends (see Turpin et al., 2002).

To ensure a sustainable flow of funding, the University had to become involved in political lobbying to avoid any detrimental impact of new funding policy reforms. With the changes in government policy on higher education the university had to change its strategic imperatives accordingly. To the top management, adapting to the government reforms was the first priority for securing funding and was equally necessary for gaining legitimacy.
‘the vice chancellor and I went to every politician in the known universe to express our view with what’s happening to the university and that they needed to take account of our purpose that is particular to our university and by enacting those policies it would be detrimental’. (Group One Interviewee)

The above comment is also linked to the resource dependence relationship of the University with the government and as such is similar to the findings of Slaughter and Leslie (1997); Vaira (2004); and Porter and Vidovich (1992) discussed in Chapter Two. One of the government demands was that universities increase non-government sources of funding such as international fee-paying students and industry-funded research.

In Chapter Two, Table 2.1 shows that starting with the Dawkins (1987, 1988) reform Australian universities have had to adopt different organisational changes to comply with government policy demands. The interviewees perceptions were impacted by the government pressures which is corroborative of the evidence identified by Vaira (2004); Porter and Vidovich (2000); and Marginson (2000).

**6.2.3 Role of government**

The role of government is the dominant and overarching factor that impacted on all aspects of institutional and organisational environment of the higher education sector. An overall majority of interviewees considered the role of government as the dominant influencing factor for changes. Some of them also term the government role as interference, or government control. However, the view of the majority participants were mostly negative depending on the way the role of government affected their daily work practices.

The interviewee comments on Table 6.1 above indicate that the above fact was acknowledged by participants from all groups. The impact of the external factors actually translated through the government policy reforms. The government view on
higher education sector was reflected through government policies that have impacted on strategic planning and the internal work environment of the universities. Due to change in government funding policy; the University had to face more reductions in funding:

‘2003 was the Nelson, Brendan Nelson Reforms, and he wrote, or his department wrote the paper ‘Crossroads for Higher Education’. The end result of that was the university that was most significantly disadvantaged was the [University].... enacting those policies it would be detrimental.’

(Group One Interviewee)

Moreover, in the Nelson Reform (2000–2007) there were recommendations to increase operational efficiency, changes in the role of Vice Chancellors, to accept Australian fee-paying students to a maximum of 35% of total course load, once all HECS places have been filled (see Table 2.1, Chapter Two). It was mentioned in Chapter Two that concentration of power at the top has been increased dramatically due to the adoption of hierarchical management structure that was encouraged by government reforms, and decision making were mainly restricted to those at the top.

The staff in Group Three viewed the ultimate impact of the strategies at their operational level and similar to some Group Two participants some participants in this group also believed that the top had to prioritise their needs based on achieving legitimacy particularly from government and the local community. Some also believed that the management had problems with their planning.

‘Yeah look I mean from the higher education systems I think goes up and down and [it is] very difficult for[an] academic to really have a view on how much is the national change and how much is mismanagement at home’ (Group Three Interviewee)

The interviewee believed that the government pressure could have been handled differently to sort out the funding issue.
As discussed in Chapter Two, in his study, Parker (2007) identified that the changes in organisational structures that resulted in a concentration of power at the top had increased dramatically and were encouraged by the government. The following interviewee’s comments also reflect similar views when the interviewee observed the impact of the government role in the enterprise bargaining agreement:

‘Oh the external - the government interference in the university during that time certainly forcing us to redo our enterprise agreement. We had to actually rewrite it and it was like having to take out anything that mentioned ‘union’. To a great extent what it did, is it gave the management the whip hand if you like,......... I think it's been worse since 2004....basically... any sort of...a Conservative Government is hostile towards any sort of unionism or organised workforce’

(Group Three Interviewee)

The above interviewee also observed different styles of control on the government’s part. Such as, for higher educational funding the interviewee observed that:

‘if the Government was saying to them you have to be really fair and we want you to look after your workforce they would - otherwise we won't give you money. But what happened then is they actually said, if they didn’t find what they wanted to see in the enterprise agreement that was supposed to be individually negotiated, they would withhold funding. Significant amounts of funding. It's called blackmail in other areas. So that was a really significant thing that happened. They told them they would not get the appropriate level of funding if they didn’t do exactly what they said.’ (Group Three Interviewee)

The coercive pressure from the government also shows that in resource dependence relationship it is not only the dependent entity that decouple its behaviour for legitimacy, rather it is also the resource provider decouple its behaviour for controlling the actions of the dependent entity. In saying that the government believes in good labour policies as reflected in labour laws while at the same time linking funding to exclusion of unions is evidence of a resource provider exhibiting decoupling.
It is mentioned previously that the overall perceptions of Group Three interviewees on the government impact were negative. A majority of their attitudes were negatively impacted by the reduction in real terms of funding per student for teaching and learning, less time and money for research activities, and higher teaching loads:

‘I think from my point of view the biggest change was the government shift in orientation away for student fees, the amount of subsidies the government gave towards students has changed significantly ... students were paying more and more and the government was supporting the university less and less’ (Group Three Interviewee)

‘When I started as an academic back in the early 90s, getting [a] grant was highly unusual there was no pressure to do so, it wasn’t considered part of your job so ... now the whole landscape changed as a researcher and as a teacher the amount of pressure on staff, its huge teaching loads and ... the changes in the sector and that’s come from the government.’ (Group Three Interviewee)

Another interviewee also believed that the government policy or changes were very unpredictable that create negative perceptions among academics.

‘external drivers that suddenly come out of the blue from government... change in government policy and all those sorts of things. And I think many academics don’t understand that environment.’ (Group Two Interviewee)

What was revealed from the interviewee experience is that the impact of some environmental factors, that is, globalisation, economic conditions were reflected through the role of government and some factors impacted on the organisation, that is, organisational restructuring, internal resource allocation process as a reflection of the government role in the higher education sector. In fact, in the discussion of the influencing factors the impact of the government role will appear throughout the remaining sections of this chapter.
6.2.4 Increase in student numbers

The empirical evidence identified in Chapter Two shows that the increase in public interest in higher education (Coaldrake and Stedman, 1999) due to the introduction of the Higher Education Contribution Scheme (HECS), pressure to accept the market-based philosophy and the move to the ‘border less’ education (Turpin et al., 2002) were responsible for increases in student numbers. In addition to the above, in terms of international students some participants believed that it was the Government Immigration policy rather than the globalisation impact that had significantly increased student numbers. One Group Two participant considered the increase in student numbers as the biggest external influential factor but contended that they did not receive any extra funding as a result:

‘The biggest external factor as far as we were concerned ... would’ve been the increasing number for fee-paying students we were attracting .... But we didn’t really get too much of that... those funds. And yet we’re expected... we’re expected to teach them all. So the biggest external factor, from my point of view, is the increase in the number for fee-paying students. (Group Two Interviewee)

There could be two reasons for this. The first is that international students are administration heavy in terms of administering support programs for language issues, accommodation, government reporting on student activities, high recruitment costs and support when they experience cultural shock. The second is the university decision makers seeing it as discretionary money they can use strategically.

The increase in fee-paying international students, on the other hand, was the cause of reduction of funding per student from the government because the government reduced funding in real terms on the assumption that profits from international students would make up the difference:
The reduction in funding per student has been substantial over that period ...

Even though the overall pot of money has grown, the money per student has reduced quite considerably from, you know, even the Dawkins era.’ (Group Two Interviewee)

The funding per student posed a challenge for the mid-level managers because they had to convince the operational level to do more with fewer resources. Similar experience is also shared by another participant as:

‘more and more international students coming in undergraduates and postgraduates and doctoral students at all levels just because the world became more global over the 20 years, but it really it comes back to the funding of the institutions by the government and that’s changed drastically in the last 10 or 15 years, drastically.’ (Group Three Interviewee)

The above experience is a corroborative evidence of what Parker (2012), Marginson (2002) and Winter and Sarros (2000) identified in their research (see also Section 2.2.2 in Chapter Two for details).

Moreover, the increase in international students was considered as rather linked with the government immigration policy which was a national priority at that time.

‘I think a national priority. Yes.’ (Group Two Interviewee)

However, a Group Two employee viewed the increased in student numbers rather from the demand perspective to justify why and how the student number increased:

‘Well because of the external demand. People from overseas saw it as an opportunity to get permanent residence in Australia by undertaking [certain courses] ... they were able to ... come into Australia as a permanent residence’ (Group Two Interviewee)

Similarly, a Group Three participant showed a negative attitude towards the factor on how the student numbers were increased for additional funding and viewed the adoption of such strategy by the University from an ethical perspective:
‘Then there was this massive push to bring in international students and it was a huge push... For fee-paying students, to make profits out of countries that are generally poor countries.... I think it's a big ethical problem.’ (Group Three Interviewee)

The above attitude had probably been framed due to the closer interaction of level three staff with international students and thus may cause perceptual differences on this factor for the different levels of staff.

The increase in international students due to the changes in the immigration policy and considering the way of increasing the alternative source of funding is different from what is identified in prior empirical evidence surveyed in Chapter Two.

6.2.5 Need for a vision

After the 2001 restructuring, the University management had to face challenges to set up a vision as a university to exhibit its identity. However, one of the biggest challenges was to handle the internal conflicts that accelerated with the restructuring of academic and administrative activities. Setting up a vision as a university to the internal and external stakeholders was considered as a strategic challenge by the top management. Establishing the vision was important to ensure adequate funding from the government for sustainable operations:

‘But the equally important one was that the university was only salvaged in 1989. It spent its first ten years fighting with itself about what it should do. It took two years to develop the mission statement - two years to write three lines - because people were not willing to agree that it should actually mention [location of the University] in the mission statement’ (Group One Interviewee)

Therefore, the aim of the 2004–2008 strategic plans was that the University was striving to have a comprehensive, integrated plan with a clear vision as a University. Such attitudes of the top management was relevant to the proposition made by
institutional theory that in the face of uncertainty organisations mimic the acceptable standard of practices that exist at the institutional levels which was also proposed by DiMaggio and Powell (1983) and empirically identified by Moll and Hoque, (2003) and (2004); and Bloodgood and Morrow (2000).

In the research context some interviewees in Groups Two and Three believed that there was not much unique in the 2004–2008 strategic plans but rather the vision and mission are too broad and the strategies are also similar to other university organisations. For example, one Executive Dean believed that the strategies set by the top were broad and were not specific to the real problems that they face at their operating level.

‘There never has been a clear strategy, I believe, or I hadn't had from the top executive in [the University], of where it wanted to go ... So I don't think there was any real strategic plan above our level ... What they really are, are motherhood statements ... ‘Well, if there's an overall strategy at the University, I think these motherhood statements’. (Group Two Interviewee)

The documentary evidence also reflects such an attitude by the university in its development of strategic plans where the University used internationally reputed consulting firms to develop strategies, targets and operational measures on its behalf so that its formal process also look familiar to any traditional universities. Such evidence also corroborates the finding of Abernethy and Chua (2007) discussed in Chapter Two that that such mimetic behaviour has a ritualistic element where organisations adopt new managerial practices to enhance their legitimacy by appearing to be “in control” or “at the cutting edge”.

6.2.6 Competition for students

The discussion on the above factor is very similar to what has been covered in the ‘Increase in Student Numbers’ section (Section 6.1.4). It was discussed in
Chapter Two that the government funding restrictions pushed all universities to compete for international students and the case study university also had to spend resources for marketing activities to strive for funds from full fee-paying international students. Such a strategic response was due to the pressure from the government to seek alternative sources of funding by the universities. The inflow of international students was so massive that some participants also considered that as one of the major influencing factors for the Universities to change their strategy and policies to attract overseas students. However, it is worth noting that, from 2001–2003, many of the offshore international programs were discontinued as they were either of insufficient quality or they were unprofitable and then, in 2004–2008, they strove to increase international onshore numbers.

Similar experience was also shared by a Group Three participant:

‘that [student numbers] was an external factors that clearly impacted upon the university’ (Group Three Interviewee)

Due to the increase in the number of full fee-paying students the University had to adapt new strategies that impacted on the traditional staff student relationships, that is, considering students as ‘clients’, education as a product, pressure for documented quality as evidenced by student feedback, and increase accountability that impacted on staff attitudes towards the strategic changes.

‘I would say there probably was some external pressure in relationship to other universities and the demand for places’. (Group Three Interviewee)

Bobe and Taylor (2010) noted that between 1996 and 2008 the equivalent full-time student load in Australian higher education grew by 54.25%, whereas the full-time equivalent academic staff grew by 20.0% in the same period and during 2008 the Bradley Review (2008) of Australian higher education (DEEWR, 2008) placed
further pressures for more efficient structure (reducing the number of board members) and cost control in an environment of increased competitive markets and regulatory controls.

For this research context the reality was also shared by some interviewees stating that the increase in student numbers actually put extra pressure on the academic workloads because with the reduction of funding they had to tackle the pressure of increased student cohorts with a limited number of staff. It was also explained in Chapter Two that such an increase in the number of students due to government policy reforms had impacted on the student staff ratios in the universities where:

‘courses (like business, like law) would end up with a very poor allocation which meant that the student-staff ratios exploded which then meant that students weren’t able to get their closeness of tuition that they had previously experienced.’ (Group Two Interviewee)

The consequential pressures were also realised by the staff at different levels, the following Group Two-level staff member considered it as the main external factor:

‘The biggest external factors as far as we were concerned ... would’ve been the increasing number for fee-paying students we were attracting.’ (Group Two Interviewee)

The staff view on this factor shaped by the pressure felt at his level in managing the extra numbers. It was revealed that in spite of increasing student numbers, universities were affected because of the reduction of funding by the government, and the way the funds was allocated to the mid-level. That pressure created negative attitudes towards the increasing student numbers.

‘It has an impact on the amount of money they choose to give you per student and then whether they fund you for your over-enrolments. I think... one year we were short, but most years we... we overshoot our target. And sometimes what
governments would give... would do... they give you less than the full funding. They give you marginal cost funding for that.’ (Group Two Interviewee)

Even in its submission to the Commonwealth Review on Funding Clusters in 2007, the University also highlighted it as a major problem for some subjects where it indicated clearly that the Commonwealth funding per student for some courses such as Law and Business was totally inadequate and recommended more allocation for these areas. Due to the resource dependence relationship, although the top management (Group One) adopted government policies in the internal organisation the submission report mentioned above shows that it’s perception towards the policy was similar to the other Groups or they were cynically using the stated disciplines as a way to gain extra funding given they represented a significant proportion of enrolments.

Academic staff also mentioned the difficulty they faced due to the increasing trend because the aforementioned resource problem had also affected the regular units:

‘Well….there’s no money to go to a conference, there’s no money for professional development... particularly we look at students going to prac to do their professional experience. We have reduced that down to a minimum because we pay teachers to have them which affect their training. There are not as many resources for us to use in our teaching.’ (Group Three Interviewee)

‘The reduction in funding per student has been substantial over [the previous] period.’ (Group Two Interviewee)

Furthermore interviewees commented that the increase in numbers of students resulted in increased workload for academic staff and impacted on their day to day core activities. The detailed discussion of the impact will be presented in the workload section (Section 6.4.4).
In addition to the above, one Group Two interviewee believed that there was also competition from online education which the University did not consider seriously at that time but was a significant external factor:

‘And the second factor... external factor... would be the increase competition not only from metropolitan universities, but the growth of... well the ambitions of the online university’ (Group Two Interviewee)

The comment reflects the interviewee’s exposure to the challenges faced by the interviewee as a mid-level manager. According to this interviewee the initiative to be in the competition was not possible due to the funding policy of the university.

‘But the tension point was the university was not marching, not allocating adequate resources to provide a competitive online blended learning, if you like, competitive blended learning environment. From a staff perspective, there was massive underinvestment in resources...’ (Group Two Interviewee)

The above comment indicates a perception gap between the top and middle management due to their position in the organisational hierarchy.

6.2.7 Location of the university

The recognition of community expectations were reflected in the University policies from the past at the old institutions which merged to form the new university but such activities were relatively neglected during the period of reorganisation. The strategic plan for 2004–2008 gave renewed prominence to these activities with community engagement goals and sub-goals. It was inferred from the interviewee comments, especially from Group Two that initially the University management concentrated more on the implementation and achievement of the engagement strategic goals at the inception of 2004–2008 plans which was gradually etiolated by the end. Some senior academics in Group Three and middle-level management staff in Group Two tended to link this shift in attitude at the top with the government
funding policy for engagement activities. One senior academic involved in the implementation of engagement plan believed that during the early stages of the 2004–2008 period the government provided funding for the development of engagement that created competition with other universities to claim its portion of the funding. More detailed discussion will be provided in the ‘Engagement’ section in Part Two.

The varied responses of the participants in Table 6.1 shows that many of them also considered other factors such as community expectations as another external factor while explaining their impact on their work levels and these discussions unveil a more extended picture of social reality.

Interviewees from all levels believed that the location of the university was also a dominant factor as it had a huge impact on the surrounding community. According to some interviewees the community expectations led the university to adopt legitimating strategies that ensure the flow of funding and community support.

‘We decided that in our university, it’s our legal mandate and our act, but more than that it’s a really very positive thing in terms of where the population growth will be and that we will have a sustainable university by dint of a fact that we have a geographic advantage’ (Group One Interviewee)

To the top management the location was considered as a strategic priority and as such it was included in its mission statement.

‘our mission statement says it then we should be proud of our location .....and use it as an advantage alongside the government policy domain. So they’re the two single biggest things that affected the way in which these strategic plans were developed..... So the strategic plans are the out workings of the vision and of the position of the university as what kind of university it was going to be.’ (Group One Interviewee)

The following information from the university's strategic planning document provides an indication of how the impact of government funding and local
community expectations may have influenced the university to look for new strategic initiatives to align with their demands. The ratio of student enrolments by regional and non-regional in Table 6.2 reflects community expectation:

**Table 6.2: Students’ enrolment by region**

<table>
<thead>
<tr>
<th>Domestic students by region in 2003</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>From regional location</td>
<td>71%</td>
</tr>
<tr>
<td>From non-regional location</td>
<td>29%</td>
</tr>
</tbody>
</table>

*Source: University Mission, Vision and Strategic Plan*

The University had a huge impact on the socio-economic development of the surrounding region and it was also reflected by many participants as another factor critical for the university in considering its strategic moves. Similar importance was also expressed by participants in other groups.

‘the university you see now is hugely important in this area; huge, there was nothing when I was a kid.’ (Group Three Interviewee)

‘... the university is very valuable to people it changes their life, it changes mind[s]’ (Group Three Interviewee)

In the case study organisation some interviewees observed that the university had to prioritise the external demand. Such as, when the University took out a cost cutting strategy to implement the government prescription to be more efficiency in handling public money; it had to cut many courses that raised strong dissatisfaction from the surrounding community. However, the University had to prioritise the pressure with the most dominating one first.

‘Well I’m just saying when courses were cut, the community... particularly parents because they expect their children to come here or something. They do get upset because the university... you know, they feel as though their local university has let them down.’ (Group Two Interviewee)
As indicated in Table 6.1, top management tried to satisfy stakeholders but where there was a conflict between the demands of the various stakeholders the demands of the most powerful stakeholder (the government) prevailed (Pfeffer and Salancik, 2003). More detailed discussion will be provided in the ‘Engagement’ section in Part Two.

**6.2.8 Other factors**

Table 6.1 shows that some of the interviewee comments related to the external factors were actually due to the impact of the external factors such as one Group Two interviewee who believed that the way University responded to the medical education and the cost consequence of investing in it was the major external factor. There was a lack of convincing communication regarding the financial implications for the rest of the university where cost reduction strategies remained in place. The evidence presented in Table 2.1 in Chapter Two shows that with every major government reform Australian universities increased their investment in strategic projects.

One Group One interviewee said that instead of distinguishing between internal and external factors when prioritising changes, it is the top management and the decision of the governing body that matters and as such is the most influential factor for change.

‘The major influencing factor would be the decisions of the governing body, in response to recommendations of the executive’. (Group One Interviewee)

The above comment will be further analysed in the ‘Decision making’ section in Part Three of this chapter.
Key findings

The above discussion identified differences in perceptions of the importance and impact of the various external factors for strategic changes of the organisation and that might help in future strategy development and implementation. The multiplicity of the external pressures and rapid changes in the strategic environment had significantly impacted top management behaviour. The government influence was identified as most significant external pressure of all. Especially the leverage government funding provided was intensely felt by the staff at all levels. The University’s strategic responses to the external pressures were influenced by government intervention rather than the separate evaluations of the individual component factors that created negative perceptions at other levels. The acceptance by the university after intense government pressure of the philosophy of a market-based economy for higher education was the major driver of change. Because of such influence a significant number of strategies taken were based on legitimacy and induced decoupling behaviour by top management. It is revealed that for operating-level staff, the way that the University responded to the external pressures was mainly responsible for creating negative attitudes rather than the direct influence of the external pressures. Changes in leadership, fund allocation processes, managing increased numbers of students are a few that can be mentioned. Frequent changes in strategic directions, created a lack of confidence in the leadership.

It was identified that Group Two had adopted a broader perspectives on the overall impact of external factors on strategy development than Group Three and developed more in-depth understanding of the consequential impact of the implementation at the internal organisational levels than Group One due to regular and direct communication with staff at the operational level. The findings is a
corroborative experience of what Hambrick (2007, p. 334) used in the upper echelon theory where executives (top management in the research context) act on the basis of their personalised interpretations of the strategic situations they face that are a function of their experiences, values and personalities. Such attitudes of the top management can be a cause of perception gaps with other categories of staff.

In some cases the observation of Group Two participants above revealed an extended view of the social, the construction process as they are more inclined to focus on the impact of the external factors (the ‘how’ questions) rather than only the factors themselves (the ‘what’ questions). The attitude of this level was shaped mainly from the implementation perspective as it was mentioned previously that they (Group Two) were considered by the top as the levers of control for the 2004–2008 strategy implementation process. Their attitudes were shaped by their role in the construction process. A detailed discussion on their perceptions of strategy implementation will be presented in Part two.

There are some noticeable differences between Groups Two and Three responses which were significantly reflected by their role in the organisation. For example, one of the basic features of the interviewees in Group Two is that they are the middle managers (i.e. Deans, Assoc. Deans and Heads of Schools) who need to communicate regularly and intensely with the other two groups. Another feature of this group is that since the 2001 restructure a significant number of them had been appointed on a contract basis as professional managers with increased accountabilities and responsibilities that in some instances created tension among their subordinates and posed leadership challenges. On the other hand, they were considered as levers of control by the top management for their role in the
implementation of the 2004–2008 strategic goals. They had the challenge to ensure that the target at their relevant level was achieved with the resources provided from the top. Their attitudes were therefore shaped by those above them and largely sharing their views on the major external drivers. Although they displayed the understanding of the major environment pressure to influence the strategic directions of the University, their discussion were mainly focused on the funding and decision-making issues. Handling the different cultures of the old educational institutions was one of the biggest challenges since the restructure and the need for a unified view was the dominant pressure that forced the University to develop consolidation strategies for the university.

In summary, staff perceptions of Group One was shaped by a development perspective; for Group Two, it was the implementation perspective, and for Group Three, it was the ultimate consequence (consequential perspective) in the execution of the strategy identified, while the external factors dominated the attitudinal spread among the three groups. The fact presented in above paragraphs implies that along with the external legitimacy the University should have ensured that the strategic goals are also perceived legitimate by the internal stakeholders (internal legitimacy). However, in the adoption of strategic plans due to the dominant impact of the external pressures (i.e. the necessity of government funding) the achievement of external legitimacy was prominent in the University rather than how/whether the internal stakeholders consider the strategic goals as legitimate or not.
Discussions in the following sections will help to understand how such perspectives influenced their views on the internal changes. In particular, the next section analyses staff perceptions on the internal factors for changes.

6.3 Internal Factors Influencing the Organisational Strategies

It has been mentioned previously that the changes of strategic directions due to the above external pressures brought about significant changes in the internal organisational environment. Interviewee responses on the internal factors for changes in strategic directions identified a small number of factors responsible for the strategic changes and the majority of them appeared as a consequential impact of the external factors. The detailed description of them will be provided in this section and in Part Three of this chapter. It is important to note that in sharing their experience of the 2004–2008 plans, a majority of the participants frequently related back to events prior to 2004 in the same way they did it for external factors. In other words, interviewees viewed changes in 2004–2008 as an extension of earlier developments and attitudes tend to be partly influenced by those experiences. The following table shows interviewee responses in identifying the internal factors for changes.

*Table 6.3: Interviewee responses on major internal factors*

| Group One | • No internal pressure for the strategy development process  
|           | • So the single other biggest thing was the university understanding what kind of university it wanted to be  
|           | • Restructure of academic programs and organisational units  
|           | • Demand from internal stakeholders for more transparent resource allocations  
| Group Two | • Movement of senior staff, underinvestment of resources for a blended learning environment  
|           | • Internal resource allocation process, University restructuring  
|           | • Reduction of academic freedom and application of a managerial approach  
|           | • During the period 2004–2006, there was yet another restructure and four colleges were reduced to three colleges. |
In identifying the internal pressures for changes the participants responses show similar patterns except Group One. Group One participants had quite different perceptions in regard to the impact of the internal factors than the other two groups. Their views were shaped by the role they played in the strategy development process. The responses of Groups Two and Three interviewees show similar patterns.

### 6.3.1 No internal pressure for strategic changes

One interviewee did not consider that there was any internal pressure for changes other than the development imperative, that is, the need to have a unified vision was the internal pressure for change. As achieving legitimacy was the main challenge, they believed that it was the vision that was important to share among the organisational participants.

‘we didn’t have a unifying and achievable, sustainable vision for the university. Before you could actually develop and have a strategic plan, you need to know what it is you think you are and where you want to go. So the first part of it was those considerations that really, for the first time, [the Vice Chancellor] said we have to really resolve this.’ (Group One Interviewee)

Linked to the above comment it was mentioned previously that to the top management gaining legitimacy was important for them to ensure funding. Therefore, the above participant did not consider that there was any pressure from within the organisation that was responsible for strategic changes. The discussion in the contemporary literature in Chapter Two shows that the need for a vision is not mention explicitly; however, the idea was linked to the restructure of the governance
and control system of higher educational organisation in order to meet the demands of external stakeholders. On that perspective the comment is linked with what was identified by Parker (2013, 2011); Gumport (2000); Marginson (2000); and Blackmore (2002). The interview comment indicates that it was the (strategy) development imperative rather than implementation impact (i.e. restructuring) of the strategies that shaped the attitude towards change. Such a view was probably true for a relatively newly formed university that had to face the challenge of establishing acceptability to the external stakeholders, and that is also identified in the contemporary literature. The other participants in this group considered the demand for a transparent funding model and restructuring as internal factors for changes and based on the implementation view as discussed in the next section.

**6.3.2 Restructuring of academic units and organisational units**

Overall the 2001 restructuring was considered as a most visible influential factors perceived by all groups. However, for Groups Two and Three-level staff, the 2001 restructure of academic programs and organisational units had the greatest impact.

> ‘Because the university, which had been sort of federated – we had multiple campuses – we then was becoming as one entity legally as well as educationally... and so the leadership became modified, we restructured our schools.... we had been faculties, I think, before... just the whole changing the game ... and we had a head of education who covered both campuses... and yeah, just a massive alteration ... ’ (Group One Interviewee)

It is important to note that the several restructuring processes undertaken by the University (including changes in 2004–2008) was considered as a significant internal factor by the participants. The majority of them mentioned that the 2001 merger of accounting and administrative activities was the most important one:

> ‘Those were years of huge change; multiple restructuring. The restructuring in 2000 was absolutely massive; integrating departments across what had been the
three separate members of the old Federation and across six campuses, and people’s teaching was moved from one campus to another and they had to form colleague relations with groups that had perhaps been rivalries.’ (Group One Interviewee)

It appeared that the 2001 University restructuring had more impact on Group Three staff attitudes than the 2004–2008 formal strategic plans, where the interviewees did not consider the 2004–2008 plans as something new, rather insisted that such policies were already in place and so did not find anything new to consider them as an imminent event. Some Group Three interviewees also contended that the set of strategies and operating measures were not something unique to the University, rather they were a set of broad statements.

‘... you can find that higher level strategic plan, in my opinion was, at that level, much more motherhood talk.’ (Group Two Interviewee)

Such an attitude was also reflected in comments of other senior academics that the purpose of the 2004–2008 plans basically served the university’s own goal rather than creating scope for meeting individual goals as well. From such comments, it appears that the 2004–2008 strategies were adopted by the management for legitimating purposes.

In regard to Group Three, a majority of the participants considered the 2001 restructure was so widespread that they would like to categorise it as another event that was finally reflected in the 2004–2008 strategic plans. The responses of this Group Three showed that they had the basic information of the impact of the changes which is similar to the other groups but probably not reflecting that much detailed understanding as portrayed by the other two groups. Their views were shaped by the changes in their operational environment as they were affected by the changes in planning and control systems adopted in 2004–2008 especially the internal resource
allocation process and the performance evaluation systems related to the core activities of teaching and learning, research, and community engagement.

6.3.2 Demand for a transparent funding model

The resource allocation process is the most influential internal factor that had affected all groups. With the changes in the government funding policy and a new restructure the University had to change its Resource Allocation Model several times and that had affected staff perceptions at all levels. The demand for a transparent funding model was the consequence of the restructuring process when there was significant turnover of staff at senior positions. At the Deans and Head of School levels (categorised as Group Two in this research) many of such positions were replaced by individuals employed with designation as professional managers on a contract basis rather than academics who were given specific targets to achieve.

‘Heads of schools used to be elected and now they are all appointed. So instead of... they now, I think, became more accountable through that appointment process that happened during that time.’ (Group One Interviewee)

One interviewee from the Finance Office considered that the demand for more allocation of resources were one internal factor that created pressure to change the funding policy of the University. According to the interviewee, the pressure for more transparent allocation of resources came mainly from the Head of School levels.

‘They were accountable. Well, they applied for the jobs so they had to then say, “okay they had to be accountable to their own constituents. Their own... sorry, their own stuff. So they wanted to know what was going on so I think there was pressure there. And we used to meet as a group...... The first it was to amalgamate the [the educational institutions]. Once that was done, the next step was to get the heads of schools in place. And then from that I think drove... “well if you’re gonna ask us to do this sort of stuff, we wanna know what the hell is going on so that we could be comfortable you’re not ripping us off.”’
It had a major impact on the mid-level and operational level, a majority of Groups Two and Three interviewees acknowledged the event as significant changes in leadership positions and management control styles that impacted on their operational environment.

Responses of Groups Two and Three shows that their perceptions of changes varied related to internal resource allocation processes, restructuring of organisational units, changes in leaderships and managerial styles. Basically all of them are the consequences of the external pressures mentioned previously. There are clear differences between the top management and the operational level staff (Group Three). The details of the impacts will be discussed in Part Two and the behavioural impact will be covered in part three.

6.3.3 Change in leadership

In the previous section, it was mentioned that the departure of senior staff that were replaced by academics appointed as professional managers and new management styles emerged within the organisation that had behavioural impacts on different levels. The new control system created tension among staff as it resulted in a reduction of academic freedoms and a loss of power at different levels. According to a Group Two interviewee the reduction of academic freedom and application of a managerial approach was linked to the type of appointments that had been established during that time and also the increase in accountability of the mid-level staff. Their leadership styles were different from the traditional collegial styles and had impacted on those subordinate to them.
In addition to the above in replacing some of the Head of Schools the University appointed some good researchers who, however, lacked administration skills.

‘it was believed that they could bring in better people. But the management plan changed from getting them – as I was certainly told, let's get in lots of good managers and in the end it sort of went overnight to, let's get in good academics. I believe you need to stick with one or the other. One or the other isn't right, in fact, it was. They got in good academics and I would probably have preferred the [second] option, because I always believe you can make a good manager out of the staff, a good, intelligent, normal staff member. But to get in someone who might be a bit crazy, but can bring in loads of research funds is a different kettle of fish and they may not run the department very well. (Group Two Interviewee)

In the ‘External factors’ section, a Group One interviewee mentioned that at the end it was the coercive pressure from the top that was dominant over any other pressure inside the organisation with this also indicating why the other Group One participant did not acknowledge any significant internal pressure for changes in organisational strategies; rather, it was the external pressure that impacted on the attitudes towards changes.

**Key findings on major internal factors**

The pattern of interviewee comments on the internal factors are similar to the external comments made on external factors. The difference in perception gaps is also clear and significant. It was identified from the above analyses that all the factors mentioned by the interviewees were in fact consequential change factors within the organisation. However, due to change in perceptions mostly interviewees in Groups Two and Three considered them as factors for strategic changes. Top management displayed an attitude of considering the external and internal factors as a whole. They considered the need for a vision, changes in leaderships, restructuring and changes in RAM are consequence to the external pressures not any single
independent pressure for changes. Such attitude was caused by their roles and responsibilities and exposure to the broad aspects of strategic environment. The internal allocation of funding through the budget process was the major factor for changes considered the restructuring of academic programs and organisational units and changes in funding allocations as the most significant internal factors which influenced changes and the findings are similar to the literature (see Moll and Hoque, 2011; Schapper and Mayson, 2005; Parker, 2012, 2011; Anderson, 2006, 2002).

However, this research evaluates and compares the internal factors from staff perceptions of three levels of individuals which were probably not considered by previous research. Applying such an approach in the research context reveals that interviewees at the three levels of the organisation adopted three different attitudes towards the internal factors. The top management (Group One interviewees) attitudes were shaped by a legitimacy perspective, mid-level management attitudes were shaped by an implementation perspective and bottom level staff perceptions were shaped by operational perspectives.

Linked to the above perspectives it was identified that unlike the other participants, one of the significant interviewees at top management could not identify any internal pressure (factor) for strategic changes. From a theoretical perspective it indicates that the adoption of strategic goals based on a legitimacy perspective by the top management may have overlooked some critical factors of social reality in strategy development.

Part of the above issue is believed to be linked to: (1) significant turnover in leadership positions which created communication problems between all levels in the organisation and (2) decoupling behaviour of mid-level managers who were
considered as levers of control for strategy implementation. Top management perceptions on the internal factors was to some extent influenced by reports and information from the mid-level that was filtered (in some cases) in terms of what it conveyed about the reality as perceived by level three staff.

It was revealed that the turnover of senior staff, changes in the leadership and management control style is linked to the funding issue. Up to this stage of the analysis it is understood that the internal fund allocation process is the most influential internal factor. The detailed of this factor will be provided in Section 6.4 of Part Two.

PART TWO: Strategy Implementation and the Impact on Management Control Systems

Research Question 2

How the Strategic changes impacted on the Management Control Systems (MCS) of a University Organisation?

The purpose of this section is to understand from staff perceptions of how the 2004–2008 strategic plans impacted the implementation of Management Control Systems in the case study organisation. This chapter will analyse staff comments on: (1) the strategy implementation process; (2) the levers of control used for the implementation of the 2004–2008 strategic plans; (3) perceived changes in management control; and (4) the operationalisation of strategies related to the three core activities.

It was explained in Chapter Four that the interviewees were asked some broad questions related to the overall strategic changes and its impact at their levels, and
how the selected strategies related to teaching and learning, research, and engagement had been operationalised. The implications of the 2001 restructuring was formally recognised by the University in its 2004–2008 strategic plans. The strategic goals and operating measures selected for discussion during the interviews had links to the day to day operating activities of individuals within the Case Study University.


The purpose of this section is to understand from the staff perceptions of the social construction process of the above strategic plans; how different groups perceived the implementation approach, how the strategic change message was communicated and understood by different groups. The analyses of interviewees’ comments revealed differences in perceptions of the strategy implementation process. There were expectation gaps between the top and the other levels. The major reasons for the differences are related to: (1) the implementation approach by the top especially the style of communication of the strategic information to other levels; (2) levers of Control used for implementation, mainly the mid-level managers and budgets; (3) changes in leadership personnel and leadership styles; and (4) lack of confidence in the management in the development, implementation and execution of the strategic plans by the operational staff level. The above impacted on staff attitudes towards the strategy implementation process; the details are provided below. The following section presents the details.

Having united as a university the management had to stabilise the internal tensions and conflicts that escalated among different units, Heads of Schools and individuals of the member colleges for a number of years before it concentrated on developing the 2004–2008 strategic plans. The top management felt the need to set
the vision and missions of the university to establish its acceptability to the stakeholders.

‘So the way the process happened was until the early 2000s [the university] didn’t really have an integrated strategy. It unified in 2001 and there were a couple of years of getting that right. And by the end of 2003..., the vice chancellor said we need a set of unified integrated plans. (Group One Interviewee)

As a result the university started the 2004–2008 strategy development process. In this process the top management was highly focused on the legitimacy perspective to ensure sustainable operations of the university. They mobilised both internal and external resources, different organisational units, both local and internationally reputed strategy consultants, internal organisation experts and senior staff from different levels of the organisation under the supervision of a senior administration staff who used to report to the higher-ups, that is, the Vice Chancellor, the Governing Body and to senior executives.

‘So we had our office of planning and our director of planning, and people who did the mechanics of planning, the data collection, data analysis, those sorts of things. We had a person [name omitted]...... who was a consultant in this process. And then we got a group of staff across the university that we identified as not the usual suspects. So we got: a head of school, who was the chair; we had [name omitted] ...a famous professor; we had someone who was an associate professor in psychology; we had the director of IT; had a number of people whose job it was to lead the consultations in the university about planning.’ (Group One Interviewee)

The comment of the interviewee is linked to the one mentioned in the external factors section that the challenge faced by the organisation was to set a vision and mission as a university.

6.4.1 Changes in management expectations

The top management had the following two expectations from the staff:
‘Our expectation ... was twofold. One was that we would introduce them and involve them in the development of the plan, and that the plan would express some of the details that they knew at an operational level that we couldn’t possibly know.’ (Group One Interviewee)

The interviewee indicated that both of their expectations were met, for instance, for the first expectation, that is, to introduce the strategies to the staff, the top management believed that they had exhaustively utilised all sort of communication processes.

‘So [the development team] ran forums, they ran particular strategy sessions, they ran conversations at all of our normal things; so whenever the organisational development unit ran a whole day thing, one of these groups would go and say we’re doing some planning [and] want to ask you some questions.’ (Group One Interviewee)

For the second expectation that staff understand the strategy demands and contributes input to its development. The interviewee believed that, although it was very challenging, the expectations were met:

‘And let me see, that was a very challenging task to pass this message, the expectations from this strategic move and what we expect ... We didn’t do it in isolation with just a few people ... So that the challenge is always for people to see, where, what they do fits with what the strategic plan is trying to say and that if they can give a ... some sort of input that changes then it should change. And I think genuinely that happened.’ (Group One Interviewee)

The top management views were mostly focused on the development imperatives rather than implementation due to their exposure to the external environment. To the top management, meeting the environmental demand and adopting suitable strategic measures within the organisation and mobilisation of resources to reflect the strategy was a challenge. When these were set up, they passed it to the next level (Group Two) for implementation.

‘the process by which we work on them and it was really very much, I don’t know, it was top-down or bottom-up, but it was middle. It was middle-focused with a conduit to the top and a conduit to the people on the ground; and it was a process that you do every now and then, because it’s a very intensive process
The above comment shows that the top management considered that the mid-level managers had a pivotal role in the implementation process. The strategies developed at the top pushed down to the middle management for implementation which is basically a top-down approach. However, conveying the message to the organisational participants depends on how they (mid-level managers) fathom the strategy expectations and interpret the same to their subordinate level.

As mentioned in the above, the role of mid-level managers was considered crucial for the implementation of the strategy implementation process. The expectation of the top was to use them to play a crucial role in the implementation by communicating with both sides. Contrary to expectations outlined in the comments of top management interviewees, a significant number of Group Two interviewees reflected different attitudes towards the strategy implementation. Interviewee responses from Groups Two and Three indicate that on many aspects the top management expectations were not fulfilled. Analyses of interviewee comments reveals that movement of senior staff at Level One and Two (Groups One and Two) created a leadership crisis in terms of expertise and management style that also caused a lack of trust by the operating level. These two issues contributed to the development of negative attitudes by staff. For Group Two interviewees, lack of decision-making power and funding were the main reasons for forming negative attitudes towards the strategic changes. One Group Two interviewee reflected his view on how he perceived it:

‘There never has been a clear strategy, I believe, or I hadn’t had from the top executive [of the University], of where it wanted to go’. (Group Two Interviewee)
Another interviewee at the same level believed that the implementation process was problematic due to movement of senior experienced staff due to retirement, movement into other parts of the university, and some staff leaving for other universities. The interviewee also showed a lack of confidence in the senior management to execute the strategies identified:

‘But the other issue internally, that I think was that many academic staff felt that the university didn’t have... the strength to execute all these strategies that had been announced over this 2004–2008 period. That execution of strategy was always problematical.’ (Group Two Interviewee)

‘if you have poor leadership and poor management, irrespective of how well you managed it and how well you measured, the strategy would fail. So it gets back to the human leadership management dimension that is critical for strategic success.’ (Group Two Interviewee)

One participant did not consider that the 2004–2008 plans were unique other than repetition of the old ones

‘These strategic goals developed out of other strategic goals that were there before 2004. And they were very similar, they were just reworded.’ (Group Two Interviewee)

Another believed that the strategies were too broad and were not unique to the University:

‘What they really are, are motherhood statements. Strategic plans need to include, in detail, ways, in the way you address it’. (Group Two Interviewee)

The comments of Group Three are very similar to that of Group Two participants.

A senior academic in Group Three also commented:

‘The strategy was standard but the way it was implemented was problematic.’ (Group Three Interviewee)

‘it’s not something that is organically grown. It something they brought somebody in, a consultant has made these strategic plans. (Group Three Interviewee)
‘I think far more decisions than what academics generally know, far more decision are taken on the run than being planned.’ (Group Three Interviewee)

The above comments show that there was a wide variety of perceptions on the feasibility of strategy implementation. An essential element of good strategic planning is recognising resource limitations and making hard choices about priorities. The above comments make it clear that the strategic plans did not convey such hard choices although it will be shown in later discussion that such choices were probably happening at the resource allocation level. This raises the issue of whether the strategic plans were for external consumption (that is to satisfy the government) rather than guiding internal decisions. This research does not answer that question.

The above comments from Groups Two and Three staff are contrary to Group One expectations of introducing the strategies to lower levels and including them in the development process and also accommodating feedback from the operating level. For Group Two, the perception that the reason for lack of clarity on strategies and the goals were that they were not unique and were a top-down implementation approach. This perception created negative attitudes towards the process and led to a lack of ownership of the development process.

For Group Three, the changes in leadership created tensions as there had been significant changes in control styles and also created a lack of confidence in the leadership in strategy execution. The appointment of Level 2 staff with directives to act as managerial leaders to implement the strategic plan rather than being collegial leaders changed the tone of the communications between Groups Two and Three. Further the appointment of Group Two staff with greater responsibilities tends to focus communication more on them rather than directly between Groups One and
Three. There was evidence of the above mentioned communication issue, the analysis of which is provided in the following.

6.4.2 Strategy communication

Some staff believed that they were not properly communicated with or the way it was communicated left limited scope for negotiation. One of the reasons of the above perception could be related to the top-down implementation approach adopted by the top management mentioned in the management expectation section. Although there had been new strategies implemented during this period to bring something new, it had been implemented using a centralised control system. Many academics also did not feel encouraged by it and displayed attitudes of being left out. The perception of a Group One interviewee on the operational level staff is a partial reflection of the above reality:

‘I actually think that in the normal course of institutional work and at an operating level, a lot of people don’t have any need to or don’t understand the context of strategic planning’. (Group One Interviewee)

It is already mentioned that communication for negotiation was considered by Group Three staff as rather an information session where they had little scope to make a meaningful contribution which would influence strategic decisions. Therefore, although enough communication had been attempted, it is not evidenced from the staff views that it was effective. This is one of the areas of implementation problems identified by the researcher but whether such problem were ignored by the top management or whether it was a tactic, as commented by some interviewees, is unclear. One interviewee in Group Three commented that the control system was centrally guided and was essential due to the complexity involved since the restructuring. It is also possible that the top management had no answers for the
Resource constraints imposed on operating staff resulting from: government reductions in funding in real terms, resources used to satisfy greater demands for data collection required by the government directly, or indirectly to report to AUQA (Australian Universities Quality Agency); and money taken to fund key strategic developments (the medical school and funding of centres of research excellence).

It was indicated by some participants in this Group that from their experience from the major changes of the strategies and policies, many staff developed negative attitudes towards changes where any new initiative was perceived by them as an attempt to impose more workload on them. A Group Three interviewee believed that the top management had overlooked the real challenge of the implementation of the strategies at the operational level and the way operational staff viewed the implementation was different from them.

‘I think senior management weren’t’ really walking around and having a look and see what is actually happening and how difficult it was. They thought ‘oh we’ve all the new structure, that’s good, that’s finished now’. But it wasn’t finished; we were still doing what were we doing. I mean what was happening here….. are still a lot of frenzied activities…..’ (Group Three Interviewee)

The above comment reflects their lack of confidence in the management’s expertise in developing and implementing strategies in the University.

Some staff at this level did not consider that the strategies were fully implemented although top management claimed that they were implemented. It appeared that there were perception gaps between the top and the bottom levels on the extent of implementation of the strategies:

‘I remember at one point years ago getting an email from [the DVC] one of those senior people saying that ‘oh congratulations everyone the restructure is finished and isn’t that good’! But meanwhile the place is in complete chaos and they’d finished, they thought that they finished the restructure; the one at that time whatever that was but meanwhile everything was still being fixed at the ground
level and like there was still so many things needed to be fixed people didn’t know where to go and you know courses were still being reviewed and there was so much happening at grass root level and then such an email coming out saying everything is done! No it wasn’t done at all from our point of view.’ (Group Three Interviewee)

The above comments were not unusual due to the changing nature of the HES where the universities had to adjust their strategies and policies with frequent new stances on higher education by the government. The frequent reorganisation of the University’s strategies and policies had in fact affected the staff attitudes. Another reason identified by a Group Two interviewee was the change fatigue where staff developed negative attitudes towards any changes that affected their operating environment.

‘you know, there’s not an integration sometimes... and sometimes one goal can butt up against another one and stop the achievement and that... I think, you know, that happens quite often and I think people, certainly those academics, feel pulled in lots of different directions, what they often see is bureaucratic, you know, sort of requirements, and I think what we don’t do enough of is trying to... smooth those things out to facilitate sort of stuff.’ (Group Two Interviewee)

Overall, except for Group One participants, a significant number of interviewees displayed negative attitudes towards the strategy implementation by the top. The differences in comments revealed that there were differences in views on the strategies and their implementation between the top and other levels. Three groups adopted three types of attitudes towards the implementation. Due to the exposure to the external environment the implementation view of Group One was influenced by development of strategic plans (development imperative) that was pushed down to the mid-level for implementation. The need to develop a comprehensive plan was linked to the target of establishing the University image. It seemed that formal approval and communication of the strategies may have been considered as the successful implementation by the top management. Completing the arrangements
was considered as implementation although it usually took time and effort to make
the systems functional at the bottom level. Moreover, during the period of high
turnover of senior staff with their expertise and with the rapid change in leadership
culture it is possible that the top management’s reliance on the mid-level for
implementation was an over expectation. Rather the new leadership structure could
have been responsible for a communication barrier between the top and the operating
level (Group Three). The lack of communication may have also been the result of
changes in personnel at levels two and three resulting in less personal links with level
three staff and the perception by some level three staff that some senior appointees
had excellent research abilities but were not good managers.

The interviewee responses of Groups Two and Three reveal that in fact all the
formal communication processes were followed to convey the messages; opinions
were sought from all levels of staff to have input into the strategy implementation
decisions. However, from the Group Two comments, it would seem that, while they
were influenced by pressure for implementation, they lacked ownership in the
strategy development process. Rather, they were heavily burdened with the
implementation tasks: lack of decision-making power and funding may have shaped
their perceptions. For Group Three, the changes in leadership style (i.e. tone of
control); the lack of funding, and the communication style shaped their attitudes
towards the implementation. More insights will be available in the discussion of the
strategic goals sections.

6.4.3 Strategic goals

Chapter Four provided the details of the strategic plans related to the three core
activities selected for the interview. For the purpose of understanding the research
phenomenon one strategic goal from each core activity has been selected. The following sections provide analyses of interviewee comments on the implementation of the specific strategic goals.

6.4.3.1 Teaching and learning strategic plans

The 2004–2008 strategic plans for Teaching and Learning show that the university had adopted five major strategic goals. Under each strategic goal there are 21 sub-goals and 111 operational targets. From the whole range of sub-goals and targets the university developed 22 targets (called ‘lag measures’) and 14 operating measures (called ‘lead measures’). Furthermore, under each operating measure, there was a set of sub-measures. The goals, sub-goals, lag measures and lead measures range from organisational to individual levels. For the purpose of this research, strategic goal 1 has been chosen which is focused on individual goals, targets and measures related to Teaching and Learning activities. The majority of the individual measures were based on student feedback. Both quantitative and qualitative targets were used as the target (lag measures); however, for individual teaching and learning, the majority of targets were quantitative measures. The following table shows the selected goal, and operating measures for the example goal.
Table 6.4: Teaching and learning strategic goal 1

<table>
<thead>
<tr>
<th>Strategic goal 1: Provide distinctive, professionally oriented and flexible academic programs</th>
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</thead>
<tbody>
<tr>
<td>Sub-goal 1.2: Ensure the relevance, academic integrity and viability of academic programs</td>
</tr>
<tr>
<td>Operating Measures: Graduate Satisfaction (i.e. Student Feedback on Unit, Course, Evaluation Questionnaire, Overall satisfaction), Good Teaching (i.e. Student Feedback on Teaching, Generic Skills), Graduate outcomes, E-learning environment, unit viability, Unit evaluation.</td>
</tr>
</tbody>
</table>

In the above strategic goal, the government prescription linking it to a market-based approach is evident; however, that was a comparatively new strategy for the University and was not subscribed to by many staff. The internal document review also revealed that the University itself argued against the idea in response to the discussion paper on the ‘Learning for Life’ project under the West Review (1998) as was argued in the Higher Education Funding and Policy Review Committee. Its report clearly argued against the pressure to use a market driven approach as follows:

‘It could well be argued that a move to the use of a market approach to higher education provision will be fatally flawed and must impact significantly on the development of both appropriate curriculum and research programs.’ (Internal Document of the University)

‘The committee also negate the idea of introducing customer orientation focus on students concerning that ‘is far too limited a concept to guide the future of the university system as a whole’ (Internal Document of the University)
The above concern was also expressed by many academics as well as the contemporary literature. The University Review Committee disagreed with the idea of commercialisation of universities in Australia;

‘universities are not simply enterprises in the public sector sense.’ (University Internal Document)

What the measures focus on is effectiveness in a very narrow sense of the economic dimension of the output in contrast to the education contributing to the social dimensions (ethics, independent thinkers or entrepreneurship which may in some cases be what makes them poor employees, e.g. those who develop entrepreneurial skills may not stay with their original employers). The sub-goal, ‘Ensuring relevance’ had a clear reflection in the operating measure, that is, Graduate satisfaction, Student Feedback on Unit (SFU), Student Feedback on Teaching (SFT), Course Evaluation Questionnaire (CEQ). Introducing such measures can be considered as the reflection of the government policy reforms that emphasise the customer satisfaction rationale similar to any other business organisation.

The ultimate approach at the top was that the University had to undertake significant funding cuts on many teaching and learning programs in many schools while making significant allocations of money to the medical school. However, the top management consistently stated that existing programs were not subsidising the new medical school. The following comment is a reflection of the above reality and how the staff interpreted the situation.

‘a lot of the traditional basic activities of the university ... were denied... not denied, but ... there was an under allocation in order for them to meet their teaching and research mandate.’ (Group Two Interviewee)
The resource dependence relationship with the government was evident as the University had to comply with the government in order to maximise their funding and that created perception gaps especially between the top management (Group One) and the operational level (Group Three).

In the interview the top management response was focused on the process based on their view of strategy development. They reviewed all the academic programs, and then developed a framework for academic programs based on relevance, quality and attractiveness and then evaluated the plans for redevelopment of the strategic plan in 2006–2007. In the strategic goal words like ‘distinctive’ ‘professionally oriented’ and ‘flexible’ are prominent in the Group One interviewee comments.

‘The big issue there is the word ‘flexible’, and I think that when you look back to 2004 that was really good. Have we managed to do that? Not enough, and that’s... If you look at strategic planning being iterative so these plans work their way through and they were then redeveloped into another plan in 2006-7.

‘Flexibility in the academic program, whatever it means, is now one of the big areas of focus.’

The comments indicated that management considered it as a continuous development process rather than a one off agenda. However, the experience of a Group Three interviewee is somehow different from the overall perceptions on the above such as:

‘I think their goals are misnomer for a start. They say here they want more distinctive programs, they don’t provide many distinctive programs.’ (Group Three Interviewee)

Some interviewees in Group Three also believed that their perception of ‘flexibility’ is different from the management one:

‘Well, yeah, what is flexible? What is a flexible program? Does that mean you only have a small number of required units and the rest you can have a more
generic degree?... What we see as being flexible is not what they see. I mean, for us, we see flexibility as cutting red tape. Getting changes through quickly, being able to adapt curriculum quickly... we see [the measure] as counterproductive... but they're not flexible.’ (Group Three Interviewee)

The irony was that as part of the cost saving initiatives a number of elective units and less popular majors and programs were eliminated and hence the flexibility of student programs were reduced. The perception is also linked to the job losses, because due to the cost cutting strategy, it was not only the courses that were cut. Many staff who had been teaching the same courses as the ongoing staff had also lost their jobs and that created panic among many continuing staff during that period. Therefore what the top perceived as flexibility was not conceived by the operating level as such.

Due to the implementation of the formal set of goals, targets and operating measures, there had been an overall increase in formal reporting responsibilities including at the individual levels that created negative perceptions in some interviewees and the top management was aware of the fact:

‘the level of reporting; and some people are really irritated by the level of reporting they have to do on unit outlines and learning guides. And all of those are constructed to meet the expectations in our strategic plan for learning and teaching.’ (Group One Interviewee)

A Group Two interviewee expressed a more balanced view of the problem and considered that from the Group Three perspective there is a gap in understanding the pressure on the top:

‘I mean academics hate the course approvals process and all that crappy stuff they keep getting asked or whatever and... some of it, not all of it... I mean I think there are big problems with it myself... but some of it is because the university’s getting all this information from academics because they actually have to report to the government..... These people don’t really understand the pressure, the frustrations’ (Group Two Interviewee)
Some Group Three interviewees’ comments showed that they had knowledge about the pressure and understood that the strategic goals were not aligned and not in tandem with staff needs, that they in fact went in opposite directions, but they still displayed negative attitudes towards the management approach because they contended that the top management only looked at the bigger picture without considering the impact on individual staff.

In addition to the above, the majority of the interviewees linked implementation with issues like funding, increased workloads, operating measures, tensions and conflicts. Changes of funding policy for teaching and learning activities created a negative perception among the staff instead of knowledge of the legitimacy of the demands on the University, especially the academic level staff because it had a direct impact on the teaching activities. Due to lack of funding the mid-level staff also had to struggle in maintaining their faculty and school level activities.

‘courses (like business, like law) would end up with a very poor allocation which meant that the student–staff ratios exploded which then meant that students weren’t able to get their closeness of tuition that they had previously experienced.’ (Group Two Interviewee)

The above view also corroborates the evidence presented in the external factor section in that besides the direct influence of government on universities they also had to search for alternative sources of funding. The increase in student staff ratios and the student focus policy created negative attitudes towards teaching and learning goals. The details of the above issues will be discussed in Section 6.4 and in Part Three.
The 2004–2008 Research Plans contain five major goals, 20 sub-goals and 85 operating targets. From the whole range of sub-goals and targets, the university had developed 17 targets (as ‘lag measures’) and 16 operating measures (lead measures). Most of the operating targets are quantitative in nature and, unlike the Teaching and Learning plans, the operating measures are distinct from one another. What is also distinctive is a significant number of measures are titled as ‘KPIs selected by the University Governing Body. For the purpose of this research strategic goal 2 and the related operating measures were used for interview analyses.

### Table 6.5: Research goal 2

<table>
<thead>
<tr>
<th>Strategic goal 2:</th>
<th>Substantially increase the University’s profile in research output, income and commercialisation of findings</th>
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</thead>
<tbody>
<tr>
<td><strong>Sub-goals</strong></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Enhance the University’s effort in research development support</td>
</tr>
<tr>
<td>2.2</td>
<td>Promote targeted development of contract research and consultancy activity</td>
</tr>
<tr>
<td>2.3</td>
<td>Improve commercialisation opportunities arising from collaborative industry research, locally, nationally and internationally</td>
</tr>
<tr>
<td>2.4</td>
<td>Communicate the University’s research orientations, strengths and achievements</td>
</tr>
<tr>
<td><strong>Operating Measures</strong></td>
<td>Research Output – i.e., Weighted research publications per FTE academic staff member, Competitiveness of University research: i.e., % Growth in total research income</td>
</tr>
</tbody>
</table>

It appeared that due to the inherent nature of the research activities the government performance indicators for the universities were less ambiguous. The performance measures were easy to understand and not confusing unlike many of the Teaching
and Learning activities. It was easy for the University to pass the message to the research staff about its expectation from them.

‘the research endeavour was very important. And it’s an easier one to measure; it’s an easier one to look at performance. So that was... it had an external review element, it had a strategic fund, and had a recruitment strategy which said we would recruit people in as well.’ (Group One Interviewee)

Moreover, the research priority area was also indicated in the government policies for funding. In line with the government policy the major purpose of the above strategic goal was to increase research output, research income and research commercialisation and accordingly the University implemented the performance measures to display its commitment to the government policy reforms for more accountable use of research funding and also through research commercialisation.

**Operationalisation of the Research Strategy**

The 2004–2008 research plans were a legacy from its predecessor ‘The Research Landscape’ where the University adopted the government approaches of ‘selective funding’ and the university top management participants expressed the implementation process in the following way:

‘we had three now, external reviews of our research. The one that was done prior to this set of plans being developed was called the research landscape. And what they said was we couldn’t fund everything so we needed to follow the philosophy of concentration selectivity. And in doing that, the expert panel looked at what we currently did and where there were opportunities to concentrate. And a proposition was put forward to the [governing body], and a fund set aside not from school money but from university earned money out this way to support concentrating on certain areas of research. And that was a program where each area of the university was able to put their research performance and research aspirations forward to see how that fitted.’ (Group One Interviewee)

In the operationalisation of the strategic plan, it was the government funding that was the main lever of control followed by the role of Deans and Heads of Schools.
‘Funding was a very straight forward lever for implementing the strategies. Although they had support structure, planning structure and approval process it was easy to monitor the performance of it and performance evaluation was easy.’ (Group One Interviewee)

In the development of the research plan the University had to adopt the government research priority list and the process actually continued from that used prior to 2004 when the University also spent significant resources to develop research infrastructures to attract government funding. The policy was formally reflected in the 2004–2008 research plans.

‘Well prior to 2004, one of the strategies the universities took was to develop research centres or research groups, and this continued in that period 2004–2008. I think this consolidated and target significant research... not interest research ___ that kind that were actually important and would attract funding.’ (Group Two Interviewee)

Due to the adoption of a government policy that was influenced by a market economy, the new strategic plans and operating measures and the targets looked connected; however, they were, in fact, different from the traditional perception of research to the academic community. Unlike the traditional perceptions of research any new innovative ideas were not necessarily accepted or supported unless the category is in the priority list and funding is ensured from government. Slaughter and Leslie (1997, p. 65) indicated that ‘according to the Resource Dependence theory, as unrestricted money for higher education constricts, institutions within a national system will change their resource seeking patterns to compete for new, more competitively-based funds. To respond to new opportunities, institutions will have to shift away from basic research toward more applied science and technology’. This is also a reality of the case study university. The comment of a Group One interviewee also reflected such a view:
'The answer for the university is that we want to be able to provide an environment where people could do their personal research, but when [the] university has to focus research allocation it could only do that in areas where... to concentrate [on] the absolute best means that’s where the funding might go’. (Group One Interviewee)

However, the majority of Group Two interviewee showed positive attitudes towards the implementation of the research strategies:

‘I think the research strategy has been originally well executed.’ The university has clear ambitions with respect to research growth, research recognition, and research income. And the DVC research has set up a very good, in my view, approach whereby through both by individual research and research by centres, the directions, the goalposts that were set were clear; and staff knew clearly what it was to become research active, staff knew what the rewards were, and staff knew how to channel it.’ (Group Two Interviewee)

The general opinion of interviewee participants on the above research plans were also positive as, according to their views, the performance measurements were clear to staff and had a direct link to the funding. The selective funding policies of the government for research were also adopted by the university in its strategic planning and performance measures.

Although a majority of staff believed that comparatively the research strategies worked better than the others, there was some common agreement that the strategies were in fact conflicting with the Teaching and Learning strategy. The major reason identified by them is the workload for teaching which affected their individual research goals.

In terms of implementation, the majority of the interviewees in Groups One and Two indicated that the research strategy had been implemented successfully. Staff had clear understanding on the performance measures and as such accepted it:

‘in respect to the research and creating a university it took on and gradually rolled out, then ... for most, staff understood what that was about, and there was low resistance or tension in my way.’ (Group Two Interviewee)
However, it was revealed that most of the negative perceptions on the research plans came from the teaching focused staff only:

‘Now not all staff would ever be research active, and there would be cynical response by some staff ___ teaching focus only. But I would say from the point of view of dean in that second period, that the signals was about research, the strategic direction was about research, the reporting of research was, I think, a whole ambitions... it was well strategised and well-executed. (Group Two Interviewee)

One Group Three interviewee believed it was not the research plan but rather the teaching workload that affected their research goal:

‘Certainly, over the years the amount of time, the amount of teaching, people teaching tasks things people were asked to do just increased all the time. So people have generally had less and less time to do research.’ (Group Three Interviewee)

Another Group Three interviewee contended that his teaching and administrative role was not supportive for research:

You see in 2004 or about that era, I became involved with a campus advisor. 2006 I became involved as head of program. And my energies were... went down that path... administrative path. It’s often stated that head of program, director of academic program roles... are career motion killers... whether that’s true or not is another question... but certainly that’s where my energies went... so I wasn’t particularly excited about research activity as I was busily engaged in head of program role... which I took up in 2006 and I did it 06, 07, 08, 09, 10, 11... and I became director of academic programs in 2012. So all my energies over those times had been a) teaching and b) administration and governance ... rather than research. Others, of course, are more interested in research and that’s commendable. (Group Three Interviewee)

The above two comments indicate that it is not the research policy rather the workload that was an issue in achieving the research goals of some staff.

**6.4.3.3 Regional and community engagement strategy**

The 2004–2008 Regional Community Engagement Plans (will be termed the Engagement plan) of the University contain four major goals, 16 sub-goals and
71 operating targets. From the whole range of sub-goals and targets the university had developed nine targets (‘lag measures’) and 11 operating measures (‘lead measures’). Most of the operating targets are quantitative in nature. The major feature of this plan is that majority of the targets and operating measures are not directly linked to individual goals or performance, rather they are broad expectations and linked to the organisational goals. Unlike the Teaching and Learning, the Research plans, the targets and the operating measures of this plan lack clarity. Therefore, to what extent those measures influenced individuals’ work practices at different levels of the organisation remain an area for further investigation. For the purpose of this research Strategic goal 4, and the related operating measures, has been used for interview analyses.

Table 6.6: Strategic goal 4

<table>
<thead>
<tr>
<th>Strategic goal 4:</th>
<th>Promote civil society and sustainable communities by building their social and intellectual capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-goal: 4.1</strong></td>
<td>Produce graduates who are good citizens, and who contribute to their communities. Incorporating community engagement activities into the [University] academic program, Providing opportunities for students to develop entrepreneurial skills in collaboration with businesses and other organisations in [its surrounding regions]</td>
</tr>
<tr>
<td><strong>Lag Measures</strong></td>
<td>At least 500 students participating in [the University] Cooperative Programs by 2008 Increased community-engaged learning opportunities in [surrounding region]</td>
</tr>
<tr>
<td><strong>Lead Measures:</strong></td>
<td>Number of students in cooperative programs, i.e., % of courses with community-engaged learning</td>
</tr>
</tbody>
</table>

It was identified that although regional engagement was considered as a third stream core activity for the University, a majority of interviewees displayed lack of clear understanding of the engagement goals and some of them displayed negative
attitudes due to availability of funding and lack of proper leadership. Only a few
interviewees showed adequate understanding of the activity and compared to the
other two core activities the engagement plan had the weakest attachment to their day
to day activities.

**Operationalisation of the Engagement Plan**

It has been discussed in Chapter Two that around the strategy development period
there was significant pressures from the government and other external groups on the
Australian universities to adopt the engagement plan as a third stream core activity.
Initially there was possibility of government funding for engagement focused
teaching and research; however, it did not eventuate. The case study university
adopted the engagement plan linked to the teaching and learning and research
activities. For this purpose the University designated a certain person as PVC
engagement for the operationalisation of the engagement plan.

> ‘I think the focus there was engaged learning and engaged research but it’s a bit
complicated. And it wasn’t until we got a PVC engagement that we did some
work and we got a thing called TISCE which is the Tracking Improvement
System for Community Engagement.’ (Group One Interviewee)

In the above implementation approach, the management mimicked the ongoing
institutional norm that also affirms the evidence reported by Garlick (1998). In his
survey on 22 Australian universities where he found that many universities had
designated a person or chancellery section for bridging the link between the
university and its local community and for some other universities, the tasks were
devolved to the Deputy Vice-Chancellors, Pro Vice-Chancellors and Heads of
Schools and was included in their position descriptions and management
performance agreements. The study was focused on senior management perceptions
on university locations.
Although before its formation as a University the three educational partners had their own policies on engagement as part of the total strategic plan; however, in developing the 2004–2008 engagement plans, it was found that lack of clarity had slowed down the implementation. Some Group One interviewees showed limited understanding of the engagement strategy while sharing their views on engagement and focused only on a very limited area of the engagement plan. It may possible that, as a newly adapted third stream core activity, many aspects of the strategy were still emerging through the development process. One interviewee agreed that the plan was not precise and need further modifications and the strategic message and challenge was not clear:

‘it was the less well-defined and more nebulous version of what it is; and it still remains a little bit like that. So my role was again sponsoring the development of the plan and I think it didn’t really infiltrate into the schools’ thinking as much. And that’s why we’re doing a current review on engagements. There’s actually on the web a really good report on community engagement. You can actually read the thinking around that; which says it’s taking a long time for us to develop to a point where we actually know what we’re talking about. So I think that one was always the poor cousin of the first two. (Group One Interviewee)

The above reality of the 2004–2008 engagement plan also reaffirm the findings of Stella and Baird (2008) in their thematic analysis of Australian University Quality Agency (AUQA) cycle 1 audit that community engagement as the third core function of higher education institutions were still new to some institutions and plans to deploy activities was still evolving. In the research context the interviewee comments also indicate that in addition to the cancellation of government decision to fund engagement as a third core activities stream the lack of clarity on the strategy among the staff also delayed the implementation.

The lack of clarity mentioned above was also shared by Group Two interviewees. Overall Group Two interviewees exhibited negative attitudes on the
way the strategy was implemented, lack of clarity due to the level of complexity in conveying the concept of engagement, internal fund allocations and leadership issues. The following comments are presented as evidence:

‘I think this has probably the least well-articulated... and even, you know... courses with community engaged learning, we ... you know ... there’s always been this debate about what that means and we keep changing the definition or not ... we don’t know what it is and all of that’ (Group Two Interviewee)

‘I think this is probably the less well operationalised goal ... and the less well understood one.’ (Group Two Interviewee)

‘When you’re doing community engagement stuff, it takes a lot of time, liaison, negotiation, all that sort of stuff. So it’s a bit difficult.’ (Group Two Interviewee)

The above comments also indicate that lack of clarity and complexity of implementation slowed down the implementation process.

It also appeared from the interviewees at this level that they had limited role in the implementation process but rather certain individuals were designated to carry on the development process. That also could be the reason for the negative perceptions and lack of understanding. One interviewee also believed that the University had to adopt the strategy due to government pressure:

‘I think this ___ engagement was a thing that came ... was ... driven down from the federal government down to[the] university.[The] University invested a fair amount of resources in it. It had a DVC or PVC involved in community engagement.’ (Group Two Interviewee)

The interviewee mentioned that the University spent large amounts of resources, however, another interviewee at the same level contended that there was no internal funding for engagement:

‘community engagement ... but again this was handed down from above. There was no ... and there was no budget that came with it. It was just something now that we were expected to be doing. Now some of us were doing it. Like we’ve always had a fair dinkum’ (Group Two Interviewee)
However, some interviewees mentioned that there was some allocation of funding for engagement however, they complained about the top-down approach followed in the allocation that created negative attitude among the mid-level managers:

‘budget building process because it was a top-down budget process which created negativity, particularly in respect to the teaching and community engagement activities. (Group Two Interviewee)

Some interviewees at this level were also critical about the leadership designated for the engagement strategy:

‘I think, it was a female at the time. Her impact was fairly negligible and really engaged staff view it as that’s an imperative that you get through your own professional connection. Sort of like say, for example, if you were like myself a CPA, you would be involved in the local accounting people, and the national people, and the international people through your conferences and so forth; you’d be outreaching there. There’s a lot of effort, huffing and puffing done about it, but I believe the community engagement thing was highly... not as any reason your success as a research strategy.’ (Group Two Interviewee)

The leadership issue was not a unique one for the University, such changes of leadership position was also observed industry-wide as was evidenced from contemporary literature. The above comment also indicates that the mid-level management had minimum scope to contribute to the development process and the policies were overall arching and broad, and were not tailored for individual disciplines.

Similar to the above perceptions, the majority of Group Three interviewees also believed that the strategy implementation was problematic. Some of the Group Three interviewees who engaged in community engagement believed that the engagement strategy was not supported at the organisational level. Group Three showed similar attitudes towards the implementation process, leadership problems and lack of proper communication:
'It was initially good but the strategy suffered and was not fulfilled because of loss of leadership. It’s about little bits and pieces but the fundamental shift of thinking that at the coal face where the academics are that the teaching and the research is integrated with engagement at least with some of the teaching and some of the research that has been totally lost because the successor of [the PVC] has no understanding of that, has never bothered going to the academics because there is a separate ivory tower.. on engagement within the University structure. These people don’t feel the need [for] talking academics.’ (Group Three Interviewee)

‘I think it is possibly a legacy from [the PVC], yes. I’d say it’s a legacy. But it’s losing its integrity ’cause the people doing it are not necessarily qualified to do it. They don’t have background knowledge in it.’ (Group Three Interviewee)

It appears from the above comments that changes in leadership affected the implementation process and also created communication problems between the top management and academic level staff. However, the earlier comment of a Group Two interviewee indicates that to the mid-level managers the above contribution of the previous leadership was negligible.

Although it seems that the overall perception of Group Two was negative on the implementation of engagement plans and not different from Group Two perceptions. However, one Group Two interviewee showed confidence in the leadership and the way it was operationalised:

‘I think there’s been a lot done across the university particularly in education programs ... I think the university has always had a link to the community, but during that period they did appoint people who would be able to direct those activities much more. They actually made it a priority. And I think that was really important. And a lot of staff are interested in those community activities.’ (Group Two Interviewee)

Similar positive attitudes were also expressed by some Group Three interviewees, what is noticeable here is both types of interviewees were involved in the implementation process although they are very small in number as a group. However, it indicates that there was a perceptual gap which may have emerged due
to weak communication process and also due to that nature of engagement plan which is a discipline-specific activity.

One Group Three interviewee engaged with the implementation process contended that that it was not implemented effectively and the top management view was deflected from the appropriate strategy when it was clear that no government funding would be available:

‘The Federal government said there was going to be money for it so all the vice chancellors and the head, “We’re there, we’re gonna go for it”. And as soon as the third stream funding disappeared or never eventuated, you don’t get vice chancellors that are’ (Group Three Interviewee)

It appears that the departure of leadership mentioned earlier is linked to the funding problem and the plans suffered from a lack of top management support:

‘They are again … The university doesn’t have a push in that direction either. Now we do have cooperative programs, ___ looks after that. And there has been more activity in that area in the years that I’ve seen. But yes, I think there has been improvements there. Now I think it’s still a long way to go.’ (Group Three Interviewee)

The above discussion reveals that the development of engagement strategy was incomplete during 2004–2008. The implementation process was vulnerable to government funding and assigned to some selected individuals for engagement strategy development. Although the strategy implementation did not eventuate there were some disciplines that continued with limited funding. The details of the funding impact will be discussed in the ‘Internal Resource Allocation Process and Performance Measurement’ section.

6.4.4 Levers of control

The previous chapter presented the discussion on Simons’ (1995) definition of ‘levers of control’ (LOCs) adapted for this research. The purpose of this section is to
6.4.4.1 Type of levers

From interviewee comments it was revealed that three types of levers have been used by the University. However, there are different views among the staff regarding which one was the dominant lever used for management control purposes. A Group One interviewee mentioned three types of levers in order of importance that they had used and these were: (1) designating Deans and Heads of Schools with more accountability and responsibilities; (2) the Budget (Resource Allocation Model); and (3) performance measures. The other two groups believed that the budgeting process (internal resource allocation process) was the main lever of control. Some interviewees of Groups Two and Three thought the major purpose of management for using the budgeting process was to control the behaviours of individuals. The analyses of the comments follow.

6.4.4.2 Deans and Heads of Schools

According to a Group One interviewee the major lever of control was the human factor of control which they considered as the most important one for strategy implementation. For the implementation of the 2004–2008 strategic plans the University increased accountabilities and (reporting) responsibilities of Deans and Heads of Schools.
Heads of Schools. Furthermore, the implementation was monitored by a team of top management to confirm that the school or college objectives were aligned with the overall university objectives (i.e. goal alignment).

‘I think in a very centralised/decentralised structure that we have, we vested most of the responsibility for those three plans in the heads of school and the deans…. requiring schools to have plans that the result of adding all those up achieves the university’s objectives. And that was a really important, probably the single most important one, that you charge the head of school and the deans with the responsibility and the accountability for those plans, but then having the central team work with the schools to develop them, so sitting alongside of these were supposed to be school plans that said if the university says we should have a particular approach to learning and teaching and that’s reflected in what the schools do.’ (Group One Interviewee)

The above comment reveals the significance of the mid-level managers for strategy implementation, the positions of Deans and Heads of Schools were crucial. They designated professional managers and appointed them on a contract basis, and apparently it increased their accountabilities and responsibilities to the organisation. In fact the staff in Group Two had a pivotal role to play which is unique from the other two groups because they had the responsibility to implement the strategic plans pushed down from the top and negotiated and communicated the strategies to their colleagues at school levels. On the other hand, they needed to negotiate with the top as to the resources needed to implement the allocated strategies. Their behaviours were affected by the groups at two extremes (Groups One and Three).

What is noticeable in the above comment that with the increase in accountabilities and responsibilities, the interviewee did not mention of any increase in their authority. Most of the top management participants believed that the role of Deans and Head of Schools were crucial for the strategy implementation and considered them as levers of control for the new systems. However, majority of the Head of Schools believed that while their accountabilities and responsibilities
increased, they had the feeling of loss of power, and lack of decision-making abilities on many significant matters where they should have been consulted. Their pivotal role in the process actually created dilemmas for them. They had to work under increased pressure. The following comment of another Group One member revealed the fact:

‘Heads of schools used to be elected and now they are all appointed. So instead of ... they now, I think, became more accountable through that appointment process that happened during that time.’ (Group One Interviewee)

The comment indicates the type of control the management would like to reinforce the changes. The roles of the Deans and Heads of Schools were probably a mixture of the professional staff as a boss and at the same time as an academic colleague. According to some Group Two interviewees most of the decisions were made at the top and pushed down for implementation where they had limited scope for negotiation with the top management. The coercive pressure from the top management was reflected in the comments of another Group One interviewee on the implementation of resource allocation process:

‘Pick[ed] the heads of school because the deans were pumping the heads of school to make sure they live within budget as well. Otherwise the deans will get the cane.’ (Group One Interviewee)

Some Group Three participants also showed their understanding of the lack of decision-making power of mid-level managers in terms of funding:

“I know [the Associate Dean] represented us there, but then she’d be knocked back ... and she’d go up again. And so she fought for us, but there was no avenue for the general staff to say ... ‘oh well we did’” (Group Three Interviewee)

Further discussion will be provided in the ‘MCS style’ section and ‘Resource allocation process’ section. Although many mid-level managers complained about lack of decision-making authority however, no significant incidence of resistance
were evidenced from them rather they were exposed to both formal (i.e. through union movement during the Enterprise Bargaining Agreement) and informal resistance (i.e. avoidance, silence, non-response or delay in response) from people at the bottom. In some instances, the interviewees at Head of School and academic staff level reported lack of communication between them and there were instances of conflicts between the Head of Schools and academics.

6.4.4.3 Resource allocation process (budget)

It is mentioned in the previous paragraphs that certain interviewees considered the mid-level managers group was the major lever of control. However, the majority of interviewees considered the resource allocation process as the major lever of control. They contended that the way the top management allocated the resources to fund the core activities appeared to be the dominant lever of control. While commenting on the fund allocation style the majority of the interviewees considered that the management followed a top-down approach in the resource allocation process. The interviewees in Groups Two and Three also focused on how it impacted on their operational environments. Their comments highlighted the style of resource allocation process used to control the behaviour of individuals:

‘the thing that controls your organisation isn't the curriculum, it isn't education, it isn't the goal - the profile of a graduate. It's about money. That's what was driving them. That's what they said. We can't afford this. I said, well we should close our doors. We can't afford to be here. Why are we hanging up our shingle and going, come here for a really good degree if we're saying we're not getting funded adequately for it and we're going to tell you to be minimalist in this? (Group Three Interviewee)

Another Group Three interviewee also shared similar perceptions:

‘It’s about money, it’s not about pedagogy’ (Group Three Interviewee)
The comments show that the resource allocation process for the core activities at operational levels created negative perceptions among the academic staff especially how the teaching and learning activities were affected. One Group One interviewee described the funding of the three core activities in the following manner:

‘The other lever is money, but in terms of research that’s pretty straightforward, those areas of research that could demonstrate excellence or potential received additional university funding support – that wasn’t in learning and teaching – it was really about the support structures, the planning structures, the approval processes for new courses to make sure the policy frame was sufficient. So, learning and teaching was really guided by the senior people at the university working with the schools to make sure it happened. In the research one, it was both of those and money. In engagement, I think the focus there was engaged learning and engaged research but it’s a bit complicated’ (Group One Interviewee)

The above two comments reflect the perceptual difference of this lever of control between the top management and other levels of staff. It also indicated in the Group One interviewee comment that it was a top-down resource allocation process and the majority of funding-related decisions were taken by the top management (Group One-level). For mid-level staff, the biggest changes in management styles reflected in the execution of the budgeting process were the limited negotiation power of Deans and Heads of Schools. The detailed analyses of staff comments on the core activities will be presented in Section 6.4.5.

Some interviewees in Groups Two and Three believed that since the 2001 restructuring of academic and administrative activities the push-down systems were followed in the budgeting process where the decision-making power was retained at the top level rather than on the deans (mid-level managers). The interviewees contended that the push-down process had in fact resulted in poor allocation for the low cost courses and affected the teaching activities significantly. Staff perceptions
on the impact of resource allocation process will be elaborated in the ‘Resource allocation process section (Section 6.4.5).

The following section analyses the third lever of control perceived by some interviewees.

6.4.4.4 Adoption of new performance measures (PMs)

In addition to the above two levers of control some interviewees also considered the performance measures (PMs) as another lever. A Group One interviewee comment indicates as such:

‘we have things like the reporting that we did against[the goals] at the annual course reports, the research performance reports, those sorts of things that give some sense of a monitoring and reporting action... And we tried to have the promotions policies match those things too so if you’re learning and teaching, your research and your engagement fitted in with the university there should’ve been a stronger likelihood of being promoted; so some personal incentives for people involved as well.’ (Group One Interviewee)

The above comment reveals that management had expectations that such performance measures will motivate staff to achieve their personal goals. They used the performance measure as a motivational lever to modify their work related behaviours. There are some mixed perceptions among Group Two interviewees; a majority of them displayed negative attitudes towards it due to not contributing to the decision-making process and funding issues. However, some Group Three interviewees displayed negative attitudes towards the performance measures who believed that the

‘The performance measures created a lack of trust situation among staff as they believe the intended purpose of the information gather through performance evaluation tools will affect them and management will use them against staff as a lever of control’ (Group Three Interviewee)
The differences in attitudes implied from the above two comments indicates the issue of trust between the two groups which creates perception gaps and such perception gaps can consequently affect the achievement of goal alignment between the organisation and the individual. The detailed analysis is provided in the ‘Performance measurement’ section (Section 6.4.6).

The discussion on the levers of control shows that most interviewees identified three types of levers of controls used by the University to implement the strategic goals through the management control systems similar to the literature (see Coaldrae and Steadman, 1999; Slaughter and Leslie, 1997). The levers indicated by the interviewees are similar to the diagnostic control, interactive control, and value and belief systems noted in the definition provided by Simons (1995). However, there was difference in perceptions between Group One and other groups as to which one is the most important lever which came out of the above analysis. Unlike some top management interviewees both Groups Two and Three considered that the human lever of control (mid-level managers) was not effective due to lack of authority and funding. Interviewees believed that the University followed a centralisation approach for internal resource allocation similar to the government approach. In regard to the use of performance measures there is clear difference of perceptions between Groups One and Three. Group One considered it as a motivational (persuasive) lever of control while Group Three participants considered it created a trust issue among staff.

6.4.5 Accountabilities and responsibilities

Due to the changes in strategic directions and organisational structure the majority of Groups One and Two interviewees believed that their accountability and
responsibilities had increased. Analyses of their comments revealed that there had been an increase in formal reporting requirements in terms of supervision status, volume, frequency, and information content. The change in reporting responsibilities caused loss of power at the level of Dean that had behavioural implications (elaborated in Part 3 below).

The top management believed that their roles and responsibilities had changed due to increased involvement in the development of the organisational structure and processes, arrangement of funding and reporting on the marketing positioning of the University, and Group One therefore showed positive attitude towards the consequent changes:

'It changed the dynamic of the university quite dramatically in a good way' (Group One Interviewee)

During that time, a significant portion of the increase in formal reporting and accountabilities emanated from government reporting requirements on Universities in Australia as part of its higher educational reforms. A Group One interviewee explained the reporting requirements for funding:

‘For financial reporting, for instance, you should have a surplus each year of plus 5% or more so that you’ll continue putting money aside for blah blahblahblah. So that there is a benchmark guide for universities... So there’s a benchmark for the financial side we look at, and when we prepare the budget we look then at... because part of the other deal I had was financial reporting. We’d extrapolate the budget to our financial reporting to see how that would look at the end of the year as well to make sure we’d have that 5% surplus or whatever other guideline we had to meet. (Group One Interviewee)

A Group Two interviewee also believed that it was the government pressure that demanded more information for the government and increased the internal reporting at organisational level:
‘I would say has been the external requirements ... reporting accountability sort of requirement has increased quite considerably’ (Group Two Interviewee)

There were significant changes in the accountabilities and reporting responsibilities at the mid-level. Following is the observation of a Group One interviewee:

‘The person who’s responsible for the faculties, they’ve got direct report to the vice chancellor basically about a whole range of things, including budget, accountability, and stuff like that. Once that structure was put in place... cause there was a whole raft of heads of schools with direct responsibility.’ (Group One Interviewee)

The above comments also confirm the 2006 report of the Australian Universities Quality Agency (AUQA, 2006):

‘As part of the reorganisation of the structure and operations of colleges and schools undertaken through 2004 and 2005, responsibilities of a Head of School were strengthen and the role enhance. The review of the roles of Head of School included in-depth interview with all incumbents in 2005 and the development of recommendations to change the role definition, responsibilities performance and support structures (AUQA, 2006, p. 12).

It was revealed that majority of Group Two interviewees believed that their accountability and reporting responsibilities had increased significantly which can be linked to their appointment as professional managers and the following comment of one Group One interviewee is presented as evidence:

‘I think [they] became more accountable through that appointment process that happened during that time.’ (Group One Interviewee)

A Group Two Interviewee involved in the development process believed that although there were significant new appointments at the Heads of Schools level with clearly defined roles, the increase in accountabilities and reporting responsibilities was mainly due to the 2006 restructure of the University:

‘The 2006 reorganisation provided a stronger leadership level at the school. And that was part of the design of that restructure. There were larger schools... the head of school positions were more complex. There was a way of recruitment
externally for people to fill those roles ... not specifically a large number of heads of school hired externally as part of the process so there was a focus on giving the heads of school more responsibility.’ (Group Two Interviewee)

However, the interviewee acknowledged the funding situation did not coincide with the increase in accountability and responsibilities:

‘We were more directly focused on reviewing academic programs in relation to these sorts of resource constraints and redesigning them to be sustainable in that context.’ (Group Two Interviewee)

However, the scenario was different in some colleges if it was in the government priority list and accordingly reflected in the University’s resource allocation process.

Overall, the above situation created negative attitudes among the mid-level managers who contended that their accountabilities and responsibilities had increased but in an unbalanced way where they did not have enough negotiation power to continue with the schools or college plans especially if it were related to funding. One Group Two interviewee temporarily assigned the acting Dean’s role showed a negative attitude because it did not change her roles and responsibilities significantly:

‘Well I don’t think it changed my role significantly. I was only in the dean’s role for 18 months ... I don’t think it changed my role so much.’ (Group Two Interviewee)

It appears that the management did not assign any new task other than some regular tasks while they were in search for a new Dean:

‘... majority of my time when I was acting dean which actually [involved] disbanding those courses and negotiating with external bodies’ (Group Two Interviewee)

Therefore, a significant number of Group Two interviewees had negative perceptions on the increased load of accountability and responsibilities.
In Group Three, a significant majority of the interviewees displayed negative attitudes towards the increased accountabilities and responsibilities due to the way (how) such changes affected their operating environment in terms of workload, collegiality, trust, tension, competitiveness and resistance. It appeared that compared to other two groups, it was Group Three that had the strongest behavioural implications (this will be elaborated in Part Three). What is especially different with this group is that they did not display much concern over the formal accountabilities and reporting responsibilities. Rather they believed that although under the formal systems the accountability increased; the informal systems were weakened due to the 2001 restructure of the University and accountability actually reduced. As a result staff morale diminished for many staff at the operating level who developed decoupling behaviour and efficiency reduced. A senior academic commented on the pre and post 2001 restructure:

I think in the smaller institutions it was harder to hide. People were... were more visible. And people... because of the close relationship... everybody knew what everybody was doing. I think when we went to a bigger scenario, people morale wasn’t as good and so people then started to reduce necessarily what they did... more minimalist type role came into play. People say that we’ll obey the letter of the law, but we won’t do much more than that. For example, I remember at [campus name omitted], if you were given a unit, forget how many hours you had to teach, you taught whatever needed in that unit, and you marked for as long as necessary. You just got the job done. There was no counting of hours, no counting of students... you just did the job (Group Three Interviewee)

Similar experience was also shared by a junior academic in Group Three as follows:

“Before that I think it was more of a cooperative focused environment where staff were clear on what their roles were. And after the changes, I think staff felt devalued and confused... and because the change wasn’t managed well and there was no... it wasn’t transitioned well and there weren’t any processes to help with the merger, I think it took a long time for the new unit to work together and to work effectively out in the schools as well. And I think that impacted on our ability to work effectively with the schools because the schools could see where these tensions” (Group Three Interviewee)
The above claimed loss of efficiency was not appeared in the formal reporting process. The findings are similar to those in the Australian Universities Quality Agency (AUQA) Report 2006 on the university, and the research work of Schapper and Mayson (2005) and Mapsela and Hay (2006). However, the Schapper and Mayson (2005) study was focused only on university academics, while Mapsela and Hay (2006) conducted interviews with some senior management and surveyed academics. This study conducted an in-depth face to face interview of the entire three groups to have a more unified view of the phenomenon.

**Key findings**

As can be seen from the above discussion, the impact of strategy implementations on the MCS was intensely followed by adopting a significant cost reduction policy on all the strategic goals. However, the cost reduction policy was not uniformly applied through the budgeting process. Based on the above analyses it was revealed that strategic development was problematic. The management had to adopt decoupling behaviour to ensure the sustainable funding from its major resource provider; advocating for a traditional control approach when dealing with the government but emphasising professionalisation for strategy implementation organisation-wide. For top management, the most effective lever of control used for the implementation was the budget which mainly concentrated power at the centre. The next lever of control was the replacement of senior staff with new leaders and the commissioning of Deans and Heads of School as professional managers. The change in leaderships and designation of mid-level managers as professional managers effected more responsibilities and accountabilities without a proportional increase of power/authority for implementation, especially when it was related to money. The authority on resource allocation decisions of these mid-level managers was rather
emblematic than pure. The evidences from the interviewees confirmed the findings shown in the literature review (see Meek, 2002; Parker, 2010, 2012, 2002; Baxley et al., 2011; Anderson, 2008, p. 251; Marginson and Considine, 2000, pp. 93-94). An elaborated discussion of the above findings is presented in Section 6.4.

6.5 Impact on Management Control Systems (MCS)

This section analyses the second part of Research Question two, that understanding from staff perceptions how the above strategic implementations impacted on the design of Management Control Systems (MCS) of the University. The comments received from the interviewees revealed that there had been changes on the control structure, style of control, internal power relationships, workloads, internal resource allocation processes, and the performance measurement system of the core activities. Most of the interviewees, particularly in Groups Two and Three, commented on the internal resource allocation process and workload. In sharing their views the interviewees in these two levels tended to draw their attention to some of the particular consequences of the implementation. As one example, Group Two concentrated on the change in power relationships and the internal resource allocation process and related this to the lack of decision-making power and the cost reduction strategy by the top. On the other hand, the comments of the Group Three interviewees mainly focused on the change in the MCS-style of management, workload, operating environment, and the internal resource allocation process and performance measures. These will be discussed in the following sections.

6.5.1 Change in the strategic planning and reporting framework

One of the most common measures taken by the university was changing the control structure and the adoption of a cost cutting strategy. One of the common responses
received from the Groups Two and Three participants was that the university’s extensive cost reduction strategies impacted on the core activities, mainly the teaching and learning. In many cases there was a funding cut from the core activities to fund many non-regular development projects for which there was no specific allocation in the budget. The clear demonstration of the cost reduction strategy was reflected through the reformulated Resource Allocation Model (RAM). A Group Two participant reflected on the implementation of this process in the following way:

‘One of the responses was to focus the allocation of resources internally and to introduce a model of costing that extended to costs for the use of space. In terms of the College of Arts, one of the direct impacts of that was curriculum redesign to ensure that courses were able to work within that business framework and a number of courses did not survive as a consequence because they were far too expensive in the new resource environment.’ (Group Two Interviewee)

It has been mentioned in the literature review (Chapter Two) that the Dawkins (1987) White Paper provided clear directions to the universities to adopt a top-down management control structure that ensured a strong management mode of operation, adequate levels of consultation and accountability, streamlined decision making and maximum flexibility in the capacity of an institution to implement new policies (Bessant, 1996). The adoption of the management style, with an emphasis on a particular style of accountability, development of a market orientation and securing non-governmental funding increased the concern of the universities with regard to the issues of efficiency and economy. The changes ‘are implemented through a range of managerial practices, including performance management schemes, quality assurance mechanisms, the restructuring of academic departments and the implementation of budgetary devolution’ (Anderson, 2008 p. 251).
The interviewee results confirm the findings of Bobe and Taylor (2010) on the use of MCS by university faculties to, investigate the diagnostic and interactive use of MCS by Deans/ PVC of faculties and colleges. They revealed that PVCs who had longer careers in HE tended to use MCSs more interactively and tended to move from early diagnostic use of MCSs to a subsequent interactive use. One key finding of their study was that the PVCs put over-riding importance in meeting centrally-set diagnostically-focused KPIs (formal) but maintained a collegial approach within their Faculty to the broader use of MCSs (informal control system).

*Cost cutting strategy was reflected in the 2001 restructuring process and reduction of positions at senior level.*

Some staff indicated that the reduction of staff during the restructure process was a reflection of the cost cutting policies pursued by the University. In the interview many staff believed that the departure of senior staff was one of the major changes in their internal organisation since the reorganisation of the University, which impacted on their operating environment in the form of lower levels of collegiality among staff compared to the previous period.

**6.5.2 Style of Management Control System (MCS)**

It was revealed from staff comments that the University had adapted a top-down control structure within the organisation to implement its strategic goals, although the discussion on the formal strategy framework implied that the University followed a consultative approach involving all levels in the development process. However, the majority of Groups Two and Three interviewees commented on the informal process which indicates a top-down implementation approach. The above finding corroborates the empirical evidence presented in Chapter Two where it showed that
the adoption of a centralised control mechanism was in fact encouraged by the
government policy reforms. The policy reforms allowed the centralisation of power
at the top reflected in the new organisation structure. Interviewee comments in the
following also shows that Groups Two and Three interviewees experienced
significant changes in the management style and this was reflected through the
strategy communication, negotiation and decision-making process, implementation
of the budgeting, workload and use of performance measures. The group wise staff
perception on the MCS style is presented below.

**Group One**

In answering the impact on the MCS, Group One interviewees believed that they had
to use a centralised control structure because of the level of complexities existed at
that time and advocated the use of a top-down approach in the budgeting process in
the following manner:

> ‘So I think the system we’ve created is getting better, but we’re trying to do is
locate a counter ability and responsibility at the right level. At the moment,
there’s still a fair deal of central guidance or control. And that’s worked well
because it’s a very complicated university and we’ve restructured several times.
I have absolutely no doubt that the concepts of strategic planning in that context
had worked exceptionally well because we know ourselves very well, and we
know what our aspirations are, and we know what sort of university; all that’s
good.’ (Group One Interviewee)

It is the reflection of government policy reform that demonstrated that the
government favoured the centralisation of power at the top. Such an attitude was
apparent in the University’s adoption of the government style of funding in its
resource allocation process. It also indicates the existence of coercive pressure to
formulate strategy and implementation by the top management. The above reality
was also observed by a Group Two interviewee as the most inexorable option
available to the management. It is important to note that the centralisation structure
was applied in other aspects, such as negotiation process, decision making and performance measurement. It was realised from the top management responses that they were aware of these issues. However, as mentioned, for top management sustainability concern was the prime factor that pushed the university to adopt the aforementioned approach in budget implementation to comply with the external reporting requirements. The second justification provided by Group One participants was the impact of the restructure, since the unification of old educational institutions the university experienced severe internal conflicts, and internal politics. To minimise the conflict it was the new leadership that considered this as an appropriate approach to deal with this issue. Such experience was also shared by many Groups Two and Three level participants.

**Group Two**

As mentioned previously the Group Two interviewees displayed an enhanced understanding of the strategic environment than that of Group Three. They displayed a similar understanding on the changed management style. One Group Two interviewee for example, displayed similar understanding of the reality shared by the above Group One interviewee for adopting a top-down approach in budgeting:

‘I think that they felt that in a growing, expanding, complex, multi-campus university with lots of competing forces, it was much easier to do it in a centralised manner and push down, rather than a decentralised way and build it up. And maybe that the imperative was we were on a development ... two things, we’re on a development pathways as I said; you’d have to unify the university, unify the university at a development pathway going, as well as dealing with the external pressures and competition.’ (Group Two Interviewee)

Many interviewees from Group Two related their loss of decision-making power in areas enjoyed by them previously. Such concern was also reflected by heads of programs and senior academics. The most obvious area was the decisions related to funding. Some Group Two interviewees adopted neutral attitudes towards some of
the realities above however; they displayed negative attitudes to control style; the way they had to implement the budget at college and school levels. For example, they were given budgets to implement in their relevant colleges or schools with added responsibility and accountability without adequate scope in decision making and that created different types of tensions among the Deans, Associate Deans and Head of Schools.

‘the budget was framed at a higher level and there was never any attempt... never ... deans were never able to negotiate ... the enduring problem was that the budget framework wasn’t conceived as a ground upwards movement, it was an imposed budgets.’ (Group Two Interviewee)

One interviewee at this level also believed that significant turnover of senior staff in the finance office was also a contributor to this change and the top-down approach was the most feasible alternative to the management.

‘It was easier to just hand it down from the top of the mountain down and just say, “that’s it boys, go and play with the marbles, finish”. Now, and also the fact is the other interesting thing, I think, which affected it is their... the turnover of senior finance people was an issue, but also the fact that I think the university realised that once it got to this process of building... if it went through the bottom-up process it would be entangled in a massive amount of dispute between competing faculties. The arts faculty would be arguing with the business faculty at... about whether their share of the pie is better than your share of the pie. It was much better for the vice chancellor’s group, senior group, to simply say, “This is the budget for 2000-, 09, or 10, or 11. This is your allocation”. And then... that was a lot easier to do it that way than have ___ a protractive process of negotiation to ___ and from.’ (Group Two Interviewee)

The coercive approach by the top indirectly supported Deans and Associate Dean to get the job from their subordinates;

‘as associate dean I had the dean's authority to work with heads of school around their program structures. It wasn't a situation where they could say I don't want to make this change, it was a change that was being presented to them at the dean level and I was then charged with executing that responsibility. So because of that nexus that I was in a very strong position in terms of negotiating those outcomes with schools - which was good as far as I was concerned.’ (Group Two Interviewee)
Instead of the support from the top management it was observed that mid-level managers adopted a balanced style of control which is a mixture of formal and informal control. The formal control style was similar to the top management style of control which is formal and coercive (termed as ‘Diagnostic Control’) in nature related to organisational reporting and accountability. On the other hand, informal control was similar to negotiation and persuasion (termed as ‘Interactive Control’) used at college and school levels:

‘Well the formal system is there and you tick the boxes and it’s all very fine, but it’s... the informal processes that occur through the leadership and management styles and actions were then the faculty and school level which would make things happen. The formal things were not... but some people put great ___ by formal staff, others don’t; it depends on the person. ... My belief is that once I saw what the strategic ambitions were of the university, and where these strategic directions were, in the both periods when I was dean, I executed that by... through my own leadership and management, and expressing that to the school. And whether it was to do with excellence in teaching, excellence in program or course management, growth of research profile that would depend on the informal processes we have. Formally you’d have to report what happened, but waving a formal signal’s already... didn’t cut much mustard.’ (Group Two Interviewee)

The above comment indicates that Group Two-level interviewees had more reliance on the informal control approach. From a theoretical perspective, such duality of leadership style is considered as decoupling behaviour (DiMaggio and Powell, 1983; Scott, 2004) and, in the research context, created perception gaps between the top and operating-level staff. They received decisions from the top and used consultative approaches to the bottom and in many cases they had to tackle unsupported behaviour from the top to control the people at the bottom that created lack of trust or confidence among the operating level staff. The decoupling behaviour of control style in many instances created information asymmetry on both side; the tone of control from the top is not the same as was received by the operating level. Similarly the information from the operating level filtered through differently by the top.
also revealed that the perceptions of Group Three level staff were also depended on
the personal leadership of the Deans or heads of Schools.

The above-mentioned decoupling behaviour was not only visible at the mid-
level management, it was mentioned earlier in this chapter that decoupling behaviour
was also noticed from the top management where they adapted the decentralised
model by distributing accountability and responsibilities to the mid-level. However,

applied, a top-down style was used in the resource allocation process to control their
behaviour. In fact it was identified previously that the University itself mimicked the
government decoupling behaviour at institutional level.

The above mentioned realities may have been reflected through the mixed
perceptions of Group Three interviewees regarding the style of control wherein the
majority of them developed negative perceptions on the style of control. Some of the

interviewees at this level realised the limitation of the decision-making power of
their managers (Group Two-level staff). Some of them focused on lack of

contribution to the decision-making process and/or negotiation:

'**It is like a big score master telling me, the little people, what to do, and I go;**
‘**Why? You employed me as an academic. You acknowledge that I have skills**
and you have promoted me. So why don’t you acknowledge that in your decision
making?’ (Group Three Interviewee)

‘**They may provide information, but they’re not part of the decision-making**
process.’ (Group Three Interviewee)

‘**the interrelationship between the head of program or just advisors or staff is,**
“It’s just go and do it. You’ve got this much money. You’ve got these rooms. That’s
it. Figure it out”’. (Group Three Interviewee)

Another interviewee at this level believed that the implementation was imposed on
them rather than having any real consultation:
‘and there was no room with negotiation. And I think the lack of consultation that occurs from executive in placing demand without actually looking at what’s happening.’ (Group Three Interviewee)

Some interviewee believed that the mid-level managers mimicked the top management style in resource allocation for core activities:

‘these (performance) measures come from the top and they filter it down to the teaching staff. But my head of school, for example, wouldn’t have had much input to this. He just accepted it as passed down to him by his superiors.’ (Group Three Interviewee)

Especially, when it is related to the resource allocation process:

‘Well if you don’t like it, leave. There was not gonna be a change. There was a concerted effort the new model was going to work by hook or by crook; no matter what you said.’ (Group Three Interviewee)

‘Well, there’s no way you should ever talk about finances to a staff… except to tell us “we are in the red” or “we have to cut back.” That’s all they’ll tell you. They’ll never tell you’re doing well and we’re going to get extra this year. They’ll never ever happen.’ (Group Three Interviewee)

Some senior academics commented that they had a lack of negotiation power on the core activities related to their areas:

‘We weren’t part of that discussion. We were just one degree. I remember I went on long service leave in 2004 and I came back and they totally decided what they would do with the degrees. We’d get rid of the four year degree … we’d teach it out. And I was away all semester.’ (Group Three Interviewee)

The managerial style of the implementation was considered by some staff as affecting the organisational communication process:

‘That’s what it was meant to do. I don’t think it did that but. In fact, it created another barrier. It reduced the capacity of heads of school to get through that extra barrier to get their ___ heard… and it basically separated the organisation between upper management and the rest. So it fractured communication.’ (Group Three Interviewee)

The above reality is reflected in another interviewee’s comment:
'we got an email the university’s coming to talk to us. They don’t come to talk to us, they come to talk at us.' (Group Three Interviewee)

The management control style of mid-level manager is corroborative evidence, of what Balogun and Johnson (2003) identified in his study, that middle managers are not necessarily supportive to achieving organisational goals but also may (and do) use their position and associated power to protect their own self-interests and push their own agendas. In doing so, they can become an obstacle to change rather than an advocate and instigator of change. In line with his finding this researcher also found that such an attitude should not, by definition, be regarded as negative, it serves to underline the strategic importance of middle managers.

6.5.3 Decision-making process and power relationships

*I speak, but I cannot be heard. Worst, I am heard but I am not believed. Worse yet, I speak but I am not deemed believable. – Jacqueline Jones Royster*

Under the new control structure the interviewees observed significant changes in the decision-making process and power relationships. As was mentioned, in the new control structure the top management maintained both centralisation and decentralisation approach in decision making and distribution of power. The centralisation of power at the top was encouraged by the Government (see ‘Role of government’ section). The University adopted such a control structure in the 2001 restructuring process where the top management, especially the Vice Chancellor office, had more power than others. The demonstration of such power was mainly exhibited in the resource allocation process wherein as the majority of the Group Two staff commented, it was retained by the top management. On the other hand, the University adopted the decentralisation approach for other areas by increasing accountability and responsibilities of the mid-level managers. The
changes of these two have been observed in both the centralisation and decentralisation process. The dual control system was actually encouraged by the government reforms. The following sections present staff perception on how it influenced the decision-making process and power relationships.

Change is style and power relationship in the new budgeting process:

Although Deans and Heads of Schools were considered crucial for the implementation, they did not have enough power to execute them. The analysis of the ‘Levers of control’ section (Section 6.3.4) reveals that the management used the resource allocation process as the most powerful lever to control the behaviour of individuals. The revised resource allocation process resulted in the mobilisation of power at the top. However, the majority of Group Two interviewees displayed negative attitudes towards the resource allocation process.

The ‘Decision-making process’ section has a close link to the issue of power. Lack of decision-making power was clearly reflected in the Group Two interviewees’ comments. Many interviewees from Group Two related their loss of decision-making power to areas enjoyed by them previously. Such concern was also reflected by head of programs, senior academics. The most obvious area was the decisions relating to funding. The resource allocation process was a top-down approach and the majority of the funding decisions were taken by the top. Some interviewees at the mid-level had negative attitudes and believed that their power had been curtailed in the new budgeting process. It created frustration among some mid-level managers:

‘from a point of view of the deans and the heads of school in those days, the budget process was not a process of empowerment, it was a process of disempowerment’ (Group Two Interviewee)
In line with the above comment the majority of the heads of schools believed that it was only the accountability and responsibilities that were increased, but they had the feeling of loss of power, and lack of decision-making abilities on many significant decisions where they should have consulted. Their pivotal role in the process actually created dilemmas for them. One interviewee shared his experience of power change in terms of a ‘before and after’ the change in organisational structure as follows:

‘I think the fact that someone like me came in as head of [campus-name omitted] but then had nowhere near the power that the previous head of [campus-name omitted] had, because I really was a middle manager..... It didn't upset me – yeah, loss of power. But I'm sure the staff – the people at [campus-name omitted] would've perceived the loss of power. But not, I'm pleased to say, lack of someone representing them, but the fact it was no longer [a college], it was a college of the University [name omitted].’ (Group Two Interviewee)

A similar experience was also shared by a Group Three interviewee on the Head of School position:

‘I think the first head of school in that period was much more doctrinaire than the more recent head of school in the same period.’ (Group Three Interviewee)

It was mentioned in the ‘Change of leadership section’ that during the restructure of the University, a number of new individuals were appointed to positions of Deans, Associate Deans and Heads of Schools. According to one interviewee from Group Two, a lack of power negatively impacted on their behaviours:

‘In 2004 it's - yeah, well, there was a shift of power from the people who were heads of school that went to new people. The heads of school did one of several things. They either resigned, if they could, or retired, or got bloody difficult.’ (Group Two Interviewee)

The above comment also indicates the increased workload at the Heads of Schools levels. It is clear from most of the Group Two interviewees that the lack of power was related to the funding of their relevant colleges, units or schools levels. Although to a limited extent, many senior academics in Group Three displayed negative
attitudes due to lack of information and authorisation of power over funds for activities under their control:

‘Well I had no power over anything like that there were policies available for what money is available for PhD students and I sign a form for my students but I had no control of over anything like that heads of school would have had.’ (Group Three Interviewee)

Due to the adoption of a centralised control, decision making was restricted to the top only. The lack of participation in decision making was also experience by some Group Three interviewees:

‘And yet she would go to meetings with him and we maybe twice a year we would have meetings with him... but never for big issues. You could never bring... like the agenda was written, you couldn’t bring up issues.’ (Group Three Interviewee)

One interviewee believed that they did not have scope to contribute in the decision-making process, rather, that the process actually started from the Dean’s level:

‘No even though I was a head of program ... So basically it starts from the dean’s level ... Yup a lot from the dean’s level.’ (Group Three Interviewee)

The above comments indicate that mid-level and operating level staff had negative perceptions on the decision-making process and power relationships were mainly negative. However, one Group Three interviewee believed that the restructure process in fact increased the power of heads of schools at the local level and that it had encouraged them to develop the research effort.

‘Then we had a restructure of the organisation which gave more power to the heads of school at the local level rather than the head of college. I think there was probably more encouragement on the then head of school for research than there had ever been before.’ (Group Three Interviewee)

However, it was not clear that the increase in power also linked to funding decisions or approval. Instead of the leadership power being at the mid-level there could be
other reasons for such a positive attitude. The first one is the inclusion of research hours in the workload and reporting of the same and the second reason is the research target was clearer and the performance measure had a direct link to funding and was not ambiguous to staff.

Marginson (2000) observed that, beginning with the Dawkins reforms, governments have provided explicit and implicit incentives for Vice Chancellors to centralise authority and capture internal resources as a result, Vice chancellors have adopted a ‘mirror’ strategy to increase their own common controls over otherwise diverse internal traditions. As stated by Marginson (2000), “the new strategic powers have placed them at the centre of new definitions of the university role in a changed world” (p. 6). The bureaucracy in the exercise of power was clearly evidenced from the budget allocation process in the university system (Parker, 2007).

6.5.4 Workloads

The purpose of this section is to understand from staff perception on how the adoption of workload policy was viewed by staff from different levels of the organisation. From interviewee responses it was revealed that the impact of the new management control systems was vividly experienced through the implementation of the workload policy. The overall staff perception was negative, especially on the teaching and learning workload and consequentially this influenced staff operational behaviour regarding the work balance issue with their personal life. However, they had different perceptions of the role they played in the strategy development process. Such as, the top management’s (Group One) attitudes was framed by the development perspective, mid-level managers’ (Group Two) attitudes were influenced by the implementation perspective and the operating level (mostly
academics) was framed by how the execution of the workload policy impacted on their day to day operating activities. Interviewees in Groups Two and Three commented that the workload created tensions, resistance, communication problem, lack of trust and motivation among staff at different levels. Many interviewees believed that the teaching workload had impacted their commitment to research. The impact, if any, of the workload on productivity and efficiency is analysed in the ‘Performance measures’ section. The purpose of developing the strategic plans was to improve quality of teaching and research and increasing efficiency, productivity. While commenting on the workload related to the three core activities the majority of the interviewees related their experience to the teaching and learning workload, and then the impact of it on research and only very few of the interviewees linked it to the engagement activity. The following sections provide details of the above:

**Group One**

The interviewees in this group acknowledged that the workload created tensions among some staff at the operating level but contended that with its implementation the inherent nature of the academic life was reflected through only:

>‘What I have always believed, and what I have learned in the last five years particularly is that you’re not an academic 9 to 5 or 35 hours a week. That’s your vocation in life, that’s who you are, that’s what defines you as an academic. And so you do teaching, and you do some research, and on the weekend you might do some research, and at night time you might do research, because that is about enhancing your own knowledge, it’s about your own contribution to yourself. You also make a contribution to the university so it is a partnership.’(Group One Interviewee)

It appears that the Group One interviewee viewed the implementation of workload policy from a strategy development perspective. In the above comment it is perceived by the interviewee that, unlike specific hours allocated for teaching activities, research hours were not specified and depended on the personal
commitment of an academic that is informally assigned to them and were not a location-specific task. They considered that the workload policy under the 2004–2008 strategic plans was just the formal adoption of such practice. It reveals that for teaching only staff, such implied assumptions by the top level created perception gaps between the top level and the bottom level staff.

Some interviewees at this level criticised the way management prepared the workload plan, the interviewee indicated how it increased their accountability and reporting responsibilities:

‘if you look at our workload it drills down to - as I say, 0.04 minutes per word. You just think, seriously? Then we get student feedback on units, student feedback on teaching, academic performance reviews. Everything from what are you doing as far as ERA goes? Tell us how you're going. Let's match you - plan your workload for a year ahead. It's - we are like factory workers and we're being micromanaged and people really do resent that.’ (Group Three Interviewee)

Another interviewee also shared similar experience:

‘Decisions have been imposed on people and the other thing was that the perception of some and definitely myself was that there was no real consistency in the way that workloads were developed.’ (Group Three Interviewee)

One Group One interviewee accepted that under the 2004–2008 strategic plans the formal implementation of the workload had increased the monitoring and reporting of staff performance:

‘we have things like the reporting that we did against at the annual course reports, the research performance reports, those sorts of things that give some sense of a monitoring and reporting action. So accountability sits there and then you get people reporting against it.’ (Group One Interviewee)

The increase in monitoring and reporting was also required to meet the demand from the government to exhibit the University’s accountability to the major supplier of fund and other external stakeholders.
One Group One participant, however, believed that it was a pressure for those who wanted to achieve demands for teaching and learning and research:

‘some people who were doing research and teaching. And ... there were always questions about those who were trying to do both, the [workload] demands on their time.’ (Group One Interviewee)

The above interviewee comments reveal ‘why’ and ‘how’ the workload policy was adapted by the University. For Group One interviewees, however, it did not adequately explain the impact of the workload on the operating level.

**Group Two**

While sharing their experience on implementing the workload the overall perceptions of Group Two were negative. Most of the interviewees at this level commented on how it affected their leadership functions due to staff reactions. For some Group Two interviewee the workload created communication problem, controlling problem, motivation problem, lack of trust. Some Interviewees observed that they had the knowledge of the implied demand for extra work but contended that the workload overall was onerous for the staff.

‘I do think that academics’ workload and the requirements of academics has increased exponentially over that period of time’ (Group Two Interviewee)

‘Oh Yeah. Certainly over the years the amount of time, the amount of teaching, people teaching tasks things people were asked to do just increased all the time. So people have generally had less and less time to do research.’ (Group Three Interviewee)

What is noticeable in their responses is they demonstrated their enhanced understanding on the consequences of the workload and how it affected their behaviours at the operating level. Such as, one Group Two interviewee believed that extended workload has occupied their personal time.
I think most professional academics generally work more than 37 hours, but we're not Robinson Crusoe... I think a lot of these [things] get done in their personal time’ (Group Two Interviewee)

One interviewee believed that the formal adoption of hours in their research workload created negative attitudes among academic staff:

There was a resistance from staff in terms of a workload policy that was more focused on performance rather than just an across the board entitlement to a certain amount of time for research which shouldn't have to be accounted for, so it was a shift in behaviour and there were resistances to that. ‘It's always a hot topic. It still is’. (Group One Interviewee)

Some interviewees viewed the workload issue from behavioural perspectives, they believed that the workload created a lack of motivation, trust and tensions among academic under their supervision:

I mean... the workloads were a tremendous disincentive. And staff actually objected to... and you’d always get someone who said they were allowed so much time to do something, whether it was to prepare a lecture, and some staff would say, “Well, I take twice that time and I need to be allowed more time for it”. And that was of course of tension. (Group Two Interviewee)

‘Oh yes, yes I did. Cause I... I was head of school in 2004 to 2006, and that lack of trust in workloads was a really big issue.’ (Group Two Interviewee)

The above Head of School experienced tension with his subordinates as he believed that his academic staff avoided face to face communication with him using the workload as a cause:

But I just know the workload agreements were a tremendous cause of depression. And staff could, you know... I had staff who just missed the point. That was one of the easiest ways to deal with the head of school that you didn’t want to see. You just... I come in here to see you today and there's a message left with the school secretary that you were sick. I can’t do anything much[about] that can I? That the workload would drift for another month. And then we’d arrange another time and so on, and by that time the year was half over... well certainly one session was mostly gone.
**Group Three**

There was overall dissatisfaction among the Group Three interviewees especially on their teaching hours that had impacted on their research time. As there was pressure for teaching and for research, it appeared that the increase in workload had created a negative attitude among the teaching focused staff and research focused staff. According to some staff the teaching plan was not supportive to do research work and was not helping them for promotion. Especially, the teaching workload created extra pressure on them in meeting the demand of the other two activities, that is, research and engagement. A significant number of Group Three staff used the workload of teaching as a cause of not achieving their research target. It was identified that the workload issue had a nexus with the negative attitude towards new strategic moves. According to one interviewee, staff did not like the changes because they considered any new policies as a move to increase workload.

‘Well I guess it’s more predominant in some schools than others, but yeah. From a teaching and learning perspective... from the way I engage with schools... part of the issue we had was being able to find staff who would concentrate on learning and teaching because they felt so pressured to enhance their research output.’ (Group Three Interviewee)

‘Oh you had to account for every second you do everything, you know... whereas ... Yeah. The workload became onerous ... like calculating your own workload became more onerous and it still is.’ (Group Three Interviewee)

The top management had knowledge about such perceptions among operating level staff. In the 2004–2008 plans there was push to engage them in research activities and in the performance measurement system it was linked to promotion. Some teaching focus staff and research focus staff contended that the workload did not permit them to achieve both. One of the top management participants responded to the issue that it is true that they have to do research to get promoted. However, this does not mean that they cannot do this; if they are teaching-focused, they can
produce teaching-based papers to be promoted. The following Group One staff also believed that the reality is not only applicable to teaching focused researchers it is also applicable to research active staff who need to achieve the teaching excellence to get promoted. The control style has been reflected in the following comment:

‘Some academics ... they’re exceptionally good teachers, and the problem is that they feel like they have to pretend research so as to be promoted. So what we’re doing is augmenting our promotions policy to... for people to be promoted on the basis of being excellent teachers. But then they would need to do the scholarship of teaching which is research on teaching. So you know you can’t just sort of do the same thing you’ve always done and be a teacher and think that makes me excellent. I think there is an internal tension between your two models, and I think they probably exist in both places’ (Group One Interviewee)

So when someone feels the pressure to research to be able to be promoted, but they really like teaching, they would feel that might affect their teaching..... And if you want to then spend 90% of your time researching and not doing teaching and that doesn’t fit the school’s plan, then you would be unhappy. So it is really, depending on what the out workings of the plans are in the local area where people are working. (Group One Interviewee)

It was another reason why many teaching focused staff was not motivated to get promoted. However, the researcher found evidence for and against the above comments. Such as, some interviewees with a good track record of teaching and research output commented that they were familiar with such workload in their informal working lives before its formal implementation. However, the interviewee agreed that most active research staff had to use their personal time to do research:

‘Yeah, there’s a huge problem balancing it. So most of our research had to be done in our own time and yeah ... whereas people I’ve observed in the schools who’ve been pressured to spend much more time on research at the expense of teaching and learning... so that was research privileged over learning and teaching.’ (Group Three Interviewee)

‘Teaching Load affected research time, Staff use their personal time to do research due to teaching load. Teaching workload affected research’ (Group Three Interviewee)
It appears that the changes in workload due to changes in Management Control Systems (MCSs) and styles did not change their behaviour. However, what negatively affected their attitudes was the uniform allocation of workload between an active researcher and non-active teaching staff:

‘when workload agreement started to come in and people were fighting for all the research time but they weren’t producing anything and for me it was producing a lot I was getting the same kind of time allocation. There was people producing nothing was really angering to me because I was producing all these stuff and they were doing nothing and they were still getting time on their workload.’ (Group Three Interviewee)

Some interviewees at this level mentioned other changes in the operating environment that were also responsible for creating a negative impact of the academics, such as, class size, increased reporting, need to provide more feedback to students, etc. In most of the cases, it was the teaching and learning workload that created the biggest problem affecting staff in the achievement of other goals:

‘And teaching... you become a teaching slave because you get with... what I’m doing now is trying to check in 380 assignments from students... there’s three academics doing it... waste of time... of an academic’s time to check in assignments... Yeah.’ (Group Three Interviewee)

Interviewees in Group Three considered that workload issue resulted in resistance from many academic staff.

‘Well the only resistance was the impact on workload, really, and how that would be balanced.’ (Group Three Interviewee)

‘part of the resistance comes from and I do think that academics’ workload and the requirements of academics has increased exponentially over that period of time and subsequently’ (Group Three Interviewee)

One interviewee experienced resistance in the following manner:

‘Oh yeah nobody like workload when they came in ... they go along to the meeting you know: pound the table and the union were get involved ... so work plan work was the big area of resistance ...’ (Group Three Interviewee)
However, some staff also believed that lack of resistance was linked to their increased workload as reflected in that they could not concentrate on other things because achieving balance with their work life and personal life was a major priority to them. Part 3 will provide detailed discussion on staff resistance.

**Findings**

Considering the above evidences it is clear that workload created negative attitudes among the organisational participants especially at the operating levels. The analyses of interview findings are similar to the research findings conducted by Baxley et al. (2011) on Australian academics in that the majority of academics do not believe that the workload is manageable; it’s a source of stress. This research also affirms the finding of Winter and Sarros (2002, 2000) that in the majority of the cases the changes created negative attitudes. Additionally this research highlighted the perception gaps created by workload policy between different levels. The comments of the research active staff also indicates the formal adoption of a research workload did not have any impact on their working hours as they were familiar with such routines in their personal lives. However, it was rather the teaching hours and uniform work hour allocation that created negative attitudes. The majority of teaching active staff found it onerous for them although a number of them adopted a decoupling behaviour to tackle the pressure for research contribution.

The formal adoption of the workload policy by the top management reflects the application of Burns and Scapnes (2002) model which explains that once certain routines become regular in an organisation gradually it takes a rule like status among the organisational stakeholders. What additional understanding was achieved from the above analyses is that the transformation of some routines in to a rule like status
does not automatically create positive attitudes among the employees. Such as for research active staff the workload did not impact on their operating behaviour. However, they were not happy with the uniform adoption of the workload. It was noticeable that most of the staff did not mention any pressure for engagement activity. It appears that it was not linked to the other two activities yet. More will be covered in the performance measurement section.

6.5.5 Internal resource allocation process

The purpose of this section is to analyse interviewee comments to understand the impact of strategic changes on the resource allocation process. The resource allocation process was the most significant part of the management control system of the University. As a higher education organisation the changes in Management Control Systems (MCS) of the university were reflected through the adoption of the Resource Allocation Model (in future termed ‘RAM’). As was elaborated in Chapter Five, with every change in the government funding policy the University had to update its RAM. The analyses of interviewee comments show that management utilised the budget as an effective tool to communicate strategic information, it reflects management’s style of control, that is, reveals the decision-making process, it highlights the authority and power of the managers at different levels. In fact the influence of the major external factors was significantly reflected in the implementation of the resource allocation process. The overall perception of Group Three-level interviewees was that there was a reduction of funding for the core activities. The University had to adopt government policy by adopting the cost cutting strategy that was reflected through the implementation of the RAM which impacted on funding of the core activities of Teaching and Learning (T&L), Research, and Engagement.
Purposes of Resource Allocation Model (RAM)

Interviewee comments revealed that there were mainly three purposes of the adoption of new RAM; legitimacy, efficiency and control. Some staff believed that in response to the government reforms a new RAM was implemented to meet external the reporting responsibilities.

‘Yes. Oh yeah, because once you get into financial statement preparation... that’s audited and also goes to the government.’ (Group One Interviewee)

A number of interviewees in Groups Two and Three believed that it was the government pressure that induced the University to adopt new RAM and achieving legitimacy was the main purpose.

As shown in Chapter Two, Table 2.1, the Nelson Review (2003–2007) recommended: the need to increase operational efficiency of the universities, the changes in the roles of Vice Chancellors and other academic managers (Deans and Heads of Schools) and specific funding and places for teaching, nursing and medicine. All of the recommendations were adapted by the University in its new RAM. From the top management perspective it was a necessary to gain funding from the government. As a newly formed university, the significance of vital resources, the extent of government influence and the scarcity of alternative funding were linked to the resource dependence relationship between the University and government. Adhering to the government style of allocation was necessary to sustainable funding:

‘Well because they... it provides an easy way out.’ (Group Two Interviewee)

It was revealed that from the resource dependence perspective changes in the strategic shifts were vividly reflected through the changes in the budgeting process.
From an Institutional Theory perspective the prioritisation of funding reflects the University’s emphasis on organisational legitimacy.

Some Group One interviewees also viewed the changes from an efficiency perspective as outlined in the Nelson Review (2003–2007). They believed that the purpose of the new RAM was to make it more flexible and transparent and that will facilitate the funding of priority projects based on Management by Objectives (MBO). One interviewee believed that the resource allocation process provided more information:

‘It’s not even a new budgeting process as such. It just became a more transparent budgeting process. I think it was pretty much the same mechanical type thing, but everyone knew about it.’ (Group One Interviewee)

According to the interviewee, previously the resource allocation was basically an informal process and in the new RAM it became mostly based on an algorithm; only a minor amount was taken out of the top for special projects:

‘before we get in there, there was the notion that schools could go on and make one off bids to the executive (the vice chancellor and the executive) for special treatment to special [schools]. so that funding had come to them not via the algorithm or the equation that you come, or via the student numbers that come back ... It was a one off. Now that disadvantaged other schools because that would come off the top as well. So I think there was a reduction in that and in fact it was, “No you don’t. You’re not gonna get any extra money. You’ve got to play with what you’ve got.”'(Group One Interviewee)

The interviewee further contended that there was only a minor change in the amount of resource allocation. The above comment indicates that prior to the adoption of the new approach resource allocation was an informal process where some schools or units got privilege over other schools or units. The application of the formula-based RAM made it more equitable that may have disadvantaged the privileged schools or units. Many operating level staff may have considered as reduction of funding.
However, the perceptions of Groups Two and Three interviewees were different from those in Group One. Interviewees in Group Two commented that the reduction of funding for some core teaching and learning units actually created the implementation of the strategic goals much more difficult for them. They believed that the funding allocation process rather became more bureaucratic. Some participants in Groups Two and Three mentioned that the new RAM was actually used to control the behaviour of individuals. The monitoring of the budgeting process actually moved down to the school levels.

“We didn’t have to go and build a new system. We had systems in place to monitor it.” (Group Two Interviewee)

It has been mentioned previously that the University appointed a management accountant for each college to monitor the budget process and to collect information to compile centrally. The changes in the resource allocation process were also reflected in the way it was implemented therefore the following sections provide staff comments on the implementation style of the RAM.

6.5.5.1 Style of implementation

Interviewees at all levels believed that in the implementation of the RAM the University followed a top-down approach in the resource allocation process, funding decisions were centralised, the budgeting process was used as a lever of control, the tone of communicating budget information was changed from collegial to managerial. It was revealed that the centralisation of power in the organisational structure was also reflected in the implementation of the resource allocation process where the Vice Chancellor was in the most powerful position in decision making.
Due to the resource dependence relationship the majority of the universities had to adopt the coercive style of resource allocation process.

‘So the decision came from the top executives and they just instruct that this is the money, that goes to that school or that area, that’s all you have’ (Group One Interviewee)

One interviewee believed that traditionally the budget was implemented as a top-down approach with little reflection of ideas of middle managers and operating staff; it had been implemented coercively due to the scarcity of funds:

‘The budget was always... was never a building block budget whereby the admin and the academic elements of the university consider their operations next year or the next three years and said, “Okay, what kind of resources do we need to make to provide an effective teaching, research, community service environment?” Put that all together and submit it, and then go through a process of negotiation with senior executives. In this university, that never happened. What happened was the budget was framed at a higher level and there was never any attempt... never... deans were never able to negotiate. What sometimes might happen is the deans might squeal that they’ve got insufficient resources to do this or that. But in a growing complex university with six campuses, new courses, new faculties, everybody was competing for the scarce ___, everybody was told, “Well you’d just have to tough it out” (Group Two Interviewee)

‘Year after year, they were being given a lot of money and saying, “Well, you were operating within that framework”. They’ll say, “Look, this takes no concrescence of the fact that we, for example... the fact business had to operate over three campuses... or four campuses”’. It took no concrescence of that. That was the major, I think, if anything, the major point of tension creation was the fact that the operational aspirations of the faculty and the schools, their aspirations weren’t being able to be reflected through the budget building process because it was a top-down budget process which created negatively, particularly in respect to the teaching and community engagement activities. Not so much in research because that tended to be kind of like a thing that, “Yeah, the university’s gotta do that. And yeah, they’re setting up processes. And yeah...” The rule of engagement is quite clear. During 2004–2008, certainly in the faculty of business, the research ambitions and research drive was clearly articulated, but, of course, there’s never enough money for anything’. (Group Two Interviewee)

‘I think the budget system picked up the strategic imperatives of the university effectively, but in its execution, it failed to recognise the need of the deans and heads of schools to be able to interact in the budget formation so that the operational and development needs of the faculties and the schools could be funded at a level in order to provide competitive teaching and competitive research.’ (Group Two Interviewee)
The new RAM also had a more formal monitoring mechanism in place:

*It’s a mechanical process. It’s a mechanical process with monitoring in place, because the other side of it is all well and good to set a budget and walk away and then nothing happens. You’ve got to monitor and then help the heads of schools, the deans achieve their outcomes by suggesting different ways forward.* (Group One Interviewee)

From an operating level perception to the above comment is the following:

‘So there is a fundamental problem with the effectiveness of the budget that goes with the strategic plan like that, that it doesn’t review where the current money is and it doesn’t concede to put more money into the general teaching it always goes into something additional.’ (Group Three Interviewee)

The mid-level managers assigned with the task of implementing the budget showed negative attitudes to such a top-down allocation and considered that it affected their implementation task making it more difficult as they had limited scope to contribute in the funding decision:

*Well the strategy’s really... the implementation of the strategy is at the academic level depended on the deans and the heads of schools. And on the academic level, the problem was that the enduring – it still remains – the enduring problem was that the budget framework wasn’t conceived as a ground upwards movement, it was an imposed budgets. In other words, the deans and the heads of school couldn’t survey their operations in terms of saying, “Well what do I need for good quality teaching, good quality research, and good quality community service? ” and frame that activities and then cost them and then reflected in the budget. Always the budget has been a residual process where the budget was determined at senior level of the university and the operational academic areas had to take as ____ had to accept the budget allocation which never ever reflected the operational reality of the university.* (Group Two Interviewee)

The interviewee believed that since its formation as a university, the budget process had become a push-down system where the decision-making power was retained by the senior executive rather than on the deans. However, one Group Two interviewee shared the top management view for such allocation style and believed that due to the resource dependence relationship between the higher education sector and the government, such a style was an institutional trend. The University’s stance was not any exception to that:
‘[The University] was handicapped from a federal government level because the federal government never made sufficient allowance in its budgets for the university, for the fact that it had a multi-campus operation in a growing, developing area. And it never took on the fact that it inherited a large number of staff from the old [educational institutions] model who weren’t research active staff and would never be so. So the federal government should’ve given special funding arranged to recognise the multi-campus environment and also to recognise that it needed to recruit a different colour of staff in the initial period; and they never did that.’ (Group Two Interviewee)

On the above perspective some interviewees considered it as a legitimate move by the University. It was revealed the in the resource allocation process the University following a top-down approach; decision-making power for funding was contained at the top. Such tone of management was reflected in the adoption of top-down approach RAM implementation. On the other hand, the majority of Group Two interviewees showed frustration for not having adequate authority in funding decision making. However, the majority of the interviewees in Groups Two and Three showed a negative attitude due to differences in perceptions. One of the reasons was the way the budget information was communicated to them. It was revealed that the majority of the funding decision power was restricted at the top and the University Governing Body had the ultimate authority to approve any RAM.

‘there has been an underinvestment in the blended learning ambition, and that underinvestment was recognised by staff, but has never been reflected in the strategic budget in activity. Again, because the budget is a process where it is pushed down, not built up through a building block process, and there’s no negotiation.’ (Group Two Interviewee)

However, in the background it was the senior executives who designed the mechanism of the RAM. Therefore there was normative pressure from senior executives who brought in their knowledge of budgeting from the commercial world and applied the same in the higher education organisation. Some interviewees in Group Two contended that the senior executive actually utilised the coercive power of the Board of Trustee to flow it downward for implementation by the Deans and
Head of Schools. Groups Two and Three interviewees perceived that when the funding decision is pushed down at the bottom, the tone of the message conveyed lack of collegiality. In reality the Board of Trustee formally authorised the plans and in the majority of cases they don’t have the expert knowledge on the technical details. In fact, the mid-level management had to implement the plans using the budget pushed down by the top management:

'It was easier to just hand it down from the top of the mountain down and just say, ‘that’s it boys, go and play with the marbles, finish’.' (Group Two Interviewee)

Some interviewees contended that such an approach was mimicked from a government style of funding of higher education, that is, for research funding the University adopted the principle of selective concentration in funding in order to adhered to the government priority list for funding of research activities.

However, the government funding style was not applied in all sorts of resource allocation decisions. Some mid-level interviewees commented that although their role was crucial for the strategy implementation they did not have input to the costing of the programs evaluation in terms of quality:

'the deans and the heads of school couldn’t survey their operations in terms of saying, “Well what do I need for good quality teaching, good quality research, and good quality community service?”; and frame that activities and then cost them and then reflected in the budget.’ (Group Two Interviewee)

However, the interviewee also referred to the level of tensions emerged with the 2001 restructuring process and agreed that it was the only feasible option for management to adopt such style. Strategically, it helped to minimise the tensions created from the conflicts. Otherwise it would create lot of conflicts and tensions among different units or schools.
‘Well, when an area is getting the equivalent of its funding from government, it makes it really starkly apparent whether it’s well funded or not. So within the institution of areas like the sciences which are very well funded by government – so they can operate in a way which is very different to an area like business, for example, which has the least government funding or law and humanities is somewhere in the middle.’ (Group Two Interviewee)

However, when the fund allocated within the organisation was determined the above interviewee then believes that it was more transparent and the outcome was more predictable (although there was lack of decision-making power of the majority of Group Two-level participants).

Another reason of developing a negative attitude among Groups Two and Three was they believed that the push down process had in fact resulted in poor allocation for the low cost courses and affected the teaching activities significantly.

Always the budget has been a residual process where the budget was determined at senior level of the university and the operational academic areas had to take as ____... had to accept the budget allocation which never ever reflected the operational reality of the university.’ (Group Two Interviewee)

One senior executive believed that the budget process did not change much but to meet demand for more transparency that came mainly from school levels, and claimed that it was made transparent.

‘schools saying, “Hey you’re... we’re not getting enough because we know the government are giving you $5000 per student every year but we’re only getting, at the end of the pipeline, $3500 students”; and they’re just examples. “Where’s the other $1500 going?” So that forced... not forced... encouraged, I think, the administration to come... become more transparent. Is that okay? “You’re only getting $3500 because we are doing this. We’ve got to fund administration who looks after all your students by the way. Never really taking a 10% cut.” So they had to justify. I think it was grassroots level coming out from the schools because they were being held accountable... more accountable.......It’s not even a new budgeting process as such. It just became a more transparent budgeting process. I think it was pretty much the same mechanical type thing, but everyone knew about it ... we’ve done what we came to do at [the University]. Turned it around from cash poor to relatively cash rich with some investment; and the vice chancellor was very proactive in doing ... insisting that’. (Group One Interviewee)
One Group Two interviewee also believed that it became more transparent and the outcome was more predictable:

‘The lever was effective because the framework of the allocation of funds in the university was quite transparent. There was a published policy on how money was allocated and you could make decisions as a head of school or as an associate dean or a dean where you could predict the impact of a decision financially because you had enough certainty about the financial arrangements so that you could actually say well, if we do this it will generate this kind of financial result and therefore it will be sustainable and we can do it, or if we do this we know it’ll generate this result and we know that won’t actually be sustainable so we have to rethink that idea.’ (Group Two Interviewee)

The above-mentioned experience is quite different from the Group Three participants even for some Group Two members. The predictability of the budgeting impact depends on the transparency of the allocation process which was a major concern of the two groups. Such as the following Group Two interviewee did not consider that due to lack of consultation the funding was neither transparent and nor adequate:

‘people were feeling that they had to deal with what was allocated, but you weren’t able to express clearly, through the budget process, what your strategic ambitions were. So a lot of faculty and schools had their ambitions restrained because the resources weren’t available.’ (Group Two Interviewee)

Similar experience also shared by Group Three-level participants that the funding information was not clear to them. One senior academic interviewee (Group Three) contended that she really did not have much information about the budget process, even in some instances where she used to authorise the payment of funding for her PhD students without the student’s research fund balance:

‘The only thing I can comment on was I had some research accounts ... I had some funding that coming for project and they were...it was very difficult for me as a researcher to get access...to get information about those research accounts. I didn’t [have] a copy of the account I had to ring somebody up and ask them every time I took money out I had to fill out these forms, it was difficult and I didn’t feel like that I had control.’ (Group Three interviewee)

What affected the attitudes of the majority of the Group Two interviewees was that they did not feel that they were part of the funding decisions:
‘the major frustration was that we weren’t in this process whereby we’re able to build a budget from the bottom, express it, and enter a period of negotiation. There was never any negotiation period; it was always … it was always rushed’ (Interviewee Two Interviewee)

One Group Two interviewee contended that he had the fund to spend only when the amount to be spent was decided by the top without proper consultation:

‘I haven’t been part, haven’t been involved, though [I] was a head of school … that at a strategic level, discussing how the fund was allocated. That was really reserved for the levels above … It was really little consultation about funding for the school’ (Group Two Interviewee)

The style was mimicked by the mid-level managers at their colleges or schools and created similar negative perceptions among the operating level staff:

‘I know they did budget… I know they did forecast… again, it was at the head of school level… not… we weren’t asked as individual academics what we thought about the budgeting process… that was at the head of school level and speed up. It never got below for us to add input and it never came down on us when they got the money. It was always the approval of the head of school to make that decision.’ (Group Three Interviewee)

‘I mean, look, the people at the top understand that their deans and their heads of schools express… expect to manage and direct the university in line with its strategies. The people at the top, if you like, never really… while they clearly communicate their strategies, in the execution of those strategies they never engage enough room or enough capacity for the faculties in the schools to respond back to them and negotiate whatever the budget would be to meet that strategy.’ (Group Two Interviewee)

Another interviewee in Group Three believed that it was not the government funding that affected the core activities rather it was the way management used the fund for allocations. This was the issue. Such as, the way the budget information was communicated and available to the operating level staff created uncertainty and dissatisfaction:

‘I’m a teacher, I’m not an economist. I don’t have a budget and yet I’m told to adhere to a budget. And often the budget didn’t come down for a long time. The budget on the first of January, we didn’t get the budget for that year. It could be April or May before we could get a budget so you blundering(?) for many
months not sure how many staff you could bring in... but we need casual staff but can we just wait to see if the numbers drop. And then at the end of the year, they go, “Oh we’ve got all this money left over. We’ll buy some things”. You don’t because you never get the money for next year... but if you didn’t spend it, what happened to you? They took it back. And then next year they say, “You don’t really need as much because you didn’t use all of last year’s money”. But you didn’t give it to us til the end of May and we weren’t sure how much we were gonna get so... It was very cat and mouse, the game.’ (Group Three Interviewee)

A Group Three interviewee contended that the management tried to validate their action by using government funding as an excuse. There were some behavioural implications of the fund allocation process that will be elaborated on in Part Three.

The styles of resource allocation discussed in the above were reflected in the funding of core and non-core activities, therefore the following sections presents the interview analyses on the above.

6.5.5.2 Funding of core activities

The adoption of cost reduction policy was clearly visible in the funding for teaching and learning, research, and community engagement activities. Interviewees in Groups Two and Three believed that the teaching and learning activities in particular were the most affected one by such reduction. However, what created dissatisfaction among the above two levels was the funding of many non-core and unspecified activities which was in contrast to the cost reduction policy.

Funding of teaching and learning (T&L) activities

As indicated above this core activity was the most affected one due to the adoption of a cost reduction policy by the University. It is mentioned previously that in order to tackle the funding problem the University had to discontinue many old programs or units. It appears that for the University, the cost cutting measures were the most obvious alternative in meeting the funding crisis when many traditional teaching
units or programs were scrutinised for validity and relevance. Only a few areas, such as science, medicine and nursing, were allocated adequately as these disciplines were in the government priority list. One Group One interviewee supported the decision in the following manner:

‘we found out then we had 3% of our students in 30% of our units, and we found that a number of our programs’ ... demand was not good and getting worse, or that some of them didn’t look like they would meet future accreditation requirements.’ (Group One Interviewee)

The University had taken some initiative to arrange resources for the development of T&L programs:

‘at the time, we were looking at these sorts of things, and probably after 2004, I noticed that ... there was a specific line in our budget in strategic initiatives for research(6,11),(993,993), T&L programs:

However, interviewees in Groups Two and Three indicated that, overall, the resource allocation for teaching and learning (T&L) was different from the expectation of many College and School-level staff who expected that the new RAM will ensure the adequate resources for their academic programs and units. Some Group Two interviewees commented that rather the resources specified for T&L were diverted to fund some unspecified strategic projects, that is, the funding of some research centres and the medical school affected some strategic investment in the T&L programs. The interviewee contended that due to neglecting such funding the University left behind competition for implementing the emerging blended learning teaching facilities:
‘Well, the... I mean... for example, no doubt in that period 2004–2008, ... the medical school for example, and some of the research centre areas which had been developed in that period... the research... some of the research centres and certainly in the medical school are better for it by the strategy and the subsequent resource allocation to them. But a lot of the traditional basic activities of the university ... were denied... not denied, but they were under... there was an under allocation in order for them to meet their teaching and research mandate. That set up a negative trend. Resources for teaching and resources for research ... started to go on a downward trend.’ (Group Two Interviewee)

According to the interviewees the reduction of funding for T&L activities resulted in discontinuation of different course or units, delay in the investment of some strategic projects such as, investment in blended learning technology. On the other hand, some interviewees at Associate Deans and Head of Schools (Group Two-level) indicated that they had to face difficulties in implementing some T&L programs not because of lack of funding but due to lack of authority to implement them:

‘the deans and the heads of school couldn’t survey their operations in terms of saying, “Well what do I need for good quality teaching, good quality research, and good quality community service?”; and frame that activities and then cost them and then reflected in the budget.’ (Group Two Interviewee)

Interviewees at this level also contended that the push-down system of budgeting process mentioned previously had in fact resulted in poor allocation for the low cost courses and affected the teaching activities significantly.

‘Budget was not communicated properly. The resource allocation gradually decreased for some units’ (Group Two Interviewee)

Moreover the interviewees further elaborated how such limited funding affected their teaching and learning programs in their colleges or schools due to lack of scope to participate effectively in the decision making related to fund allocation. Some participants in Groups Two and Three contented that differential funding policy was followed for the entire teaching and learning unit.
Funding of research activities

As mentioned Chapter Five, the University had to redesign its funding model with the changes in government policy reforms. The 2004–2008 strategic plans were linked to two significant changes in funding allocation models adopted by the University; interviewees shared their perceptions on the two funding models. The first one was the Financial Allocation Model (FAM) implemented during the 2001 restructuring event to facilitate the implementation process and to reinforce the strategic goals. The second one was the 2006 University Funding Model (UFM). Both research models had a clear reflection of the government funding style. Unlike the Teaching and Learning activity funding the majority of interviewees did not mentioned a reduction of funding but rather a lack of budget information.

The purpose of the 2001 Fund Allocation Model (FAM) was to enhance efficiency by integrating the fund allocation models of the previous member educational institutions. Since then the financial allocation model has become part of the strategic planning and budget development process. In that model, the criteria of fund allocation changed from historical cost-based to revenue and performance-based criteria for funding academic activities and it was based on the strategic priorities agreed by the executives and the governing body. The principles adopted for the fund allocation model are mentioned in the previous chapter. The model was applicable only at college level not at school levels and then distributed internally according to each College’s own plans, priorities and budgetary framework. Funding was based on three major components first, the university fund for specific research program that were “taken off the top” of the funding pool, second, a proportion of the total academic activities funding (9%) is allocated to Colleges on the basis of relative research performance (i.e. research student completions, publications and research
income), and the third, consisted of funding for research activities received through the Institutional Grants Scheme (IGS), the Research Infrastructure Block Grant (RIBG) and the Research Training Scheme (RTS). The IGS, RTS and RIBG funds are allocated to directly support research activities (source: University internal documents, 2006). The model provided additional funding for research on development (for research centres, internal grants and research fellows) and performance measurement (research publications, research student graduations and external research grants). The review of internal documents showed that due to the adoption of revenue and performance-based criteria for funding rather than the historical cost base, the funding model resulted in reduction of budget allocation to some colleges due to the historical cost and staffing position being unsustainable on the basis of performance indicators. On the other hand, for some colleges, the budget was significantly increased due to high performance on at least on some of these indicators previously unrewarded.

The second model was developed in 2006. The University established a UFM Review Group with Terms of Reference to review and recommend an equitable and transparent methodology for the University’s resource allocation, including appropriate reward mechanisms for supporting the University’s strategic objectives (source: University Strategy Document, 2006). The Review Group recommendation on the UFM reveals that the university management adopted changes to some extent linked to the pressures that came from mid-level managers. Such as, the demand for more transparent allocation of resources, separate funding arrangements for Medical Schools, fund increases for teaching and learning activities. However, restricted access to budget decision was still an unresolved complaint for Group Two.
interviewees. The following section presents an analysis of interviewee comments on the changes in research funding.

*How the research funding was implemented*

Government set clear-cut criteria related to research funding and the University adopted it throughout the organisation. Unlike the funding for Teaching and Learning activities, research funding criteria was more straightforward. In both funding models the research activities were funded on the basis of the philosophy of concentration and there was more control from the top. From the top management (Group One interviewees) perspective it was easy to meet the criteria to get government funding and accordingly received more direct focus on this activity.

“They’re different, because the vice chancellor organised, in fact we had three now, external reviews of our research. The one that was done prior to this set of [2004–2008] plans being developed was called the Research Landscape and what they said was we couldn’t fund everything so we needed to follow the philosophy of concentration selectivity. And in doing that, the expert panel looked at what we currently did and where there were opportunities to concentrate. And a proposition was put forward to the board of trustees, and a fund set aside not from school money but from university earned money out this way to support concentrating on certain areas of research.’ (Group One Interviewee)

The cost reduction policy undertaken by the University also reflected the management view in deciding the resource allocation decision, which was different from the government directions as one interviewee directly involved with the budgeting process mentioned that the funding for research was based on what remained after other costs:

‘And the cost of administration had to come off budget as well. The amount that actually went to teaching and research was almost, by deduction, what was left over.’(Group One Interviewee)
In addition to the above, what appears from interviewees comments management’s views were also shaped by whether a research project was on the (government/University) priority list and would bring revenues for the University. This got preference over the qualitative value of the research (traditional view of research). The selective approach in research funding created negative attitudes to some researchers who believed in the traditional view of research rather than the tangible benefits (money) attached to it. Top management had knowledge of the reality and balancing between these two was possible; government funding was a big factor:

‘The basic strategy was to keep a balance. A balance between supporting strong researchers whoever they were, but directing the development around the theme of concentration; selective concentration in certain areas where we would be strong and for some staff that meant that the felt their own area isn’t getting recognised in the way that they might like it to’ (Group One Interviewee)

This reveals that Group One interviewees developed an attitude of categorising the research on the priority list as eligible for funding (as organisational research). In the funding of research activities, there was a clear reflection of management’s stance that it should be linked to the areas where there was possibility of getting research grant, research output or research income. On the other hand, the curiosity-driven research studies not on the priority list were considered as personal research that individuals should do in their personal time to achieve their personal goal:

‘The answer for the university is that we want to be able to provide an environment where people could do their personal research, but when university has to focus research allocation it could only do that in areas where… to concentrate the absolute best means that’s where the funding might go. So there may be opportunities for research that researchers would like to do and they would like funding that they don’t get, but they can still exist in a world where they can do research and they need to find ways to get that support….. terms of research that’s pretty straightforward, those areas of research that could demonstrate excellence or potential received additional university funding support.’ (Group One Interviewee)
Management used it as an indirect pressure to control academics’ behaviour to do research in the areas listed on their priority list. As an integral part of the Management Control Systems, the budgeting process for research became more focused on ensuring tangible benefits from the core activities. As for some interviewees, the research activities were funded on the basis of number of research output, research income, and availability of funding rather than quality of the research:

‘Well it's not just curiosity-driven research, you would have to have a purpose and the whole aim is to get external grants otherwise you don't get the points.’ (Group Three Interviewee)

Another interviewee also shared a similar view:

‘research funding that came to the university was directly influenced by how much we produce as an institution. So they counted up the publications, they counted up the grads directly influence.... ’ (Group Three Interviewee)

Such a change in the research perspective is also a reflection of adopting a market-based philosophy translated through government reforms and implemented in the case study organisation search of alternative sources of funding. In the 2006 University the Funding Model (UFM) it reflects the government influence on research funding. Although a Group One interviewee contended that they tried to motivate researchers:

‘The government policy was felt quite acutely by different groups within the university because we awarded some of that money from Canberra to them on the basis that they earned it. So they had a direct feeling that this... that they’re doing well with work for them and that had quite a strong incentive effect.’ (Group One Interviewee)

However, the interviewee agreed that the government funding policy had dominated their resource allocation for all the research activities.
It was the basic principle that Commonwealth support for research would be allocated on a performance basis to the university. If you wanted ARC grants, then there was a two year lag but then your university would get money from Commonwealth and then the university... Canberra’s pot of money divided up proportion between universities according to their grant performance and publications and things. Those things were big drivers through the university.’

(Group One Interviewee)

The interviewee at this level contended that the way they allocated the research fund with minor changes helped the University research effort in a good way:

‘Well it was operationalised through the designation and funding of research centres in selected areas and that was done on a performance basis... in an attempt to be fair. But through the designation of those research centres and their funding, there was support for people to win grants through the research office. There were scholarships, postgraduate study.’

(Group One Interviewee)

The above comment of the Group One interviewee, when linked to the comment of a Group Three interviewee, shows, in some instances, the research funding was a cause of tensions among some academic staff. For example, an interviewee believed that the equal fund allocation for attending conference among and the time allocation among active and less active/non-active staff created negative attitudes among active researchers. Similar tensions were also shared by interviewees on equal funding between junior and senior staff:

‘... tensions between what money should go to junior people as developmental money, and what sort of money should go to senior people because of their higher levels of performance. Just the normal conflict around any allocation

(Group Three Interviewee)

The behavioural impact of the research funding will be explored in Part Three of this chapter. Another Group Three interviewee believed that although the research strategy was successful as evidenced by the performance measures (i.e. number of staff completing PhDs, staff involved in postdoctoral work; the number of external competitive research grants, both nationally and internationally) had grown over time. A number of Group Three interviewees’ perceptions were that the matching of
resources for building research centres had affected the funding of teaching and learning activities thus creating negative attitudes among the operating-level academics as it affected the funding of teaching and learning activity. That is, there has been underinvestment in the blended learning ambition that was recognised by the University but never reflected in the budget. One interviewee in Group Three experienced a lack of adequate information on research funds and believed that there was no control over her own budget account when needed to approve some funding because there was no access to her research fund information.

‘as a person who was signing off on the money I couldn’t actually see the account I wasn’t able to get that information so I think that’s probably improved by now a bit but I had to go through all of these processes to ...just spend some money... quite laborious too... I had no power over anything like that. There were policies available for what money is available for PhD students and I sign a form for my students but I had no control of over anything like that heads of school would have had.’ (Group Three Interviewee)

‘[I]am talking about the grant that I’ve been awarded I couldn’t actually see those accounts even though the money was controlled by me and earned by me but I couldn’t actually see those account I found that strange I had to go through various administrative people and process to spend the money and years ..’ (Group Three Interviewee)

The above comments reflect centralisation of power and retaining funding decision at the top that was prevalent in all other areas. Another reflection of the cost reduction policy had been reflected through changes in the responsibility of managing research accounts by the research office centrally to its decentralisation at the school levels. One research active staff comment shows that it had created a negative impact to some academic researchers.

‘one thing changed research account used to be administered by the research office and around that time they shifted it to the school administering it and I actually didn’t like that I found it easier for me personally to get access things to the research office because I was dealing with administrative in the research office and they knew what I was doing, they understood how research project works. So when it was pushed back to the school purely to save money or save
As mentioned in the above comment that the changes made the interviewee’s job difficult indicating a lack of knowledge and efficiency of the school administrative staff. There is also a behavioural element in the above perception that it might be the staff did not want to share personal goals and targets due to competition and/or conflicts and lack of collegiality at operating level. A Group Three interviewee shared a similar experience by indicating the changes in internal environment due to research funding created conflicts among staff and colleagues, politics and unpleasantness.

‘Yeah, between colleagues, there are conflicts, there is politics, there is unpleasantness.’ (Group Three Interviewee)

The interviewee contended that most of the changes were not good for individuals but good for the University.

‘Amm ... well my comment is that all of these kind of things were put in place because they were good for the university they weren’t good for individuals in the university, they are good for the university. I happened to use some of these things for my purposes but they weren’t put there for my purposes, they were put there for the university’s purpose’ (Group Three Interviewee)

The above comment indicates a lack of trust and goal congruence between the University and individual staff at the operating level.

As most funding decisions were made at the top, based on the strategic priority, the interviewee believed that many strategic funding decisions for research should have been taken at the Head of School level; however, that did not happen and was not effective in the desired way. On example was that only one of six new staff completed a PhD.
'the research through the conference travel fund... that wasn’t a decision in the school we made... how much money we might put into that. Yes, so those sort of decisions tended to be... in what we did in that level, tended to be more than these strategic initiatives. Although we complied with them and responded to them, you know, we did discuss them... but there wasn’t... and I mentioned to you, the prime example for me was when I needed additional money to try and help the new staff I got in to become researchers. And then if they had become researchers and changed the culture... they could change the culture. But if those half dozen... we can point to one who’s got a PhD... and that’s about it.’ (Group Three Interviewee)

In summary the research funding strategy mimicked the government style of fund allocation, with the restructure of the organisation accompanied by changes in the University RAM. However, the basic style and tone of the budgeting process was the same. Funding decisions were heavily impacted by the broadly categorised research in the priority list or not by the top, and this affected research quality. The budget decision followed a top-down approach where middle and operating levels had a minimum role to play. It appeared that the distribution approach rather than the reduction of funding had more impact on individuals. The majority of Groups One and Two interviewees consider that the research strategy was successfully implemented. However, a number of Group Two interviewees reflected negatively on the lack of decision-making and negotiation power at their capacity. Comments made by some active researchers in Group Three revealed that a uniform application of funding for some research activities (i.e. funding for conference, counting number of research outputs) overlooked other important aspects of funding such as quality of research, junior and senior researcher, and type of publication and created negative perceptions among some good research staff.

**Funding of engagement activities**

It is revealed from the interviewee comments that the engagement strategy was inadequately reflected in the budgeting process. Similar to other strategies, engagement strategies were also impacted by the government funding policy. A top
management interviewee contended that the engagement policy had less influence of government control. It was revealed that during the 2004–2008 strategic planning the engagement activities were initially funded for development of community engaged research and the university spent resources on some strategic projects; however, the flow of funding reduced significantly once it was confirmed that the expected government funding for engagement as a third core activity would not eventuate. Due to less involvement of staff with these activities, only a few interviewees provided details information on this activity.

As mentioned above, in reality, due to lack of government funding there was lack of commitment from the management in its implementation. Their attitudes towards the implementation and funding of engagement activities were shaped by the resource dependency relationship between government and the University:

*The quantum for 2007 is recommended at $1M for research engagement and a further $1M for learning engagement in 2008, with a total quantum of $3M for engagement in 2009.* *(Source: University Strategy Document)*

However, interviewee comment revealed that although initially there was some funding but due to unfulfilled government funding they experienced disappearance of the University budget commitment:

*Because initially it was decided by the government to consider it as a third stream funding however, that was not done* *(Group One Interviewee)*

The impact of government support was also viewed by employees at other levels:

*‘Well, then, we’re looking at this third stream funding because we have funding for teaching and research, they were looking at engagement funding. And that was in the wind this might happen, and it never eventuated. But the universities were ready to be active if it came through. But it didn’t come through so the university sort of walked away.’* *(Group Two Interviewee)*
With the expectation of getting funds for the engagement activity the University spent significant amount resources to display its commitment to the greater community:

‘I think this…. engagement was a thing that came... was a driven down from the federal government down to university. University invested a fair amount of resources in it.’ (Group Two Interviewee)

The university behaved legitimately by funding for community engagement programs. It was revealed that although in its 2004–2008 strategic plan it was considered as a third stream activity however, the majority of the interviewees showed lack of commitment to it. Some interviewees commented that they needed to produce some sort of evidence of engagement activities at the time of promotions only. From a management perspective it was viewed as an activity that should have a nexus to engaged Teaching and learning or engaged research activities. Although the funding issue impacted on the implementation of engagement strategies, for mid-level management the tone of control was similar to other two core activities.

‘community engagement... but again this was handed down from above. There was no... and there was no budget that came with it. It was just something now that we were expected to be doing. Now some of us were doing it.’(Group Two Interviewee)

The lack of directions from the top on the engagement strategies created conflicting situations between different levels. As one Head of School observed conflicting situations between the college level and school levels of funding:

‘So the things we were doing... but there was... these again were basically policies that were handed down and we were told to... there was... there was strategies associated with them and we’ve had to designate somebody... is the response of an officer or... but I found quite often that like you have an associate dean of research responsible for the faculty or the college... we called a college ____... responsible for the college. I’ll be trying to do things in school, like my new people and put money into them, but the college might have a different strategy and they wouldn’t give me any money for that. And they rarely would
listen to me and see why that was important, you know, for [the school], not to me personally.’ (Group Two Interviewee)

Although the majority of the interviewees believed that the strategy was not funded, similar programs were continued in some schools due to the nature of the discipline.

One senior academic in the following shared her experience:

"it was developed in some of our schools was because it was a cheap way to get prac because we don’t pay for anybody for students to go in and work with communities. Whereas if they go into a school we’d have to pay the teachers. If they go into a community, homeless centre, or whatever, we don’t pay. So it was a… again it was a financial thing. It was ___ we could have it for cheap. We get extra branding points and it’s not costing us. And soon as you say to somebody, “Well we need some administrative help, we need some money to bring the community in and have a thank you ceremony or give them after and tell them. “Well we can’t do that. That’ll cost us money… and we’d have to book a room, who’s gonna organise it”. So it became that tension of “go and do it”… but, woah. And the benefit, I mean, some of the things we do… that I’ve done with students… very quickly with the vice chancellor knew about them before I told her because it was kudos (Group Three Interviewee)

It appears from the above analysis that the 2004–2008 strategic plans had the least impact on the MCS of the University. It demonstrated the legitimate behaviour of the University towards the government. The core activity could not be supported due to lack of government funding. In the strategy implementation section it was identified that the overall interviewees at all levels had imprecise understanding of the engagement strategy and unlike the other two core activities only limited number of individuals perused the engagement strategic goals. Mostly, they used it for promotion purposes.

6.5.6 Performance measurement systems

The strategic goals section (Section 6.4) provided the analysis of staff perceptions on the operationalisation of strategic goals. This section presents the analysis of staff comments on the use of performance measures. Interviewees shared their views on the purpose of development, implementation and operationalisation of these
measures as part of the Management Control Systems (MCS). The analysis of their comments explored their attitudes towards the performance measures, how they used these measures in their day to day activities during the 2004–2008 strategic periods and whether these measures changed their operating behaviours. Section 6.3.3 of this chapter introduced the performance measures adopted by the University for Teaching and Learning, Research, and Engagement activities. The following sections provide staff perceptions on the performance measures.

The three groups of interviewees continued to display their unique pattern of responses identified in previous sections of this chapter. In other words, Group One concentrated on the strategic aspects of the performance measures; while Group Two displayed the mix of strategic and operational views of the performance measures. The majority of the interviewees in those two groups believed that the performance measures had a positive impact on the achievement of strategic goals and enhanced individual performance at the operating level. On the other hand, Group Three interviewees provided the most detailed information on the impact of the performance measures in their operational environment and some of them were similar to that of Group Two interviewees.

**Teaching and learning (T&L) strategic goal 1**

Table 6.4 shows that the following operating measures were linked to the T&L strategic measures:

- Graduate Satisfaction (i.e. Student Feedback on Unit (SFU), Course, Evaluation Questionnaire (CEQ), Overall satisfaction),
- Good Teaching (i.e. Student Feedback on Teaching, Generic Skills),
- Graduate outcomes,
- E-learning environment,
- Unit viability,
- Unit evaluation
For any higher education organisation the above Teaching and Learning (T&L) operating measures are common as they have a direct link with the nature of activity. In the research context the most common operating measures used by academic staff are the Student Feedback on Unit (SFU), Student Feedback on Teaching (SFT), and Course Evaluation Questions (CEQ). Interviewees at different levels were asked to share their experience on: the operationalisation of the T&L performance measures (PMs) adopted in the 2004–2008 strategic plans, the advantages and limitations using the PMs in their day to day activities due to the changes in performance evaluation systems.

**Operationalisation of the performance measures**

It was revealed that the majority of Group One interviewees believed that the performance measures helped the operating level staff to achieve their strategic goals:

‘And you can see by the performance measures on every major performance measures since these plans we’ve done, we’ve improved dramatically.’ (Group One Interviewee)

The interviewee also indicated that staff used these PMs as a guide when they applied for promotions:

‘there are some points in their lives that need measures such as when they want to be promoted or prepare for promotions. Measures about their teachings they do all the time so there is the student feedback on the unit and those sorts of things so they get a sense of the quality of their teaching.’ (Group One Interviewee)

However, the interviewees agreed that the formal performance measures had limited application and is not applied in all circumstances; rather there were internal performance measurement processes in place for T&L activities:
But that's only one part of their teaching. Curriculum development and those sorts of things is very much a peer process. In their research, the measures are pretty straightforward so they don’t have to be signed up to measures to know what the measures are to achieve what they want. It would be an odd circumstance I think for individual academics to have these sort of operating measures.’ (Group One Interviewee)

The informal measures are equally important for performance evaluation. A level three interviewee commented that in her school she and colleagues valued the informal or the less formal ways of evaluation more than the formal PMs. They believe that the informal evaluation was rather more valuable to them, more effective in identifying who is doing well and who is not:

‘you know, for those of us who were hands-on managers of our staff and related closely to our students, you knew without these measures... you could predict who were going to be highly rated and you could predict which courses would have the higher graduate satisfaction. You didn’t need the surveys, but the surveys were useful’ (Group Three Interviewee)

Some staff believed that the formal measures were effective in highlighting only recurring problem areas.

It is mentioned already the Group One interviewees displayed positive attitudes towards the PMs, they contended that the purpose of developing the operating measures were linked to the objectives of achieving quality, relevance and attractiveness and that most of these were achieved through the implementation of the PMs.

‘So we set up a significant framework around the academic program about quality, about relevance, about attractiveness, and it made a huge difference. The measures there were ones that we wanted to be able to say we could not only measure those things that would say there is a higher quality and more attractive academic program, but that we could compare ourselves with other universities.’(Group One Interviewee)

The interviewee produced further evidence in support of the above claim:

‘And if you look at that, just in simple terms, the student satisfaction levels in 2001 on the CEQ [Course Evaluation Questionnaire] was 55%. By 2006, it had
got to about 67%. So in 2001, we were well below the sector average. By 2005-6, we were at the sector average. Now we’re well above the sector average. So just in the measures of the way the students see what we’ve done, we’ve done well and student satisfaction continues to get better. (Group One Interviewee)

It was also indicated that at the organisational level the information on the PMs was used for external reporting. In addition to that there was an also informal mechanism on performance evaluation processes that had impacted on individuals and were prevalent in a university organisation but not reported externally. However, very little was elaborated by the top management on the informal approach.

Group Two interviewees were more focused on the implementation of the PM as they had the major role of implementing the Management Control Systems (MCSs) within the organisation. The majority of them contended that the measures were well implemented:

‘I guess some of these surveys, instruments that they used for measuring staff and student and satisfaction performance, that was well distributed throughout the university and that was well monitored.’ (Group Two Interviewee)

Commenting on the above Group Two interviewees displayed more balanced views on the performance evaluation systems and the majority of them considered that it had impacted positively on individual performance. Their perceptions reflected the views of top management and operating level staff due to regular interaction with these two groups. Such as an interviewee believed that considering the rapid changes, the Teaching and Learning operating measures were successful in increasing staff performance:

‘our CEQ [Course Evaluation Questionnaire]... lots of indicators have improved quite considerably and it influenced... in some ways, it’s a bit of a miracle in my view... because of that absolute pace of change and pace of, you know... sort of... I don’t know... chaos that we constantly seem to be in... in a lot of ways.’ (Group Two Interviewee)
The above view is similar to the comment made by senior academics in Group Three

‘I think it’s successful in the fact that we have something to look at. Prior to that we were talking about things just in the ether’ (Group Three Interviewee)

A Group Two interviewee also believed the performance measures had positive impact on staff as it gave them a target and it impacted on their operational behaviour and their teaching excellence increased but agreed that the performance measures provide incomplete information on the total performance picture:

‘And I think they’re a good guide, but I don’t think they’re absolute. And quite often if you look at the... I think the most important thing to look at is the percentage return, cause quite often in units you get a 10% return which means that whatever... you’re only looking at disgruntled students basically... usually.’ (Group Two Interviewee)

However, according to one interviewee over use of questionnaires meant students took their completion less seriously.

‘Because our strategy is to have excellence in teaching and teaching success, but the surveys have shown repeatedly, whether they were... all the responses from students were valid or otherwise, it did show deterioration.’ (Group Two Interviewee)

One senior academic in Group Three contended that it has some behaviour modification elements on academics as student got chance to have their say if the academic’s performance was not satisfactory:

I didn’t mind student feedback I always got good ones so I didn’t mind but I ... there was some staff were fearful if they got bad review from students they would get that sacked they were frightened about their jobs. So I thought it was good too because like the research things there were people that weren’t very good, they weren’t doing a very good job, and the student had a chance to say they are not doing a very good job. Ammm ... however, on the other side there is another side to that. (Group Three Interviewee)
However, the interviewee agreed that the measured were not sufficient and did not believe that the performance measures enhanced her performance as she maintained good track record long before the 2004–2008 strategic plans.

Therefore, what is missing in the above comments of Groups One and Two is the detailed information on the experience of using the PM in day to day operating activities available from Group Three interviewees. The interviewees in this group commented on their own experience on the application of these PMs, enhancement of effectiveness and efficiency, quality and achievement of personal goals and behavioural impact (it will be elaborated in Part Three).

However, a Group Three-level interviewee who tried to achieve the targets viewed the improvement in performance from a different perspective.

> ‘these measures made them more aware of the need for evaluation, self-promotion and unit selection but this is only for compliance purposes, people did this just for compliance. That means to fulfil the formal requirement not from self-enthusiasm … avoid being decimated.’ (Group Three Interviewee)

Therefore, it is apparent that the teaching and learning PMs may have limited influence in changing their routine operating activities except for promotional purposes. The Group Three-level interviewees displayed the most negative attitudes towards the application of the PMs due to the limitations they experienced at their levels. The details are provided in the following section.

**Limitations**

The majority of the Group Three interviewees believed that although the feedback from PMs provides some guidance; however, that was only an incomplete reflection of their total performance due to the inherent limitations of the PM tools, that is, Student Feedback on Teaching (SFT) and Student Feedback on Unit (SFU). In the
research context the researcher considers the issues of validity, reliability and situational. The criterion for validity issue is recognised when the survey instruments produce incomplete feedback on performance due to design, length and type of data used in surveys. The following comment is presented as an example:

‘The measures were very useful to highlight a recurring problem area. To go to the head of school and say, “Look, this is an area that has been highlighted semester after semester; you better do something about it.”’ (Group Three Interviewee)

If there is a possibility that the feedback from survey instruments could result in a misleading conclusion on staff performance it is considered as a reliability issue. For example, one Group Three interviewee contended that the performance measurement tools, that is, SFT of SFU may have provided misleading information and negatively impacted on a staff member’s performance:

‘I think that people felt that they were being used sometimes [in] inappropriate ways... so that’s information that was being gathered could be used against staff members where management felt that staff weren’t performing as well as they would like.’ (Group Three Interviewee)

On the other hand, irrespective of the validity and reliability problem there were other issues related to the nature of the core activities such as academics’ marking criteria, difficulty of a particular unit, number of units taken by a student and similar other conditions that affected individual staff performance. In this research context such issues were categorised as situational. One interviewee commented for example how a situation like academic marking criteria affected teaching feedback:

‘I mean no survey’s perfect... it doesn’t accurately reflect sometimes the teaching ability of people. I mean I have a reputation for being a hard marker.’ (Group Three Interviewee)

Based on the above categorisation Table 6.7 shows interviewee comments on the operational limitations of the PMs.
### Table 6.7: Operational limitations of teaching and learning performance measures

<table>
<thead>
<tr>
<th>Staff attitudes on SFU/SFT/CEQ</th>
<th>Issues</th>
<th>Interviewee Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student as evaluator</td>
<td>Validity, Reliability</td>
<td>‘the sort of feedback of students were giving might not necessarily relate to... holistically to the teaching.’</td>
</tr>
<tr>
<td>Timing impact</td>
<td>Validity, Reliability</td>
<td>‘one thing I did have concern about when they [the surveys] are given out.... You don’t handed out the week after they’ve just got an assignment back and done really badly, they are gonna be angry’ (Group Three Interviewee)</td>
</tr>
<tr>
<td>Nature of data used in survey for evaluation in SFT/SFU/CEQ affects student feedback</td>
<td>Validity, Reliability</td>
<td>‘Well I think it’s very quantitative and lacks qualitative measures that can consider different variables.’ (Group Three Interviewee)</td>
</tr>
<tr>
<td>Use of Broad Questions</td>
<td>Reliability</td>
<td>‘I know that staff felt like that these were very generic sort of questions and didn’t always get the right sort of answers’ (Group Three Interviewee)</td>
</tr>
<tr>
<td>Survey forms are complex and lengthy</td>
<td>Validity</td>
<td>‘these forms have to be simple for students; not too many pages. To get to a point, within five minutes they should fill out a SFU. If they gave me too many SFUs and there were too many forms attached to them, I’d go “not again” and just get rid of it. You gotta simplify these SFUs, SFTs, and everything else.’ (Group Three Interviewee)</td>
</tr>
<tr>
<td>Number of SFT/SFU need to fill by students</td>
<td>Reliability</td>
<td>‘as I said, after a while when very big classes that were in say the business school, the students could be any ___ of being surveyed, not only by their lecturers but by their tutors. So potentially if they have four subjects they gonna have eight evaluations to be done and some staff felt that the students treated them superficially.’</td>
</tr>
<tr>
<td>Students use same form for different units reduce affect validity and reliability of student feedback</td>
<td>Validity and reliability</td>
<td>‘The formal surveys were not effective enough to highlight the performance of staff and to some staff it lost validity due the repeated use of the same by the students at the end of the semester, they had to complete the same form on several times and some staff believe that student ‘treating their responses in a disrespectful ways.’ (Group Two Interviewee)</td>
</tr>
<tr>
<td>Difficult unit get low performance rating</td>
<td>Validity</td>
<td>‘You can extremely good teaching and these operating measures don’t look good.’ (Group Three Interviewee)</td>
</tr>
</tbody>
</table>
The above table shows the limitations of the PM tools identified by academic staff experiences that may have negative impacts on their performance and consequently affect the achievement of strategic objectives.

Although the majority of Group Three interviewees pointed out the limitations of the T&L performance measures, overall they agreed to have some of these measures worked as guidance on their performance and pointed out some benefits of having such performance measures. The interviewees in Group Three believed that despite lack of support from the University overall staff performance was improved and negated any contribution of the strategic push for the improved performance:

‘Our graduate satisfaction, the SFUs or the CEQs, are high. We do well. The satisfaction of the degree at the end from the students is great and that’s despite not getting funding or support.’ (Group Three Interviewee)

Some interviewees believed that the T &L PMs had some motivational impact on the prolific academics having sound teaching and research profiles. A number of them
believed that formal adoption of these measures in the performance evaluation process helped them to attain their individual goals:

*Oh well I would ... I would ... ammm ... use that in my promotion applications to show how good I was, I got quite high SFTs and so I would show the percentages of you know how ... what percentage I was on 90 percent or whatever it was and I would also if there was ever a task that or an item that wasn’t strongly responded to I would then use that to feed in to my teaching and make some changes to improve next time and then you can show that in your promotion application.* (Group Three Interviewee)

It appears from the above comment that the interviewee utilised the PMs to achieve her personal goal; the formal performance tools did not encourage her to be more productive as the interviewee was productive before the adoption of the 2004–2008 strategic plans and always received good feedback from students. It indicates that the Teaching and Learning strategies did not increase her performance in this area; rather, she had already achieved that level of performance. Therefore, the PMs may not have encouraged goal congruent behaviour on the part of the above individual.

Another interviewee contended that it is equally true for the University as well; the purpose of adopting the measures was not to achieve goal congruence. According to the interviewee, the University only used it for external reporting for legitimacy purposes to ensure its funding supply, the performance evaluation did not have any significant impact on employee efficiency.

It was revealed that the limitations identified in Table 6.7 created tensions among some interviewees about the negative evaluation of their performance. It was also revealed that number of interviewees adopted their behaviours to avoid the negative impact. Such as a senior academic who shared her experience as follows:

*I’m sometimes thinking whether I’m disadvantaging myself when it comes to giving out these teaching surveys. Students can... I’m phobic that students may get at me in terms of a lower grading.*
'These surveys are not 100% waterproof. And I heard of some people to give slightly higher marks to get a good survey result.' (A junior academic)

To get rid of timing impact one interviewee commented that she cautiously select the distribution time of the surveys.

**Findings**

The above analyses show that the overall perception of academics is negative on the T&L performance measurement systems. A significant number of them displayed lack of confidence on the performance measures as it does not reflect their performance appropriately. Rather they rely more on the internally developed performance measurement system rather than the broad university performance measurement tools. It was also identified that many staff have developed decoupling behaviour to minimise the negative impact of the performance measures. The performance measures were not adequate for achieving goal congruence between the organisation and individuals and the T&L learning performance measures had limited impact on increasing excellence of academic staff. The next section will analyse staff comment on research operating measures.

**PART THREE: Impact of the MCS on Attitudes and Operational Behaviours**

**Introduction**

As outlined earlier, Group One responded to the external pressures by introducing new management control systems with both new resource allocation models and more focus on formal performance measurement and reporting. The intent was to improve the teaching and learning, research and community engagement. The emphasis was on improving the quality and quantity and thus achieving greater
efficiency and effectiveness. To see whether this was achieved research question three is addressed.

**Research Question 3**

*Whether/how the revised MCS changed (or did not change) their operational attitudes and behaviours in implementing the university’s strategic priorities?*

In answering on the ‘whether’, ‘how’ the interviewees related their experience to their operating environment. Overall the interviewee comments were mixed and detailed. The analysis of this chapter is based on the assumption that attitudes usually reflected through behaviours or deliberate inaction. Therefore the discussion in the following section presents the analysis of staff comments on the sources that had impacted on their attitudes. The next part presents an analysis on how the changed attitudes were reflected in their behaviours.

**6.6 Impact on Attitudes**

The analysis on Part I and Part II showed that overall there was negative attitudes among Groups Two and Three level interviewees on the way the strategic changes were accommodated within the organisation. Similar patterns were reflected in their comments on the changes in attitudes and behaviours at the operating levels. The interviewees at all levels shared their perceptions of changes in attitudes.

Section 2.6 of Chapter Two presented the basic idea and the relationships between attitudes and behaviours. An attitude has been considered as the way people feel inside about something either negatively or positively about any strategy, policy or program and behaviour as the way people respond in light of their attitudes. The discussion of this part presents staff attitudes on (whether) the changes in MCS impacted on their attitudes and how the attitudes were reflected in their operating
behaviours. The following behavioural impact was identified from the interviewee responses to the change process.

Part One of this chapter revealed that the attitudes of top management were mainly shaped by the external environmental pressure rather than the internal stakeholders pressures. The adopted broader view (attitudes) towards the whole change processes compared to other two groups that was reflected in their perceived role as change agents of the organisation.

On the other hand, middle management’s attitudes were shaped by their implementation challenge being in a pivotal role in the change process. Their attitudes were shaped by the pressure from the top management (Group One) as professional managers and pressure from the operating level as a negotiator of the implementation process. With their roles of implementer and negotiator they have adopted a balanced attitude that was reflected in their operating behaviour. Such as a number of managers in this category developed silent behaviour as a strategy for coping with the pressures from the top management. The behaviour of the middle management are similar to what Morrison and Rothman (2009) proposed in their research that silence results from the combination of the cognitive, affective and behavioural effects of managers being in a position of relatively high power and subordinates being in a position of relatively low power.

For Group Three, a number of impacts of the changed process and the new management control systems shaped their attitudes. From the interview process a number of sources mentioned by the interviewees are presented below.
6.6.1 Staff morale

One Group Two interviewee involved in the implementation process commented that around the 2004–2008 strategy implementation there was significant turnover of senior staff, discontinuation of courses due to restructuring of academic programs that resulted in decreased staff morale at the operating level that had shaped their attitudes negatively. However, the interviewee contend that the situation changed once the University was able to reframe the programs and hired new staff and the staff managed to regain their morale:

“Well, I'll give a comparable example. At one stage we were having difficulties also redesigning our design program and the level of demoralisation amongst staff led to the program losing students because that was just communicated so effectively, and at the point that the program was finally able to reframe itself and some staff left and we recruited some new staff and morale turned around, directly fed into a better quality experience for students and the students started coming back to the program in greater and greater numbers” (Group Two Interviewee).

What is important in the above comment is that the low staff morale was also inflicted on students and resulted in a loss of students. The same interviewee continued with another example of the same phenomenon.

A Group One interviewee also agreed that the turnover of senior staff and appointment of new staff in the leadership positions created negative attitudes among staff.

‘I think the change in attitude, I think, was partly with the appointment of those school heads.’ (Group One Interviewee)

On the question on the change in staff attitude a Group Two interviewee believed that behind the low morale there was leadership issue; there was problem with leadership at the Deans and Heads of Schools levels.
A Group Three interviewee mentioned a number of reasons that shaped their attitudes towards the new MCS:

“It’s become more structured, more inflexible, more down... downwards... less true consultancy... and I think there’s a huge resistance between staff and upper management now. Upper management are distrusted. They’re seen to be telling lies. They’re seen to have a ___ that the workers have no idea what it’s about. They have failed abysmally to communicate if they meant to... what their overall goal or plan was and why they were doing the things they were doing” (Group Three Interviewee)

The above comments indicated a number of elements responsible for staff developing negative attitudes and how they displayed those through resistance. The issue of trust mentioned in the above comment is elaborated in a separate section. Also the comment that introduction of more formal control made the traditional systems more inflexible, and the lack of appropriate communication were sources of negative attitudes.

6.6.2 Performance measures (KPIs)

Some participants in Group Three had traditionally relied more on the informal evaluation rather than the formal ones as it reflected their performance more accurately:

‘Yeah we use our own internal evaluations and programs. Well the questions are more targeted and they don’t go through so much of the approval process of survey’... (Group Three Interviewee)

However, from the above comment it does not indicate that staff did not want to use the formal KPIs but they use if for reporting purposes only.

In regard to the Teaching and Learning measures most of the interviewees commented that teaching performance measures, that is, SFT/SFU was a positive process to measure their performance through student evaluations. However, some
interviewees commented that lack of effectiveness of some important operating measures was the source of negative attitudes. According to them, the PM tools were good initially but it started to break down due to way it was used to measure staff and student’s satisfaction and the timing of collecting feedback from students. They argued that the PM tools unduly impacted on some staff members’ performance due to negative feedback and was a source of negative attitudes. Usually at the end of a semester a student had to complete significant number of surveys for different units and feel burdened and some staff felt that they treated their performance superficially. The following show how some of Teaching and Learning measures impacted on staff attitudes and how some of the staff have modified their operational behaviours to cope with it.

Table 6.8: Operating level staff attitudes towards teaching and learning measures

<table>
<thead>
<tr>
<th>Sources of negative attitude</th>
<th>Interviewee comments</th>
<th>Behavioural modification tactics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timing of conducting the survey: the surveys conducted at the end of the semester</td>
<td>“I would ....use that in my promotion applications to show how good I was, I got quite high SFTs and so I would show the percentages of you know how ...what percentage I was on 90 percent or whatever it was and I would also if there was ever a task that or an item that wasn’t strongly responded to I would then use that to feed in to my teaching and make some changes to improve next time and then you can show that in your promotion application” “Yeah if you want to get promoted you have to be very focused on... Yeah they are strong levers for me ...”</td>
<td>Selecting distribution time carefully: “one thing I did have concern about when they are given out so I made sure that I always control the timing of the handing out of the SFT for example I made sure that I didn’t handed out the week I after I gave them their first assignment when I got bad grades. You don’t handed out the week after they’ve just got an assignment back and done really badly, they are [not] gonna be angry...” “Yeah that’s right towards the end of the semester but I would make...I just make sure it wasn’t around”</td>
</tr>
</tbody>
</table>
I think students... if they fill it at all they put what they think I don’t think they just go tick tick tick I think if they want to do that they just won’t bother ..”

“I think because we do too much of it. Just think most students here have to do four SFUs and four SFTs every semester. They’re in overload. They’re bored with it. They just fill it out, tick the box. They give no real thought. Right? Then of course you always get the students who just... unless they’re doing poorly in the unit... they just write... blame somebody for their poor performance. How do you stop that happening?”

Number of surveys a student need to complete in a semester:

“So nobody really knows how good or bad I am except students colour in a little box. Now if they just got their assignment back and they didn’t do well, I’m not going to do well in my little box colouring in because that’s their perception... they’re not reading... and they do so many of them. They do 24 subjects in their arts degree, and about 12 or 16 for their masters degree... they’re over it... I mean, seriously, if you did four a semester... some of our students did six a semester... and you have to fill it in six times...”

Level of difficulty of the unit taught

“The interesting thing is, and what I’ve noticed over the years, SFTs were not seen to be the only ___ major mechanism ___ they went in good teaching.

Negligent/ ignorant

Dismiss:

‘when I look at my SFTs, I don’t look at the numbers... I look at the comments... because the
<table>
<thead>
<tr>
<th>Nature of performance data used</th>
<th>Evaluation by students</th>
<th>Can be manipulated</th>
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</thead>
<tbody>
<tr>
<td></td>
<td><strong>Because this could be very subjective depending on the cohort of students you’ve got, the level of subject you’ve got… if it’s a difficult subject… so, in many of the questions, it seems some of the results get skewed”</strong></td>
<td><strong>Well I know some students… some academics in the past who have skewed those results by going through the actual SFTs and pulling out the bad ones… because they know the university…</strong></td>
</tr>
<tr>
<td><strong>Comments… it depends how well the student’s filled out the survey and if they’re in survey overload. I don’t think that’s the best way to assess good teaching”</strong></td>
<td><strong>Yeah, I don’t want the student to evaluate… well, I don’t mind if the student evaluates me, but I want to be evaluated by an independent student or independent academic or somebody from teaching and learning. I don’t have a problem with that.”</strong></td>
<td><strong>You get greens by dumbing down the content. Making your assessments easy. Giving students information about final exams. Students love that. They pass, it’s easy. Green lights.”</strong></td>
</tr>
<tr>
<td><strong>Evaluation by students</strong></td>
<td>“<strong>How can you get a student evaluation where one person says you have to have a wonderful sense of humour and great in the classroom… and the same cohort of students says lack any sense of humour, boring, dull. Now that’s when they’re sitting in the same room… how can they be so different if they’re valid?”</strong></td>
<td><strong>“You get greens by dumbing down the content. Making your assessments easy. Giving students information about final exams. Students love that. They pass, it’s easy. Green lights.”</strong></td>
</tr>
<tr>
<td><strong>Nature of performance data used</strong></td>
<td><strong>“I think the CEQs generally speaking I think they’re only interested in the numbers and not the underpinning quality. They’re looking for somebody to blame if things aren’t right. I think that’s that a major mistake that they’ve made”</strong></td>
<td><strong>“You get greens by dumbing down the content. Making your assessments easy. Giving students information about final exams. Students love that. They pass, it’s easy. Green lights.”</strong></td>
</tr>
<tr>
<td><strong>Construction of the survey</strong></td>
<td><strong>“So many points for this, so many points for that. And very little weight is carried on the qualitative aspects of evaluating teachers.”</strong></td>
<td><strong>“You get greens by dumbing down the content. Making your assessments easy. Giving students information about final exams. Students love that. They pass, it’s easy. Green lights.”</strong></td>
</tr>
</tbody>
</table>
In terms of research measures the attitudes towards the research measures were more positive. Moreover, compared to the teaching and learning activities the funding for research activities were more and government performance measures for the university were also transparent. However, in some instances the measures encouraged decoupling behaviours by some staff. One interviewee in Group Three, for example, observed that ‘research output’ performance measure was not reflective of research performance. According to the interviewee research performance in the formal reporting can be misleading and staff could be recognised on the basis of research output without being genuinely research active. The interviewee believes that the way university use the idea, it is easy to be labelled as 'research active'; one publication a year is enough. However, according to the interviewee to get promoted this target is not enough as it was mainly the informal evaluation process that considered qualitative aspects of publication used for promotions. So according to the interviewee you need to be an active researcher and have lots of publications to get promoted.

“It indicates that many staff managed to survive the PM level just by being engaged in some sort of research activities. However, for promotion they need a different level of output. The PM is a kind of levers to keep them engaged in some sort of research” (Group Three Interviewee)

It has been observed that most of the active researchers interviewed were producing highly whether there is PM or not. From this perspective, two types of research staff can be observed, the first one is the ‘active researcher’ and the second type is those who are ‘research active’. The active researchers are those who are already producing research regularly irrespective of the implementation of ‘research output’ measures. On the other hand, the ‘research active’ staff exhibited decoupling
behaviour by being research active but not intrinsically motivated to do research, they just tried to fulfil minimum requirements to secure their positions.

“Research active is not a particularly high benchmark just pulling up, back then you didn’t have to be like label research active I think it was one publication in a year ... If you want to get promoted that’s another thing entirely. So people that were wanting to get promoted particularly on their research output as a strong part of that promotion they almost certainly would have spending their holidays and evenings and I don’t think that was standard.” (Group Three Interviewee)

The above comment indicates the existence of informal evaluation for promotion and the formal set of KPIs are not enough to get promoted and is used for legitimacy purposes by the University. It was also identified that the formal implementation of the research performance measure did not change their research performance for ‘active researchers’ as they were inherently motivated to produce quality research. However, it does not indicate that the performance measures changed their attitude and behaviours.

“‘No the operating measures weren’t my guide, getting promoted was ...’” (Group Three Interviewee)

On the other hand, the ‘research active’ staff viewed these measures as a means to ensure job security displaying legitimate behaviour to the management pretending to be research active; not inherently motivated to do research. The similarity in both types of staff is their different attitudes motivated them to behave is such a way to attain their self-interest rather than goal congruence.

**6.6.3 Internal resource allocation process**

One of the common sources of forming negative attitude was the internal resource allocation process. It is revealed that the internal resource allocation process shaped the attitudes of staff at all levels. Section 6.4.5 of Part Two shows that top management attitudes were also shaped by the resource allocation process that was
reflected in their considering it as a lever of control. On the other hand, mid-level management attitudes were shaped by implementation of the budgeting process. It was revealed in Part Two that a significant number of mid-level managers displayed negative attitudes towards the resource allocation process. With the major role as implementers the participants in this group complained of a lack of funding and lack of decision-making power for implementing their plans at college and school levels.

For Group Three, it was already identified that the resource allocation process affected the attitudes and behaviours of a significant number of the operational staff (see Section 6.4.5 in Part Two).

*Teaching and learning vs. research strategy conflicts*

It has been mentioned previously in Section 6.3.3 that the teaching and learning strategy and research strategy are in some way creating conflicting situation for academics in attaining relevant strategic goals (individually and for the organisation as well). It has created behavioural impact on both teaching and research intensive staff. Such as one Group Three interviewee who observed that many research active staff used their personal time to attain their research goals:

“I think most professional academics generally work much more than 37 hours, but we’re not Robinson Crusoe. You know just about every profession I know... So yeah, I think a lot of these get done in their personal time... probably particularly this as well” (Group Two Interviewee)

Based on the above analyses it is apparent that the MCS had impact on staff attitudes on the staff at different levels. The following section presents how the above-mentioned attitudes influenced their behaviours at operating levels.
6.7 Behaviour Impacts

A number of behavioural implications of staff attitudes were identified that can be considered as corroborative evidence to the contemporary literature, that is, politics, professionalism, conflicts and collegiality, trust, resistance and competition. However, it is believed that in this research an additional understanding was gained on academic resistance probably not covered by the previous literature in such detail. The interview process revealed several reasons for resistance, modes of resistance and using silence as a form of resistance that was either overlooked or neglected in the management research context even though such could affect strategic imperatives of any organisation. As outlined in Chapter Three, the behavioural display of resistance will be viewed and interpreted through the Silence Theory (ST) perspective (Brinsfield et al., 2009; Morrison and Milliken, 2000).

The following section presents details of changes in staff behaviours.

6.7.1 Resistance

*It is not the case that a man who is silent says nothing.* – Anonymous

*It doesn’t matter what you think. Words are found responsible all you can do is choose them or choose to remain silent.* – Adrienne Rich

The senior management interviews conveyed the impression that there was little to no resistance to the changes. While some on Levels Two and Three were of a similar opinion, there were a few at Level Two and a significant proportion of Level Three who thought there was substantial resistance. What was disclosed was the level of silent resistance.

Graham (1986) identified ‘Principled Organisational Dissent’ (POD) as a form of individual behaviour in an organisation that involves a conscientious
objection to violations of legal or social norms within an organisation. In his model Graham (1986) proposed six unique forms, two of which are relevant to this research. In these two forms the employee either remains silent and stays within the organisation or leaves quietly (Brinsfield et al., 2009). Both those types of behaviour were observed among the university staff. The following sections present staff perceptions on the nature and intensity of resistance.

**Intensity of resistance**

Interviewee comments from different levels revealed that they had mixed perceptions on the intensity of resistance. The researcher observed that the perceptions on resistance were different among the participants and the mode of resistance was interpreted by each group differently. Group One interviewees did not consider that the level of resistance was strong. Groups Two and Three participants’ comments were mixed (strong, mild or weak), and within those two groups there was considerable variability in views on the level of resistance.

**Perceptions of Group One**

By resistance the Group One participants mainly elaborated on the formal resistance event that was instigated through union movement during the adoption of new Enterprise Bargaining Agreement (EBA). Overall all the interviewees in Group One considered the level of resistance as either very low or almost none:

“I don’t have any memories of it being strong resistance” (Group One Interviewee).

The above mention union movement during the signing of EBA was considered by them as a normal outcome of changes and was manageable and a majority of them believed that it was limited mainly among the academics staff:
“the resistance was in different forms and it came mainly from the academic staff. Administration staff didn’t complain about it because it didn’t affect them in that way. Some of the resistance came due to the general habit of opposing changes and also people were tired of too many changes. – “we’re gonna do this, we’re gonna do that” – they didn’t want to. Sometimes, some people, the first response would be “no, no, no, just go away” (Group One Interviewee).

“it wasn’t storming the barricades and “we’re gonna burn you down”, I think... “but we’re not real happy with this, you are forcing us to do such and such.” “Well the reason we’re doing this is because blah, blah, blah, blah. Here’s the go. This is why it’s happened” (Group One Interviewee).

One Group One interviewee agreed that changes in leadership were a cause of resistance:

‘So, at some level, every part of the institution was bedding down quite big changes in the way people did things and each of those changes brought new heads of department. New journeys, staff and their daily round of teachings involved different routes. Right... [The university] is a fascinating institution in that way. Sometimes there would be quite a lot of change fatigue.’

It appears from the above comments of Top management the intensity of resistance behaviour was not a noticeable issue. Their focus was on formal resistance in the form of union disputes and on occasional feedback from Group Two.

**Perceptions of Group Two**

On the other hand, the mid-level attitude towards resistance was mixed; it was observed by the researcher that their views on resistance were influenced by the new roles and responsibilities defined in the new control structure and they reflected on it as an implementation challenge. It was mentioned previously in the ‘Levers of control’ section in Part Two that this group (Group Two) were considered as the most crucial element of control along with the resource allocation process. They had to play dual roles from their position within the organisation as executive/deputy of the senior management and at the same time as negotiator with the operational staff.

It was revealed that this group was exposed to the informal resistance from the
bottom where most of the time it was dealt with and diffused at the college level by adapting their managerial style while participating in the negotiation process of the formal resistance movement, that is, the Enterprise Bargaining Agreement (EBA). Unlike Group Three, any resistance from this group were rare and only informal. The newly appointed individuals as executive officers had to deal with keeping motivation up during the dispute stage and enforcing changes when the agreement was signed off by top management and the unions. Therefore, in addition to commenting on the formal resistance the interviewees in this group also commented on informal resistance they faced from the operational level of academics.

It was indicated in the ‘Problem statement’ section of Chapter One that introducing managerialism into 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). It was identified from the interviewee responses from the middle level staff that one of the problems they faced was lack of timely responses from their subordinates (Group Three). Some participants display a sympathetic attitude toward the display of resistant behaviour by the operating level academics; they also considered the intensity of resistance as minimal:

‘Well, traditionally reactions are that dedicated staff continued to provide the students the best possible service under the conditions. The dedicated educators, the dedicated researchers still got on with their job. Staff, younger staff, staff that were seeking to excel in teaching or research found that their resource reduction over time frustrated their ambitions so that’s where it occurs’ (Group Two Interviewee)

Some implied the validity of the resistance when they considered how the workload affected the achievement of teaching and learning goals due to a lack of funding:
‘Oh, well, there was certainly... the questions related to quality and the... they caused some tensions... What created the tension and resistance was the inability of the faculties to be able to express their financial requirements for supporting their ___ which was teaching and community engagement. That they weren’t able to set up their building blocks for that, build a budget, and then go forward, and negotiate with the executives through the budget office what they required. Year after year, they were being given a lot of money and saying, “Well, you were operating within that framework”. ’ (Group Two Interviewee)

Another interviewee also believed that the workload created imbalance in their academic lives, to prioritise between research and teaching and meeting the organisational goals created tensions for them which was also a reasonable cause for resistance.

“there’s a tension between these goals too. I mean research is traditionally the way... performance in research is traditionally the way academics move up the status pole and get promoted and that sort of thing. In terms of prioritising one’s time, I think generally speaking it is easier to get academics to engage and prioritise that dimension of their work over the teaching and learning and probably the engagement... definitely over the teaching and learning...So that’s where part of the resistance comes from and I do think that academics’ workload and the requirements of academics has increased exponentially over that period of time and subsequently...”(Group Two Interviewee)

“Well the main one... I mean my sphere of influence has been mainly in goal one and some of these I suppose in terms of progressing this strategic goal around teaching and learning. The main resistance that I get is that they don’t have enough time and it’s not a high priority for them. ” (Group Two Interviewee)

One interviewee believed that any sort of resistance mainly came from the academics only and not from general staff, according to interviewee, in some cases the general staff had more understanding of changes than their academic colleagues:

“Oh it’s primarily academics... general staff less involved. The only general staff who were involved were the technical support staff and some of those staff were more able to recognise the need for change than the academic staff.”(Group Two Interviewee)

However, only one interviewee in this group did not consider that there was resistance from the academics against the changes:
“no, I don’t think there was resistance really. I don’t think so.” (Group Two Interviewee)

Rather, they believed that internally the strategic changes created different reactions among academics, that is, tensions. For instance, in commenting on the implementation of research performance measures, the interviewee observed the following:

“People that were research orientated said that was a good idea. People that were teaching orient[ed] – thought that there’s a bit of elitism. However, that’s normal. It wasn’t unexpected.” (Group Two Interviewee)

The above interviewee observed the reactions of teaching focused academics as follows:

“I think they most probably just verbalised, but did nothing about it. They just like... they didn’t increase their own output; didn’t try to become involved, and just complained. It’s normal human nature.” (Group Two Interviewee)

Another Group Two participant observed that many academics level staff adopted the attitude of resistant, avoidance, protesting overtly, non-participation or delay in response. It also indicated that there was resistance in different forms throughout the 2004–2008 strategy periods. In the Group Two section on change, it was mentioned that this group seemed to have displayed a more equitable view of the resistance due to their close interaction with the other two groups, to some extent their views on the resistance differed from Group One.

The above type of resistance experienced by the interviewees is related to the avoiding strategy identified by Oliver (1991) where the individuals show their resistance by not becoming involved with the changes process.

It is revealed from the above perceptions of the Group Two interviewees that they have mix reactions on the cause of resistance but have more detailed
understanding on the causes and form of resistance. It is also revealed from their comments that whatever the level of intensity of resistance was, it created challenges for them in the task of implementation of strategic goals and operating measures.

While commenting on resistance it was observed that they referred to the behaviour of operating level especially academic staff only. Although a significant number of the mid-level managers shared many issues related to their levels of operation however, they did not indicated any type of resistance from their level. Edwards et al. (2009) contended that employees may not share their input and concerns when they perceive that (the attitude of) their supervisors are not open to input from employees. There are interviewees in this category, that is, Deans, Associate Deans and heads of Schools who indirectly displayed concern with the lack of resources to achieve their key performance indicators but did not comment on resistance at their level. A probable reason as already indicated in Part Two of this chapter was that their roles and responsibilities could be a barrier for considering the display of such resistance behaviour.

Another approach observed among the Group Two participants was an “attempt to direct top management attention by providing or concealing important information about issues, by forming the issues in particular ways and by mobilising resources and routines that direct top managers’ attention to some issues and not others” (Dutton and Ashford, 1993, p. 398). It was mentioned in this chapter many of the middle managers, that is, the Deans and Heads of Schools were appointed at that time when many staff at the same level were made redundant or resigned. The newly appointed individuals at that time were termed as executives rather than academics, and hired to fulfil the targeted tasks under that strategy implementation process.
Perceptions of Group Three

It was indicated at the beginning of this Part that the most detailed information on the impact of MCS on individual behaviours was shared by the operating level academics and their perceptions on the intensity of resistant behaviour was also varied. Similar to the perceptions of the above two groups, a majority of the interviewees at this level commented that they did not observe any strong resistance on the changes. However, a significant number of participants perceived that that there was some sort of resistance and most of the resistance were of an informal nature rather than formal.

‘there was robust resistance ‘evidenced from their meeting’ (Group Three Interviewee)

In addition to reflecting on the formal resistance, the majority of the Group Three participants reflected on different modes of resistance that were overlooked or ignored by the top (Group One) and even neglected or diffused by the mid-level group (Group Two). Some interviewees believed that the display of resistance was very normal and expected matter because:

‘A lot of the people and all of the members had been there for a long time so were very entrenched in their ways of doing things and how they did things. That’s hard to change, but they had no option. Alright?’ (Group Three Interviewee)

Some interviewees observed low resistance in their areas instead of significant level of dissatisfaction among academics due to a high level of trust based on the perception that their manager had taken their case to upper management:

“The person who would take it would be our head of program... She would take it to the dean and she would get knocked back, knocked back, and knocked back. She fought for us the whole time.” (Group Three Interviewee)
The above interviewee comment reflects the trust of the mid-level manager. It appears that the mid-level manager’s role, their leadership style in the negotiation process had some impact on the intensity of resistance. However, the interviewee also contented that there were two reasons for low resistance. First, sometimes the middle managers were silent because of the fear of not getting promoted. Second, the leadership quality was not good enough to put an effective resistance. The interviewee believed that the leadership style of the dean in their discipline was arrogant and also a dominant male (gender issue). As the interviewee noted most of the staff are female but the higher ups are mostly male. Some interviewees also believed that job security was another reason for lack of resistance:

“And jobs always, you feel fairly tenuous... maybe you’re not going to be there forever. People go, “I don’t want to complain because I might be going for promotion”, “I’m not gonna rock the boat”... “I’d just keep doing my job” (Group Three Interviewee).

Contrary to the above views, some interviewees believed that there was strong resistance at their operating levels. The ways staff resisted the changes was quite strong:

“Ahhh ... yes, there is always resistance ... in strike ... I would say in some areas quite strong, quite strong.” (Group Three Interviewee)

However, the researcher observed that staff had different perceptions on what constitute a strong resistance. Such as, some of them considered the leaving of the job as the robust form of resistance and informal discussion among colleagues as the weakest form on the other extreme. While some other recognised the same as strong or weak or no resistance. The responses received from the participants are varied the following table shows their perception on the resistant behaviour due to changes in
the MCS. The staff at this level also commented on the possible reasons for resistance which is provided in the following table:

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Responses Group Three Interviewees</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost cutting policy</td>
<td>“They can’t cut courses they had committee they sat and they sorted....that was gone ... that was gone and there was a lot of resistance because people’s favorite units that they taught for 25 years are suddenly cut and they had to learn new things and teaching new subjects.. so there was a lot of resistance”</td>
<td>The cost reduction policy of the university was implemented through the resource allocation process for the core activities. It was already mentioned in Part II that the Teaching and Learning activities was the highly affected one.</td>
</tr>
</tbody>
</table>
| Fear of job loss due to new KPIs | ‘Ah yes they started to implement the student feedback and I remember when there was a lot of uproar about the student feedback ... and when they were first introduced there were a lot of academics were very fearful that they were now going to be evaluated’  
‘there was some staff were fearful if they got bad review from students they would get... sacked, they were frightened about their jobs.” | One of the reasons for resistance among academics was that they were not familiar with this culture in their operating environment. One example was the use of student feedback for teaching and learning. |
| Workload                  | “Oh yeah nobody like workload when they came in.... they go along to the meeting... pound the table and the union ... get involved ... so work plan work was the big area of resistance.”  
“academics are over assessed; assessed, assessed every - if you look at our workload it drills down to - as I say, 0.04 minutes per word. You just think, seriously? Then we get student feedback on units, student feedback on teaching, academic performance reviews. Everything from what are you doing as far as ERA goes? Tell us how you’re going. Let’s match you - plan your workload for a year ahead. It’s - we are like factory workers and we’re being micromanaged and people really do resent that.” | It was one of the most frequently indicated reasons by many academic and Group Two participants that the workload was the source of tension that resulted in resistance. Even some staff also believed that lack of resistance was linked to their increased workload as they could not concentrate on other things because achieving balance with their work life and personal life was major priority to them. Some |
“So it depends. I think there's a resistance to changing that they - there's a real belief that more is better. So if you put more and more into the curriculum that makes it better. Well it doesn't. It just doesn't. For students you want them to have really solid conceptual understanding of things. So research should be one of them, your professional responsibilities. They can't know every detail and they shouldn't. They shouldn't.”

academic also believed that such resistant attitude might have affected the achievement of performance targets. It also provides a new insight on how resistance is linked to workload and reflected via performance measures and may have affected the achievement of the strategic goals.

**Resource allocation process/ Budget**

“So there is a fundamental problem with the effectiveness of the budget that goes with the strategic plan like that, that it doesn’t review where the current money is and it doesn’t concede to put more money into the general teaching it always goes into something additional. What happened after 2008 is that they hired an additional staff member for engagement who was not teaching but not supporting the staff in developing engaged courses; well, what the hell did we have the person for? So that's a systematic problem these strategic plans and the budget related to these strategic plan have.”

It was observed by the researcher that many Group Three-level staff complained about lack of consultation. Although all information regarding the strategic changes at operating levels were communicated among staff; however, the majority considered them as information sessions where there was no, or a very narrow scope of, consultation.

**Change Fatigue**

‘There was a lot of resistance. A lot of resistance when the policies were being developed and each year the work plan policies used to be revised extensively and there was ... lot of ... Oh they just ... oh endless waste of time always people were complaining about it and meeting to talk about it and trying to get things written in the work load agreement and things like that.”

“Yeah, well, I mean increasingly universities are having to try and implement a range of things at the same time. I think sometimes what happens is we’re pursuing that particular goal and we’re also pursuing this goal and sometimes... you know, there’s not an integration sometimes... and sometimes one goal can butt up against another one and

Operational staff especially the academic staff developed negative perceptions about the changes because all the major changes had negative impacts on the workload. Therefore, any new changes were viewed by them as imposing additional pressure on the existing workload which according to some interviewees was the reason to develop a “neglect” approach towards changes.
stop the achievement and that... I think, you know, that happens quite often and I think people, certainly those academics, feel pulled in lots of different directions with lots of different... what they often see is bureaucratic, you know, sort of requirements, and I think what we don’t do enough of is trying to... where we can smooth those things out to facilitate sort of stuff.”

| Type of performance measures used | “in my promotion application my SFUs would never predict very good. I mean in [my school] they were always extremely high except for the ones that were just not good in teaching. ... the engagement ones never predict very good because they look at averages and they are always two or three students who really hates what you are doing and they ruin the whole thing. So I ... did not get my tenure because some of my colleagues felt my teaching was not good enough. Since then I every semester had colleagues visited my teaching, I had my unit outline discussion with a number of colleagues within the school ... I think these operating measures can be very misleading.” |
| In terms of effectiveness of the performance measurement (PM) tools, the majority of the interviewees conceded that it gave them some idea but it had many limitations such as it uses quantitative data, it can be manipulated in different ways, i.e., an easy unit gets good feedback and difficult unit gets low feedback in this way it affect the performance of a teacher inappropriately. |
| “I don’t think there are any measures in place. I think the goal is like a very aspirational goal, but I don’t think anything is put in place to achieve that goal.” |
| One prime example is the use of SFT, SFU and even CEQ which are assessed by students using quantitative tools. The quantitative measurement does not highlight their performance properly and are vulnerable to the timing, the nature of units and the nature of student cohort. |

As the above table shows, there are a number of areas that were newly adjusted in the MCS which impacted on the operating environment that affected staff attitudes. The interviewees shared their observation how they cope with the limitations. A majority of them commented on their experience, and on how the reacted and behaved. Only a
few of the interviewees mentioned that they did not observe any problem with the changes.

*Mode of resistance*

The immense variability and the intensity of the resistance indicate the impact of the control systems on operational level of staff. It was identified that there were both overt and covert forms of resistance at different levels and had impacted on their attitudes towards the performance measures related to the core activities.

The aggregated resistance patterns avoidance, denial, non-response (pretend to be ignorant) and cooling off (delay in response) is also related to the six categories of responses identified by Oliver (1991). At the operating level display of such attitudes was reflected in the operating environment of the three core activities.

Table 6.8 above shows a number of reasons for resistance, especially by the operating level staff. Based on the previous discussion and further analyses it is revealed that there was overt and covert resistance from staff. The overt resistance was displayed through formal channels, that is, through the union involvement during the workload agreement and was considered as not being strong enough. Although, some interviewees considered that as a strong form of resistance:

“and formal they go along to the meeting, you know pound the table, and the union were ... involved .. so work plan work was the big area of resistance.”

*(Group Three Interviewee)*

On the other hand, overt resistance was the informal way and was in various forms, that is, leaving the job silently, staying and working silently or defying or ignoring the organisational instructions in silence, being non-cooperative, and display of legitimate behaviour without being genuinely motivated to achieve the goals.
Interviewee comments revealed that such behaviour was adapted either individually or through informal groups.

The interview analysis of the Group One indicates that majority of the covert behaviours was either overlooked by them or neglected as a normal human behaviour that did not impact on the formal reporting and accountability. However, a number of Group Two interviewees shared their experience on how such ‘silent treatment’ (Brinsfield et al., 2009) from many operating level staff made their implementation task difficult. Such as, turnover of senior staff that left silently created a vacuum within the organisation and had affected staff morale. One interviewee for example commented on a program the University had to discontinue due to the non-availability of staff:

“A lot of staff had resigned. So there was no one left to teach the new degree.” (Group Two Interviewee)

The managers replacing them complained of a lack of cooperation in different forms by the operating staff:

“That there wasn’t an accompanying response in those cases. Or the response came too late. The other resistance was resignation. Staff would leave.” (Group Two Interviewee)

The new mid-level managers had to face challenges to convince some individuals or groups:

“It was failure to respond to the point… points made or failure to come up with a compromise between what had been done before and what was being proposed.” (Group Two Interviewee)

Some interviewees also shared their experience of covert resistance, that is, avoidance, ignorance, negligence, etc.:

“Well in terms of types of resistance, you know outright hostility and anger as opposed to passive resistance, those sorts of things… the whole gamut... often
embedded in “I just don’t have enough time”... you know... and “this is not something I’m particularly interested in doing”, etc. ... the common thing.”(Group Two Interviewee)

Interviewees at this level also agreed that such silent treatment in some instances affected the achievement of goals of the core activities as the decrease in morale of the academics also passed over to many students in some programs:

“Well, in terms of goals around student satisfaction, students weren’t very satisfied with the teacher arrangements for the programs. The students were also very resistant to the changes being proposed.”(Group Two Interviewee)

Some Group Two interviewees commented that the silent behaviour was observed in many staff that sensed loss of power due to the changes in the control and reporting structure:

“One that structure was put in place ... there was a whole raft of heads of schools with direct responsibility. Once your deans got put in place, you then got them having to drive further down. And it’s ... it’s a bit like having ... if you know what your boss wants, and the boss sets out “this is what I want”, and the boss has then got control over my success ultimately, then you’re more inclined to say “Okay, this is what you want, I’ll give it to you. And I’ll meet with you every six months to show how I’m giving it to you and you tell me if you’re happy or not ... performance reviews, they were called, happened to administration people as well.”(Group Two Interviewee)

As part of silence behaviour some staff silently went to isolation because:

‘That was one of the easiest ways to deal with the head of school that you didn’t want to see. You just… I come in here to see you today and there’s a message left with the school secretary that you were sick. I can’t do anything much [about]that can I? That the workload would drift for another month. And then we’d arrange another time and so on, and by that time the year was half over... well certainly one session was mostly gone.” (Group Two Interviewee)

“What I see happens... it doesn’t create competition, it creates silence. Nobody seems to be going for promotion, no one says they’re going for a research grant. It becomes, “This is my world and I won’t tell you” (Group Three Interviewee)

It appears from the above analyses that the display of silence in many cases is not always a sign of positive behaviour; rather it could be another form of resistance.
One of the attitudinal changes was displayed through the indication of resistant behaviour. Lack of visible protest does not indicate low resistance; rather, the covert style of resistance is traditionally used by academics (see also Anderson, 2006). The style of resistance also varies due to the culture, and type of individuals who populate a particular institutional and organisation environment. The nature of workload could be a possible reason for strong resistance.

What is important from the analyses is the intensity of overt silence. It seems that the application of silence strategy as a way of resistance in various forms by the operating level staff may not have been adequately transmitted back up the top or have been neglected as mild or no resistance. The interviewee analysis shows that it had impacted on the implementation of strategic goals. It was also identified in this research that employee silence is linked to the motivational state of some staff including some continuing staff. Interviewees also commented on a number of behavioural impacts they observed at the individual level. The details are provided below.

### 6.7.2 Collegiality and conflicts

Both Groups Two and Three-level participants considered that the traditional collegial environment was taken over by non-collegiality. Staff became more self-centred than before.

> “We don’t have collegiality. I don’t think. We had at the beginning, but not at the end of that period.” (Group Two Interviewee)

Interviewees in Group Three considered that the changes in the control structure affected their traditionally held collegiality and they experienced increased level of conflicts among staff. They believed that the collegial environment changed to a
conflict environment due to lack of informal control. For example, the following Group Three participant believed the increase emphasis on the formal control system in the new MCS had gradually weakened the traditional collegial (informal) forms of control.

“When we were smaller, it was better. We knew people. And people could ring you up and say, “This is the situation, do this, do this, do this” instead of [a] big anonymous world.” (Group Three Interviewee)

“I don’t think any of the more senior academics in this discipline who actually sat down with a junior academic and helped them to write a research grant or offered to be on the research grant with them. People in this area seem to be very ___. They look after themselves. They’re not collegial” (Group Three Interviewee)

Interviewees at this level experienced more conflict and politics in their previously held collegial environment:

‘Yeah, between colleagues, there [are] conflicts, there [are] politics, there is unpleasantness. It was a very... unpleasant environment from my point of view back at that time’ (Group Three Interviewee)

Some of the interviewees also experience increased level of stress in their work environment:

“Yes... when you came back to everybody and look at how many hours are you doing, how many hours they are doing, how many students have they got. People started counting and looking for equity amongst each other...I had a whole year off because I was so stressed and burnt out, I overworked and I felt so unsupported in my workplace and that’s all I knew to do was have a year off. So that’s what I did. That’s a quite a drastic thing is someone to do I was quite [unclear]at that time I really wanted that I would come back to the university you know so I had a year off and I did come back and I was good but it was a very uncomfortable and unpleasant world back then. ...’ (Group Three Interviewee)

It should be noted that although staff indicated the collegiality had evaporated however, not all most of them referred to just the 2004–2008 period, significant numbers of them believe that the strategic change process started back in 2000:
“I think over time – and again, this is not specific to 2004 to 2008. I think the collegiality have decreased over time because the decision-making has become more centralised” (Group Three Interviewee)

Interviewees at this level also believed that the increase workload and disproportionate allocation of teaching hours responsible for the deterioration of collegiality:

“You and I could be in the same school, teaching similar level units but I wouldn’t know why you’re teaching 18 hours and why I’m teaching 14 hours or why you’re teaching 12 hours and vice versa. When things like that start to happen, then of course collegiality decreases. You start to develop, not so much suspicion, but there’s favouritism and other issues” (Group Three Interviewee)

The above comments also indicate lack of trust of the mid-level managers and linked to tensions over academic overload. Some staff did not consider that it was the lack of gaol congruence that has increased the conflicts within the organisation.

6.7.3 Tensions, trust and politics

It was discussed in Part I that the reorganisation of the academic units had an impact on staff attitudes. It is also revealed that the general view of many participants that the reorganisation created tensions at different levels:

“There was certainly a lot of tension between the staff. All of a sudden we all had to teach the same thing. All of a sudden we had to do it the same way, same assessment methods. Everything had to be the same, whereas before we had latitude... academic freedom to do it our way. ... They didn’t like that” (Group Three Interviewee)

The following interviewee also believes that lack of leadership ability to implement the reorganisation was responsible for their tension:

“it wasn’t transitioned well and there weren’t any processes to help with the merger. I think it took a long time for the new unit to work together and to work effectively out in the schools as well. And I think that impacted on our ability to work effectively with the schools because the schools could see ... these tensions” (Group Three Interviewee)
One interviewee indicated that in their operating environment tension arose with the departure of senior staff due to the reorganisation of governance and control structure that also caused loss of power of some at school levels:

“Well I think it becomes... Well we had less staff. I mean people left... we got less staff so people retired and they weren’t replaced. The tension also came because our school merged with another school and the head we had for education did not get the position... the head of the other school got the permission... that’s the position. So eventually our head left... and went to... as dean of big things in other places." (Group Three Interviewee)

The new leadership in many schools created an issue of trust as the staff were not very familiar with the new leaders’ operating styles. The following section presents the scenario from a staff perspective. It was revealed that a number of participants believed that changes in the MCS in many ways created a lack of trust of the management. Interviewees indicated the workload, resource allocation process, leadership quality, frequent changes, and the performance measurement systems were the areas affecting their trust:

“Oh yes, yes I did. Cause I... I was head of school in 2004 to 2006, and that lack of trust in workloads was a really big issue.” (Group Two Interviewee)

It was mentioned earlier that with the new MCS there had been moving away from the informal collegial control to more formal control. The transition created the issue of communication and trust between the operating levels and the top:

“It’s become more structured, more inflexible, more down... downwards... less true consultancy... and I think there’s a huge resistance between staff and upper management now. Upper management are distrusted. They’re seen to be telling lies. ...the workers have no idea what it’s about. They have failed abysmally to communicate if they meant to... what their overall goal or plan was and why they were doing the things they were doing.” (Group Three Interviewee)
The lack of trust was reflected in the use of performance measures for promotions, there was a general perception among operating level staff that attaining the targets was not sufficient for promotions:

“If they streamlined the process for promotion, it’d be great. But there’s an element of phobia here.” (Group Three Interviewee)

In Section 6.2.4 Part One, it was revealed that the new control system had created tension among staff as it resulted in a reduction of academic freedoms and a loss of power at levels two and three. Due to adoption of the new management control styles formal accountability increased and created tensions at the operating level. The evidence also support contemporary literature findings where Parker and Guthrie (2005) contend that accountability demands reaches down from the organisation level to faculties, schools, departments, programs and individuals. They noted that financial accountability, for example, supported by the accounting system and reporting process, now reached down through the university hierarchy to the individual academic’s level.

6.7.4 Productivity

The question on whether the new control measures helped or motivated them to be more productive; with a very few exceptions the majority of the interviewees at the operating level were reluctant to agree that productivity improved. The majority of Groups Two and Three interviewees did not agree that motivation and productivity improved. However, they accepted that productivity appeared to improve because more students were taught per staff member; although, we could not measure quality, more papers appeared to be produced per staff member even if that was due to gamesmanship and the recruitment of some high profile researchers. What is significant in their reply that a number of academics with good performance records
in Teaching and Learning and Research did not consider that it was the performance measures that increase their productivity rather they were productive and internally motivated even before the implementation of the measures.

‘It didn’t really change mine; it made it easier for me to show that I was doing well...’ (Group Three Interviewee)

Although there are some exceptions to such perceptions, such as the following junior academic perceptions showed the opposite assessment:

“Well I think it’s a ... help me to raise my productivity” (Group Three Interviewee)

The interviewee above did not mention specifically how it increased productivity. However, it may be contradictory to the reflection of other participants, especially for some senior academics with good track records in their teaching and learning and research activities who believed that it was not the productivity but the legitimacy was the major concern of the University. Their view is also similar to the theoretical argument of the Institutional theorist that these sorts of activities are not to increase efficiency but to ensure legitimacy from the external stakeholders. For example, the following Group Three interviewee believes that the reason for implementing the strategic guideline was to increase productivity to tackle the funding issue:

‘Well, I guess if the hierarchy knew that the university is not fully getting compensated in terms of funding, then they’d have to look at raising productivity. And one way of raising labour productivity is by setting guidelines for teaching and learning, research, and community involvement.’ (Group Three Interviewee)

The above comments reflect the lack of trust on the purpose of using the operating measures indicated in the ‘Trust’ section and believed that the performance measures were used by the management for external legitimacy only. It was also revealed in the ‘Resistance’ section that some staff at the operating level tried to ensure job
security by fulfilling the minimum requirements only not being really motivated by the performance measures.

6.7.5 Competition

A majority of interviewees reflected on the Research performance measures rather than the Teaching and Learning or Engagement ones. The attitudes indicate that more or less the research performance measures had impacted on a number of academics. The display of such behaviour has some links to what has been identified in Section 6.3.3 in Part Two of this chapter. It was revealed in that section that compared to the other two goals (Teaching and Learning, and Engagement) the research performance targets were clear to them and there was direct link of the performance measures to the funding criteria:

“That I don’t know, but it’s taught me that eventually if I continue to make progress with my research fund I could eventually move on to applying for grants and then an income from the university.” (Group Three Interviewee)

Some interviewees also showed the need to be competitive for the organisation as well:

“I think the measures help us to become more competitive as a research institution. I think we were viewed as a poor research institution prior to these sorts of measures and I think there was a period of improvement...I think we have gone back a little bit within the last few years compared to other universities... So back then I felt the measures overall, were helpful to this institution in improving its research capacity.” (Group Three Interviewee)

Some interviewees also experience competitions at different school levels for research output:

“At the school level, I saw being more in competition with each other... trying to keep up with each other. It’s been the effect on me for example. I keep up with the very good people. I’m trying hard. So it does inspire, I think it inspires me if anything.” (Group Three Interviewee)
The above comments show that the research performance measures had some positive impact on staff operating behaviours. Some staff indicated that it was the essential requirement for staff to report to the management and in most of the cases not internally motivated. Staff had to show the University that they are also research active (not the active researchers) and contributing to the research output of the University.

Although it created positive impact on staff behaviour, the attitude was not always positive and it did not internally motivate the participant to chase for it:

“I think they put a lot of pressure on people to do more and so I don’t know that’s really a motivation it was more like they were forced to do more and if you want to get promoted I would surprise it motivated you to do the things that were required if you wanted to get promoted but for some people it just put pressure on them it just make them tired” (Group Three Interviewee)

The finding is a corroborative evidence of the argument by Vaughan and Hogg (2014) that not all classes of social behaviour can be predicted accurately from verbally expressed attitudes.

6.7.6 Goal alignment

At the other end, some Group One participants believed that many staff opposed the changes partly because of they had a lack of understanding of the strategy and policy and are uninformed about the environment.

“I actually think that in the normal course of institutional work and at an operating level, a lot of people don’t have any need to or don’t understand the context of strategic planning” (Group One Interviewee)

It was identified in Section 6.5 that a number of ‘active researchers’ and ‘research active’ staff were striving to achieve the performance targets to achieve their self-interest only. A number of them believed that such self-interest is not one sided only,
it is the University that also adopt only those performance measures that will help to ensure government funding and is the utmost priority. Some staff believe that with the current strategic plan it is not possible to achieve the goals of the organisation and the individual staff at the same time. They resented the inadequate consideration of personal needs.

“Amm..well my comment is that all of these kind of things were put in place because they were good for the university they weren’t good for individuals in the university, they are good for the university. I happened to ... use some of these things for my purposes but they weren’t put there for my purposes, they were put there for the university’s purpose.” (Group Three Interviewee)

A majority of operating level staff had a general perception that the formal measures are used for legitimate purposes only and the measures are not sufficient for a staff to use for promotion:

“Hence why there’s very few people in this discipline who apply for a promotion. We already know we won’t meet the criteria. So the university criteria which obviously suit many disciplines does not suit this one. We’re heavy on admin, heavy on governance, and we’re heavy on teaching. We’re not heavy on research and we’re not heavy on consultancy.” (Group Three Interviewee)

From the above comments and the responses of level two and three interviewees it appears that many of them perceived there was a lack of goal alignment between individuals and the University (recall the life work balance conflicts mentioned earlier, and the dominance of either teaching or research over the other responsibilities as examples of the problems created).

Using the lens of Institutional Theory it was observed that there has been display of decoupling behaviour from all levels of organisations, for example, from the top management to the operational level staff. Although display of legitimate decoupling behaviour was used as a survival strategy by the internal stakeholders, the use of such strategy in fact affected the achievement of long term strategic goals of
the organisation. Thus, when the mid- and bottom-level staff use silence as a strategy for resistance and, at the same time, display compliance to the current strategic moves through the formal reporting and accountability process, there is a misleading signal in respect of the level of motivation. The following table illuminates the above findings:

Table 6.10: Decoupling behaviours and impact on strategy alignment

<table>
<thead>
<tr>
<th>Levels</th>
<th>Source of Decoupling behaviour</th>
<th>Responses</th>
<th>Display of behaviour</th>
<th>Impact on Strategic goals and strategy Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group One</td>
<td>Government: external reporting, budget and rationalisation funding for internal resource allocation model</td>
<td>Imitating government policy in setting strategic directions</td>
<td>Adapting private sector style of management: Emphasise formal reporting and accountability in a coercive manner, i.e., centralisation of resource allocation decisions, and performance measurement for reporting. Using the decentralisation process for core activities. Change of tone of control, used budget as the main levers of control. Reduction of informal process for performance evaluation</td>
<td>Development of formal strategic indicators related to the strategic goals of teaching and learning, research, engagement Lack of strategic alignment</td>
</tr>
<tr>
<td>Group Two</td>
<td>Top management and the bottom levels, resource allocation process</td>
<td>Emphasising formal process for reporting and accountability purposes but with negotiating with the bottom levels</td>
<td>Acceptance of top management decision due to lack of negotiation power Motivating.</td>
<td>Regulating the communication process - communication gap Motivation</td>
</tr>
</tbody>
</table>
persuading operating levels for strategy implementation.

Information control and barrier to passing unfavorable news to the top.

| Group Three | Performance Measures, Workload | Apparent display of compliance (Decoupling) behaviour affected Adapting silent strategy (Brinsfield, 2009) as a mode of resistance, Lack of trust, Motivation Apparent compliance to the formal process but pursue personal goals | School and unit level strategic goals affected, Quality undermined for productivity, mismatch of individual and organisational goals |

**Summary**

It was indicated in the ‘Problem statement’ section of Chapter One that introducing managerialism into 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., 2006). It was identified from the interviewee responses from the middle level staff that one of the problems they faced
was lack of timely responses from their subordinates from the academic level (Group Three).

It was identified that staff attitudes on the major influential factors is shaped by the action of the change agent than the influence of the factor itself.

It is revealed that some of the staff who did not like the changes but who stayed continued their resistance through silence mode by responding or being negligent to strategy communication from the top and the middle that, in some instances, posed challenges for the mid-level managers in their strategy implementation.

One clear example revealed is the resource allocation process by the top where many specific projects were funded without having specific allocations in the budget by taking funds off the top for strategic uses. Then the university says the resource allocation model uses the government formulas but that is not strictly true. Moreover, the communication processes were also being blurred due to the roles of the middle management when they got the decisions from the top apparently in a coercive style and had to negotiate with the operating level in normative way. The Middle managers have to negotiate with level three to implement the strategic plans but tend to feel constrained from passing on to top management most of the feedback from level three. Even the information which gets passed on tends to be toned down according to the interviewees. The issue is highlighted in the ‘Communication process’ section. The evidence of such normative style evidenced in the analyses clarifies one of the possibilities outlined in Section 1.5 of the Theoretical Framework (Chapter Three) Research Perspective section of Chapter One that “institutional
changes due to coercive isomorphism may not be accepted due to normative isomorphism”.

In terms of effectiveness of the PM tools, that is, Student Feedback on Teaching (SFT) and Student Feedback on Unit (SFU), the majority of the interviewees conceded that it gives some idea but it has many limitations such as it uses quantitative data, it can be manipulated in different ways; that is, an easy unit receives good feedback and difficult unit receive low feedback and, in this way, this inappropriately affects the recorded performance of a teacher. Considering the limitations of the performance measures (see Table 6.10) and the behaviour modification can also be linked to the ‘silent treatment’ (Brinsfield, 2009), it could be possible that staff are actually silently resisting PM systems. That could ultimately affect the attainment of strategic goals.

In terms of research PM, that is, research output and research commercialisation, staff had clearer understanding of the research performance measures. Moreover, compared to the teaching and learning activities the funding for research activities were more straightforward and government performance measures for the university were also transparent. That’s why the level of resistance was quite low and had more successfully achieved the research targets. Although the measures had ineffectiveness similar to teaching and learning PM such as all the formal measures use quantitative data, that is, research output, research income rather than quality; however, it does consider what type of publication it is, but it subject to gaming such as splitting a research work to increase the number of publications, or by publishing with PhD students, etc.
It appears from the analysis the strategic decision makers were motivated by the industry trend where most of the universities had similar strategic plans and each one have very similar goals and it was evidenced by the shift in strategic imperatives with the shifts in government reforms, reviews and policies. It appears that the long term strategic plans have been treated as operational strategies. The mimetic isomorphic pressure was a factor that led the university to copy the segmentation of strategic plans in a similar style. Industry wide, universities have enabling plans: a long-term plan such as Our People 2020, or a 2025 long-term plan and a short-term operational plan – a plan of five years or less.

It was mentioned in Part I that the adoption of market philosophy in the higher educational organisations changed the traditional values and beliefs of a university. There has been more focus by management on increased profits, quality, and increased workloads. Top management demands actually applied increased pressure without adequate motivators for the Groups Two and Three staff. Rather many opportunities were lost (quantitative), and traditional values were lost. The demands of government created a managerial approach which was in conflict with widespread achievement of better outcomes as it failed to tap into the value systems of academics. The following table summarises these differences in perspective.

Table 6.11: Value conflicts – differences in perceptions

<table>
<thead>
<tr>
<th>Change Factors</th>
<th>Demand perception</th>
<th>Academic perception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of Economic rationale</td>
<td>Focus on managerialism,</td>
<td>Not sufficiently guided, lack of leadership by the change actors</td>
</tr>
<tr>
<td>Change traditional values</td>
<td>Increase revenues, operational efficiency, professional attitude</td>
<td>Increase workload and reporting responsibilities</td>
</tr>
<tr>
<td>Management style</td>
<td>Emphasis on the formal process for external reporting</td>
<td>Existence of traditional informal control systems frequently in conflict with</td>
</tr>
<tr>
<td>Government influence</td>
<td>Occasional copy of government style</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Considered highly significant</td>
<td></td>
</tr>
</tbody>
</table>

Perceived as the act of the top management. Top management role was considered as having more significant impact than the government.

<table>
<thead>
<tr>
<th>Increase in student numbers</th>
<th>Strategy of getting in as many students as possible because this could be used to justify a higher base load in the future and as a safeguard against demand drops in the future. Adoption of customer satisfaction focus, demand for more efficiency and quality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Student load with increased staff-student ratio and lower quality students and students with language and cultural problems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Internal resource allocation process</th>
<th>More efficient allocation of funding on a priority basis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Loosing long term values and inadequate allocations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementation</th>
<th>Mainly focused on setting up the formal process. Both formal and informal processes are working. Formal process are for reporting purposes and informal process are for promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Management did not consider the informal control process which academics wanted to retain Informal standards still apply to promotions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authority and Responsibility</th>
<th>Middle level used as levers of control by providing authority</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Responsibilities had been increased while power has decreased, e.g., less opportunity to reward those who are not seeking promotion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementation Style</th>
<th>Strategy had been formally communicated at all levels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The top management had already made up its mind and only minor or token changes would be welcome</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Both quantitative and some qualitative measures used</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mostly quantitative and often did not reflect staff performance properly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goal congruence</th>
<th>Mostly achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Measures are not for individuals but for the university</td>
</tr>
</tbody>
</table>
The policy implications of the above findings and their contribution and the potential scope for future research are presented in Chapter Seven.
Chapter 7: Research Findings, Contributions, Limitations and Areas of Future Research

7.1 Introduction

This chapter recapitulates the major findings and concludes the study. The major purpose of the study was to understand from staff perception how the changes in Management Control Systems (MCS) have impacted on their operational attitudes. More specifically, the study examined from staff perceptions what are the major influential factors for the changes in strategic directions of a University that are responsible for changes in the MCS and finally whether/how the revised MCS changed their operational attitudes and behaviours in implementing the university’s strategic priorities. A comprehensive framework was developed and is applied in analysing the data and summarising the key findings.

The findings of the study shows staff have variability of perceptions in identifying the major influential factors based upon their position in organisational hierarchy. However, staff attitudes towards the strategic changes are not significantly influenced by the factors themselves rather the way the University responded to the strategic environment. It was also identified that staff at different levels had different perceptions on the changes in the MCS. On the one extreme the top management displayed overall positive attitudes towards the implementation on the other extreme operating level staff displayed overall negative attitudes towards the implementation of changes in MCS which reflected through behaviours in different forms. One of the common behavioural implications was resistance that had been displayed in different modes. It was revealed that a significant number of operating level staff and in limited instances mid-level managers adapted silence strategy to overtly resist the
changes in their operating environment grossly underestimated and/or overlooked by the Top management although there was evidence that such behaviour affected alignment of strategic goals.

This chapter presents the major findings, contributions, scope for further research, limitations and finally the policy implications of the study. The findings, of the study will be presented according to the research questions followed by contributions. The chapter also provides a summary to show how the findings are linked to the motivation, problem statements and the research questions and contribute to the understanding to the body of knowledge.

PART ONE: Findings on Research Question One

This section presents the major findings on research question one. The interview analyses on this question presented staff perceptions on the major external and internal factors responsible for the strategic changes of the University. The research question is reproduced below:

*RQ 1: What environmental factors are perceived to influence the design of the University’s strategic directions and are the subsequent changes viewed as appropriate or legitimate?*

7.2 External Factors

*Existence of different spread of attitudes towards major external factors*

Three groups of interviewees displayed different attitudes in identifying the most influential factors that was shaped by their roles and responsibilities and level of exposure to the external environment. The government funding was correctly identified by the three groups as the most influential for strategic changes but each had different perceptions in considering it as a dominant factor. For successful strategy implementation such differences need to be identified.
**Strongest external factor influenced organisation's responses to other external factors**

It was found that the University had to prioritise the demand from external environment in line with the government policy directions. For example, to manage the reduction of funding from the government the University undertook a massive cost cutting strategy and had to discontinue many traditional courses or unit instead of greater community satisfaction. Community engagement was a lower but still important priority area and considered as the third stream of core activity in its 2004–2008 strategic plans.

**Decoupling behaviour emerged from government and imitated by the organisation**

The government policy reforms, that is, Dawkins Review (1987, 1988) and Nelson Review (2003) encouraged decentralisation of decision making for efficient operation and, on the other hand, encouraged concentration of power at the Vice Chancellor level. The existence of both centralisation and decentralisation control structure created much of the dissatisfaction and confusion.

**Decoupling behaviours of top applied in different forms by other levels**

The above-mentioned situation was linked to the adoption of decoupling behaviour by all levels but in different formats. Such as, from resource dependence theory (RDT) perspectives influenced the legitimate actions of the staff at the top management levels. There was clear indication of adopting different perspectives among three levels of interviewees on the strategic directions. For top management the strategic changes were approached from the resource dependence perspective that was reflected through legitimate behaviour in adopting formal strategic plans, a typical university organisation structure and MCS. For middle-management’s view was shaped by both the top and the bottom level staff.
The factors identified by the staff at different levels are sequentially linked to one another and can be ranked in order of importance. Except the funding issue, the sequence could be different depending on how their attitudes were shaped by their operating environment.

**University’s responses towards external factors influenced staff attitudes**

The analysis of staff interviews of those at operating level viewed the significance of any factor not on its own merit but rather based on the way that the University adopted changes within the organisation. The University’s response to the external pressures and the way it was adopted within the University was mainly responsible for creating negative attitudes. For example increases in student numbers improved the University’s revenues; however, due to the massive cost cutting strategy it did not increase the number of academic staff. Therefore increased student–staff ratios put additional pressures on teaching and that created negative attitudes.

### 7.3 Internal Factors

**Differences in perceptions on the internal pressures for changes**

There were differences in perceptions among the top management interviewees on whether there were internal pressures for changes. Some of them considered pressures from changes only from the middle management for more transparent resource allocation process while one interviewee did not consider it as an internal pressure rather it was the part of the external pressure for changes. It was found that the differences in attitudes towards the internal pressures for changes due to their roles and responsibilities in the change process that indicated the lack of communication among different levels. The mid-level group viewed the internal pressure for changes in opposite way, that is, how top management action had
impacted on their implementation of core activities, such as how funding of special projects negatively impacted on their targets. From a top management perspective there was no evidence of overt pressures identified from the operating level staff that was influential enough to change management attitudes on strategy directions. Rather it was found that the mid-level management in some instances worked as a neutralising force against the pressures from the operating levels.

*Internal factors emerged as consequence of external pressures*

It was found that the internal factors were the consequence of the impact of the pressures from the external environment pressures. For example, the restructuring of organisation structure was a direct impact of the government policy directives (see Table 2.1). The University had to reorganise its academic and administrative activities, redesigned its resource allocation models and performance evaluation systems. The effect of the organisational restructuring was so strong that some interviewees considered it as an external pressure considering how it had affected the traditional organisational values and belief systems.

*Decoupling behaviour at mid-level increased with new appointments*

It was revealed that one of the significant reasons for perception gaps between the top management and the operating level staff was the replacement of senior staff with new ones as professional managers introduced new managerial styles. It created negative attitudes among operating level staff and created communication gaps between the top and operating levels due to decoupling behaviour by the new managers. Interviewee responses showed that top management perceptions on the internal factors was to some extent influenced by the reports and information from the mid-level that was filtered (in some cases) in terms of what it conveyed about the reality as perceived by Level Three staff.
PART TWO: Findings on Research Question Two

This part presents the findings related to research question two. In Chapter Six the analysis of the research question was conducted in two parts. The first part presented staff comments on the implementation of strategic plans and the second part was related to how the strategic changes impacted on the management control systems (MCS). The major findings from the analysis are presented in a similar order.

**RQ 2: How the Strategic changes impacted on the Management Control Systems (MCS) of a University Organisation?**

### 7.4 Impact on Strategy Implementation Process

*Mismatch of academic values with commercialisation of academic environment*

It was very clear that the Higher Education Sector is heavily dependent on government funding similar to any other public sector entity. Traditionally it is a value dominated sector; however, trying to impose full professionalism, pressures to adopt market-based philosophy created confusion among the organisational participants. The transformation philosophy created a paradoxical situation and affected strategy implementation. The demand created due to the adoption of a market-based philosophy created negative attitudes for the operating level staff (see Table 6.11). Moreover, during the transformation process, the University had to struggle in maintaining a dual identity. The first one identity was to establish as an entity capable of contributing to the national economic development and, on the other hand, the other identity was one is struggling to uphold the image of a traditional university. The dual identity crisis confused the operating level of staff more than the external disturbances.
**Expectation gaps on the strategy implementation process**

Table 6.11 presented the summary of perception gaps between top management and operating level staff and indicates significant perception gaps between the two extremes. Contrary to the top management view the majority of the interviewees believed that the changes were not handled appropriately, there was a lack of confidence in top management’s capacity to handle the changes properly. They believed that the changes could have been handled will less negative impact.

**Levers of control used in formal and informal process**

The findings suggest that top management used the two important levers; the internal resource allocation process and positioning of mid-level managers. Management used these two levers for different purposes and in different ways. The internal resource allocation process was used by the top management mainly in an informal way to control the behaviour of individuals at all levels. It was identified by the interviewees as the most strong and effective lever of control. The placement of mid-level managers by the top was perceived by some mid-level managers as mostly symbolic and a majority of the mid-level interviewees experienced increases in responsibilities without adequate power. That can be linked to motivation, manipulating flows of information for self-interest, and decoupling behaviour at this level.

**Management decoupling behaviour reflected in dual control mechanism**

Top management adapted dual control mechanisms within the organisation. It used a centralisation approach for funding related decisions and encouraged decentralisation approach for the implementation of strategic plans by the mid-level managers. Many staff at mid-level and operating level staff contends that the budget-related decisions flowed down from the top without adequate consultation (or negotiation) with other
levels. The interviewees at mid-level and operating level considered as allocation rather that a budgeting process. Top management also used the formal systems for external reporting and the informal systems for internal management. For example, in reporting the research performance the top management used formal reporting on research to help it report externally but applied more rigorous criteria when making promotion decisions (an informal process)

Mid-level management also applied dual control techniques in different forms. The attitude of mid-level managers to adoption of duality of control behaviour was shaped by the pressures from the top management and the operating level staff that also appeared necessary considering the difference in attitudes between the top and the middle level. The mix of coercive and normative style of leadership style created confusion and a lack of confidence among the operating level staff. That impacted on the operating level staff on how the responded to strategic initiatives by the Top management. Their responses were similar to what Oliver (1991) proposed (i.e. defiance, negligence, avoidance, buffering or being silent). The duality of control created negative attitudes among the operating level staff.

*Tone of strategy communication used as control tactic and self-interest*

In some instances the way strategic information was shared with staff was perceived by the top management as negotiation. However, to the staff at the operating level such information was conceived as formal information session when the decision was already made and they had very limited scope for negation. For example, many interviewees at the mid-level and operating levels complained about the way budget information released for implementation was not effective for strategy implementation.
The role of mid-level management had a crucial role in moderating the information communication process upon which strategic goals is highly dependent. In some cases the mid-level manager protected their self-interest by being a barrier to communication process between the other two extremes that is also linked to the perception gaps between the top and operating level staff.

**Impact of cost reduction strategy was reflected in resource allocation process**

The University applied the cost reduction strategy that was reflected in the funding of all programs and core activities. Staff complained about reduction of funding, increase in competition for funding between units, departments and individuals. Many interviewees observed gradual evaporation of collegiality.

**Quantitative measures in performance evaluation created negative attitudes among operating level and encouraged decoupling behaviour**

The University applied the cost reduction strategy that was reflected in the funding of all programs and core activities. Staff complained about the reduction in funding, increase in competition for funding between units, departments and individuals. Many interviewees observed gradual evaporation of collegiality. The reduction of funding for the core activities especially was a major source of negative attitudes of the mid-level and operative level staff. For mid-level it was the implementation perspective of the strategy and for the operating level it was the operational perspective of the core activity that created negative attitudes.

**PART THREE: Findings on Research Question Three**

**RQ 3:** Whether/How/Why the revised MCS changed (or did not change) their operational attitudes and behaviours in implementing the university’s strategic priorities?
It was found that the changed Management Control Systems (MCSs) had impacted on staff attitudes and operational behaviours in different ways. In most instances staff attitudes was clearly reflected in operational behaviours. As such the behaviour of avoidance of university strategy directives was indicative of negative attitudes of some interviewees. In some instances the negative attitudes were not apparent from staff operational behaviours, such as many active research staff achieved their individual targets using the formal performance measures because of positive student feedback and high research output. However, it was found that those staff maintained similar records even before the performance indicators were put in place and they did not consider that the performance measures increased their quality and productivity in relation to the three core activities. Such reactions caused perception gaps between the operational levels and the upper level on the effectiveness of new MCS.

Overall negative attitudes on the new MCS at operating level

The replacement of staff at senior level and at mid-level created changes in MCS which impacted on staff attitudes and operational behaviours. Operating level attitudes were framed not by the strategic significance of the external factors but rather how it affected their operational environment.

Legitimate adaption of performance measures impact staff behaviour in goal incongruent way

The formal report on performance shows overall improvements in performance measures. The study identified that legitimate behaviour by the University ensured the flow of crucial fund. Majority of staff accepted the need for performance evaluation. However, they did not consider that the formal measures effectively display their performance effectively and have minimum contribution in increasing operational excellence. The finding also supports the argument of Institutional theory
that adoption of legitimate institutional norms cannot ensure efficiency (Myer and Rowan 1977; DiMaggio and Powell, 1983; Moll and Hoque, 2011).

One of the important findings of this study is that communication of information especially from the mid-level to the top and the bottom had significant impact on the attitudes at the two extremes. It is identified that although mid-level management was responsible for the implementation of strategies, they had important role in regulating information flow at both level for self-interest. It is revealed in this study that the normative pressure in the research context work against the coercive pressures and had impacted on the strategy implementation process. From institutional theory perspective it appears that normative isomorphic pressures can reduce the impact of coercive pressure.

Mimicking strategic goals lacks motivational power and due to rapid changes in the strategic environment management mimicked acceptable strategies that lacked a supporting affirmative implementation spirit amongst operational staff. The impact of this was a decline in staff morale. Mimicking legitimate practice cannot ensure consistent application of strategies and policies as it fails to resolve emerging non-routine problems at operating level in a rapidly changing environment.

Overt form of resistance through silent treatment was overlooked or neglected

The Groups Two and Three interviewees identified that ‘silent treatment’ of resistance has been widely overlooked by the management. It can have significant impact in the achievement of organisational strategic goals and due to the nature of the profession, academics do not have day to day interactions with their colleagues to organise strong forms of unified resistance. Therefore, many of them individually
resisted silently and such behaviour sent misleading signals to management about the intensity of resistance.

The above form of resistance behaviour was not adequately covered by the contemporary literature. It was identified that along with the normal display of resistant behaviour the ‘silent treatment’ (Brinsfield et al., 2009) was prevalent among the staff in group level two and three. Silent resistance was not new to the organisation and top management was aware of it. What was revealed was that top management and to some extent middle-management either neglected and/overlooked the magnitude of adoption at the operating levels. It is evidenced from interviewee comments that such covert resistance in fact affected strategy alignment and attainment of strategic goals. The level of adoption of this particular mode could be unique to the not-for-profit sector organisations.

The silent mode of resistance is mixed with decoupling behaviour and hard to identify and can affect attainment of goal. It was perceived from interviewee responses that low staff morale, negative attitudes towards performance measurement tools, limited scope for negotiation, protecting self-interest (for mid-level only), issue selling (for mid-level only), fear of job loss are responsible for the adoption of silent behaviour among staff. The linkage is a new finding of this study.

The silent treatment of the mid-level management is corroborative evidence of the: (1) ‘Mum’ effect concept proposed by Rosen and Tesser, (1970) where they kept Mum (silent) to pass undesirable message to the top; and (2) ‘issue selling’, a concept proposed by Dutton and Ashford (1993) where the mid-level may direct top management attention by providing and concealing important information about an issue; a behaviour shared by some mid-level managers in the research context. The
other form of silence was prevalent among the Group Three staff, what Brinsfield et al. (2009) also considered as ‘employee silence’.

7.5 Contribution of the Study

The research contributes to knowledge by examining changes in MCS using psychological (Silence Theory) Theory with organisational theories (InT and RDT). The use of a silence perspective reinforced the ideas proposed by Institutional Theory and Resource Dependence Theory. It was discussed in Chapter Two that attitude change is a challenging task for management of any organisation and it will be difficult if there was over expectations (Pickens, 2010) from staff. In this study the over expectation of the university on the operating levels staff was evidenced in that they actually created negative attitudes among them and that was reflected in their behaviour (see also Table 6.11). The use of psychological theory in this study helps to identify the behavioural issue more clearly than other theories.

This study evaluates and compares the internal factors from the staff perceptions of three levels of individuals which were probably not considered by previous research. Applying such an approach in the research context reveals that interviewees at the three levels of the organisation adopted three different attitudes towards the internal factors. The top management (Group One interviewees) attitudes were shaped by a legitimacy perspective, mid-level management attitudes were shaped by an implementation perspective, and operational level staff perceptions were shaped by professional values and implementation difficulties and resistance to change.

Table 3.1 in Chapter Three presented the convergent and divergent assumptions of Institutional theory and resource dependence theory related to the
context of organisational behaviour and motives of the organisation behaviour. Application of the two assumptions in the research context shows the following.

**Context of organisational behaviour**

The convergent assumptions of the Institutional theory and the Resource Dependence Theory identified by Oliver (1991) were also evidenced in this research (see Table 3.1). The assumption that organisational environments are collective and interconnected was also evidenced in this research. The analysis of staff perceptions also indicates that it is possible to rank the major influential factors in sequence of connectivity based on their significance to an organisation. Except the dominant factor (resource dependency), the rest of the factors interconnectedness can be ranked in different sequence depending on staff perceptions at different levels and probably the nature of the organisation.

From the Resource Dependence perspective, it was evidenced that the dominant resource provider (i.e. the government) had the strongest level of impact on the strategic directions of the organisation. The general conception of Institutional Theory that is linked to the RDT is an entity depended on crucial fund on another entity behaves legitimately to display conformity by abiding superficially to institutional pressures and adopting new structures without necessarily implementing the related practices (Boxenbaum and Jonsson, 2008). Such behaviour was also evidenced in this study. What additionally was evidenced in this study was that in the resource dependence relationship even the resource provider may encourage decoupling behaviour for control purposes. For example, the restructuring of organisation structure resulted in duality of control in the organisation; one is centralisation and another is decentralisation. The government reforms increased the power at the top and encouraged a centralisation approach in funding. The
centralisation approach increased power distance, changes in communication style, restricted information sharing, limited scope for negotiation for funding by the mid-level and operating level staff and increased in formal reporting. At the same time the decentralisation of power created limited informal communication between level two and three and increased formal communication.

**Motives of organisational behaviour**

The convergent assumptions that organisations seek legitimacy and organisations are interest driven were identified in this study. Further it was also identified that the legitimacy through resource mobilisation (as proposed by RDT) dominated the legitimacy dimension through social worthiness (as proposed by InT) assumptions. For example, the University discontinued many courses or programs based on a funding rationale in spite of community demands. The finding is a corroborative evidence supports the divergent argument proposed by the InT that organisations focus on legitimacy through conformity with external criteria rather than conformity through external control of criteria (proposed by RDT). That is, due to dependence of governmental funding, it emphasised conformity with external criteria rather than using the organisation’s influence on the government to change them.

It was evidence in this study organisations highly dependent on a few funding sources can prioritise their legitimacy needs between social worthiness and resource mobilisation. It can be assumed that increase in alternative sources can induce organisation behaviour towards achieving legitimacy through social worthiness by gradually shifting away from resource mobilisation perspective. It can also be assumed that with the decrease in the funding dependency, organisation’s control over external criteria will increase. However, due to the limitation of scope it was not
possible to examine the assumption and there is further scope to research this assumption.

From Old Institutional Theory (OIT) perspective the study by Burns and Scapnes (2000) shows that when an (informal) routine becomes prevalent in an organisation it takes a rule like status (formal). However, what additional evidence found in this study is that it also determined by the power struggle between the beneficiary (powerful groups) and affected groups (less powerful group) within the organisation in such transformation of a routine to a formal rule. It indicates a rule like status does not always convert into a routine like status (change of status); it depends on the perception of the powerful stakeholders within an organisation. For instance, the University lost it collegial culture of resource allocation process (that was an informal acceptable norm for a long period) that was replaced by a more professional formula-based approach to the resource allocation process which was unfamiliar to the higher education organisation. Formalisation of reporting responsibilities was perceived as increased in workload.

From Silence Theory perspective, another contribution of this research is that it shows that negative attitudes at operating levels induced negative behaviours. However, it does not indicate that negative attitudes can predict negative behaviour. As evidenced, many academics (teaching-focused/research-focused or both) maintained their level of performance in spite of the negative attitudes. The evidence can also uphold the comparatively new argument by psychological theorists that attitudes cannot predict overt behaviour (see Vaughan and Hogg, 2014, p 142; Myers, 2010, p. 125). The finding has could be valuable in future strategy implementation by management.
The overall theoretical contribution of the thesis presented in the following table.

Table 7.1: Theoretical contributions of thesis in light of theoretical criteria outlined by academic scholars

<table>
<thead>
<tr>
<th>Theoretical criteria</th>
<th>Contribution of the current thesis in the light of these criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Re-conceptualisation or extension of existing theory</td>
<td>The current study has re-conceptualised the institutional theory (Old and New) by considering external environment factors responsible for changes in the strategic directions of a higher educational organisation (i.e. globalisation, government intervention, competition, organisational restructures) and some context-specific factors such as changes in governance and control structure, resource allocation process, performance evaluation and has then examined their impact on individual staff attitudes at three levels of the organisational hierarchy (see Chapter Two for details). The study has also examined impact of individual staff operational behaviour as a result of the changes in the Management Control Systems (MCS) of the organisation. The study used the silence perspective; a branch of psychological theory in understanding the changes in attitudes and operational behaviour with organisational theory (Institutional Theory and Resource Dependence Theory) rarely found in contemporary literature (see Chapter Three for details).</td>
</tr>
<tr>
<td>(ii) Filling deficiency in the knowledge gap</td>
<td>As mentioned earlier in Chapter Two, there have been no earlier studies in the context of MCS in higher education that have reviewed the changes in staff attitudes and operational behaviours to achieve strategic goals a university. This thesis fills the knowledge gap by reviewing previous studies on MCS in higher educational context in Australia.</td>
</tr>
<tr>
<td>(iii) Non-trivial research questions</td>
<td>Some important research questions raised in the current thesis have not previously been examined in the literature. One example is identifying the major influential factor responsible from staff perception from different levels of a higher organisation and the impact of the factors on staff attitudes. The study also investigated whether or how the attitudes changes impacted on staff operational behaviours. Although there is wide discussion in the literature on the perceptions and attitudes changes in higher educational sector. However, such categorical analysis of attitudes and behavioural impact was not investigated previously (see Chapters One and Three for detailed discussion).</td>
</tr>
<tr>
<td>(iv) An original contribution</td>
<td>The findings of the current study on the impact of attitudes on operational behaviour in higher education are a novel initiative in</td>
</tr>
</tbody>
</table>
offering a novel or new perspective (Lovitts & Wert, 2009); examining potential moderating and mediating effects (Smith, 2003)

the management control literature (Chapter Two). Likewise, findings on the impact of the major influential factors on staff operational performance are comparatively new in performance literature. Furthermore, evidence of context-specific influential factors that have impact on staff operational behaviours is also new in PM literature (see Chapter Two for details). In addition, the current thesis provides new insights on the pivotal role of an internal organisation factor (i.e. leadership style of mid-level management) in explaining the impact on perception gaps due to information control by the mid-level between the top and middle management, which is a novel perspective in the MCS literature (see Chapter Two for details).

(v) Research theme is new and interesting (Straub, 2009; Sutton & Staw, 1995)

Using psychological theory with organisational theory is probably the first attempt to study MCS of a higher educational organisation. It influences the use of organisational theory with Psychological theory to gain more understanding of the research phenomena. It is expected that such approach may be successfully applied in other areas of organisational theory (see Chapter Three for details).

7.6 Practical Contribution

The above insights can be considered by an organisation in its setting of strategic directions. After the ranking the importance of the environment factors it can find and consider the most suitable sequence of connectivity in prioritising of its strategy implementation process. The study categorically presents the decoupling behaviours displayed by different staff at different levels of a university organisation that can be an important understanding for future strategy implementation. Different reasons for resistance related to the implementation of new MCS provided extended understanding on the source of negative attitudes among operating level staff in a higher educational organisation.
7.7 Limitations

Sources of data

The case study explored the impact of Management Control Systems on staff operating behaviour. Staff were categorised into three levels based on the roles and responsibilities in the organisational hierarchy. A total of 19 individuals agreed to participate in the interview session. The major findings and contributions is based on their views and opinions, it is not known whether further participation would provide more insights to the phenomenon investigated. It was indicated in Chapter Two, Section 2.4.3, that the typology of management control structure provided by Malmi and Brown (2008) could have been adopted in this research to investigate what the MCS should be. However, due to the time limit this research focused only on how the change in Management Control System is perceived by individuals. Furthermore, due to limitation of time and scope it was not possible to select interviewee from each discipline or department or faculty.

Period of study

The study chooses 2004–2008 strategic plans to understand the research problems, it also considered the period prior to that to understand the development of reality in the social context. It is expected that there are further scope of study to understand how the management tackled the silent resistance behaviours. Thus from a theoretical point of view it would support the concept that it is necessary to understand the prior period’s social context to fully understand an attempt to alter operational behaviour by altering the management control system. However, due to the limitation of scope outline in the research plan, it was not possible to investigate further development after the 2004–2008 strategic plans. It is expected that there is
scope for further study to monitor the change as a continuous construction of social reality

7.8 Scope for Further Research

The study demonstrated the potential of using Psychological theory (i.e. Silence theory) with organisational theory (i.e. Institutional theory, Resource Dependence Theory) to understand the research problems and to provide more valuable insights. An example of this was that this study found evidence that attitudes are not always a predictor of behaviour especially when individuals adopt the ‘silence strategy’. It is important for management to realise that understanding the attitudinal impact on staff behaviour is important for strategy implementation. There is an opportunity for future research to examine predicting elements of attitude and behaviour relationships that can be identified through further study of staff perceptions.

It was mentioned in the Findings sections that the silent form of resistance could be unique to higher educational sector or similar organisations in not-for-profit sector. There is scope for future research to undertake comparative studies to further explore such presumption.

One of the major finding discussed in this chapter is that there is a different spread of attitudes is identified between the three groups and also within each group. It is understood that for more successful strategy development and implementations it is also necessary to know intra-group perception gaps in detail.

7.9 Policy Implications

The study evaluates and compares the internal factors from staff perceptions of three levels of individuals which were probably not considered by previous research.
Applying such an approach in the research context reveals that interviewees at the three levels of the organisation tended to adopt different attitudes towards the internal factors. The top management (Group One interviewees) attitudes were primarily shaped by a legitimacy perspective, mid-level management attitudes were mainly shaped by an implementation perspective, and bottom level staff perceptions were shaped by their varying operational perspectives.

Previous research also identified most of the major factors; however, no study examined the same event from staff perceptions from different levels of responsibilities as was done in this study. The views on the legitimacy on the strategic changes were different among individuals at different levels. The understanding can be valuable in the sense that it may have significant impact on the achievement of strategic goals for any organisation because it can create big questions on goal alignment and motivation. Interviewees at all levels showed their awareness of the reality of the external pressures; however, their attitudes were different depending on the way it was interpreted at their level. There was understanding among them that an organisational change was inevitable due to such external pressures. However, the way it was handled by the top management raised question of legitimacy in the minds of many internal stakeholders. Considering the difference of perceptions in strategy development and implementation could help develop more productive implementation strategies.

The perceptual differences among organisational participants if not considered in strategy implementation may end up in unfavourable consequences for any organisation which was probably not addressed by contemporary studies. The findings above is linked to the motivation for the research mentioned in Chapter One.
that such classification would help to identify perception gaps between the three categories of staff which would help in future strategy implementation.

A majority of the changes in attitude and behaviours confirmed the finding in previous research and literature, however, the contribution of the thesis is the identification of a covert (mode) of resistance developed among many academics which resulted in incorrect signals to the top or even among all the levels, where the decision makers either neglected or downplayed or sometimes overlooked the magnitude of such resistance. However, it had a significant impact on effective strategy implementation. A few contemporary items in the literature labelled it as a decoupling behaviour and a majority talked about either institutional or organisational decoupling behaviour and very few about individual decoupling behaviour, and certainly not in a higher educational organisation. Moreover, this study has linked the form of resistance to the theory of silence by demonstrating how the behaviour had changed staff attitudes and behaviours significantly and was impacting on the effectiveness of the strategy implementation in the short term and probably in the long term as well.

The use of Silence Theory to understand the behavioural impact of the operating level of staff exposed a covert style of resistance by academic staff not categorised as such in previous research. Although some research on Higher education (Parker, 2011; Moll and Hoque, 2011; Anderson, 2008; Winter and Sarros, 2000) had some discussion on some resistant behaviours. This research is different from the previous ones mainly on two aspects, first it categorise them as overt and covert styles of resistance. This is important because the overt style can be noticed in the formal information process and had less impact on influencing the achievement
of strategic goals however, the covert styles are various and most of them are not captured by the formal process but can significantly affect the achievement of organisational goals. The power of covert/ silence treatment of discontented individuals were neglected and not adequately considered in the development of strategic goals and measures.

The study recognises the significant development and potentiality of the silence perspective (a branch of Psychological Theory) in organisations that can be utilised in the development and implementation of MCS either in conjunction with various organisational theories or as a standalone perspective to gain more extended and refined understanding of such phenomena.
References


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Appendices

Appendix 3.1: Summary of Theoretical Perspectives Evaluated for this Study

<table>
<thead>
<tr>
<th>Theory</th>
<th>Basic Assumptions</th>
</tr>
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<tbody>
<tr>
<td>Rational Choice Theory (RCT)</td>
<td>Humans are rational decision makers and have sets of hierarchically ordered preferences. In choosing behaviour, humans behave rationally considering the cost and utility of available alternatives. Social structures, collective decisions and collective behaviour are therefore the ultimate choice of utility-maximising individuals. The rational choice constitutes sets of parameters for the subsequent choice of individuals in the distribution of resources, opportunities for various lines of behaviours, and the nature of norms and obligations in a situation (Turner, 1991, p. 354).</td>
</tr>
<tr>
<td>Agency Theory (AT)</td>
<td>Agency theory explains the relationships between two parties in a principal–agent model. Under this model, each individual’s action is endogenously derived, based on his well-specified preferences and beliefs (Baiman, 1990). Individuals act in their own self-interest and behave opportunistically to maximise their returns in a competitively efficient capital market.</td>
</tr>
</tbody>
</table>
| Contingency Theory (CT)         | Contingency theory is a behavioural theory that assumes there is no best way of organising a corporation or of leading or making decisions. These are dependent upon various internal and external constraints (factors). The effectiveness of an individual’s behaviour is contingent upon various factors that place demands on the individual to act in specific ways.  

*Contingency theory of the organisation*: organisational viability is contingent upon a best fit between the organisation and its environment; there is no universally best way of managing an organisation.  

*Contingency theory of leadership*: the success of leadership is a function of various factors in the form of subordinate, task and/group variables. The effectiveness of a given pattern of leadership is contingent upon the demands imposed by the situations confronted.  

*Contingency theory of decision making*: the effectiveness of a decision-making procedure depends upon a number of aspects of the situation.  

Source: [http://www.12manage.com/methods_contingency_theory.html](http://www.12manage.com/methods_contingency_theory.html)
**Legitimacy Theory (LT)**

Legitimacy theory (LT) is basically a positive theory as it seeks to describe or explain corporate behaviour rather than prescribing how organisations should behave (Deegan, 2006, p. 166). Legitimacy theory (LT) posits that organisations continually seek to ensure that they operate within the bounds and norms of their respective societies (Guthrie and Cuganesan, 2006). “Organisations are legitimate to the extent their activities are congruent with the goals of the superordinate systems” (Dowling and Pfeffer, 1975, p. 123).

Legitimacy refers to a condition when “an entity’s value system is congruent with the value system of the larger social system of which the entity is a part” (Dowling and Pfeffer, 1975, p 122). “Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”(Suchman, 1995, p. 574).

The theory is based on the notion of the ‘social contract’ implying that there is a social contract between a company and the society that reflects the myriad expectations of the society about how an organisation should conduct its operations (Deegan, 2000; Mathew, 1993 cited in Guthrie and Cuganesan, 2006, pp. 4-5). “[T]here are negative implications for an organisation that is considered to have breached its social contract (Deegan, 2006, p. 170).

If any negative differences arise between the expectations in the social contract and the organisation’s activities, this will lead to a legitimacy gap and will expose the organisation to possible sanctions (such as lack of cooperation) or penalties.

Legitimacy enhances an organisation’s survival prospects. There are basically two approaches to legitimacy:

1. Strategic approach: which depicts legitimacy as strategically manipulating stakeholder views to increase the likelihood of being deemed legitimate
2. Institutional approach: which depicts legitimacy as a set of constitutive beliefs

Legitimacy theory has been used by accounting researchers for a long time.

**Institutional Theory (InT):**

**Old (OIT):**

**New (NIS):**

Organisations adapt to the existing norms, beliefs and control structures in their organisational environment to be considered as legitimate to the society, under the three types of pressures (coercive, normative and mimetic) to which it is exposed:

**Coercive pressure:** the pressures exerted on an organisation by other
organisation(s) due to the dependency of the former on the latter.
These pressures could be related to the flow of resources between
them or to the use of power and sanctions to bring about
organisational conformity (Gates, 1997).
Normative pressure: the pressure on organisations to conform
exerted by the profession and tied to professional standards.
Mimetic pressure:in a state of uncertainty, organisations tend to
imitate other organisations that are successful in the institutional
environment.
Resource
Dependence
Theory (RDT)

Resource dependence theory explains how the behaviour of an
organisation is influenced by another organisation in the
organisational environment where the former is dependent on the
latter for the supply of resources for sustainability. This theory is very
closely linked to institutional theory.

Silence Theory
(ST)

The silence theory discusses individual general reluctance to convey
bad news because of the discomfort associated with delivering
negative information. The spiral of silence theory also discusses that
individuals kept silence due to fear of isolation and feelings of selfdoubt discourage them to express ideas that fail to conform to public
opinion (Newmann, 1974). The Act of being excluded or ignored
commonly referred to as the “silent treatment” (Williams, 2001). The
theory infers that due the norm of an organisation can discourage
employees form openly and directly repress their dissatisfaction
(Peirce et al., 1998)

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Appendix 4.1: Invitation Letter

Dear [Name of Prospective Participant]

I am a PhD student in the Discipline of Accounting, UWS School of Business. I am conducting a doctoral research on the effectiveness of Management Control Systems (MCS) on changing staff behaviour. My research title is ‘A Case study of Management Control Systems Effectiveness in Altering Operating Behaviour to Align with Strategic Imperatives’. The purpose of my study is to identify how the different external and internal factors have influenced the changes in the UWS Management Control Systems (MCS) over the 2004–2008 strategic planning period, and how the management control system changes impacted on staff operating behaviours (related to the core activities of Teaching and Learning, Research and Engagement) at different organisational levels. I believe that an enhanced understanding on the above would be helpful for both management accountants implementing new systems in the future and for managers in the higher education sector responsible for directing organisational changes.

Your insights into the reasons for the changes in the management controls systems during the 2004–2008 period, and the changes that were being encouraged throughout the university, would be very beneficial in assessing the effectiveness of the management control system. I would therefore like to seek your assistance by requesting that you participate in this research in the form of a face to face interview. For your convenience I have attached all the necessary documents containing the outline of the research and interview procedures.

Your assistance with this project would be very much appreciated.

Kind Regards,
Mamun Billah, PhD Candidate,
School of Business, Discipline of Accounting
Campus: Campbelltown, Building: 11, Room: 13
Tel: 4620 3230, Fax: 4620 3495
email: 13249247@student.uws.edu.au
Appendix 4.2: Interview Procedures

Interview Procedures

Introduction:

Formally thank the interviewee for her/his participation. Provide a brief idea about the research and explain the interview procedures.

For example:

My research title:

‘Case study of Management Control Systems effectiveness in altering operating behaviour to align with strategic imperatives’

I would like to understand how the strategies undertaken during the 2004-08 period have been operationalised and how effectively the new control systems (i.e., budgeting, performance evaluation) changed individual attitude to achieve the strategic goals. Part of that process is to identify the tensions which the control systems, and their targets have generated and whether those tensions have given rise to improvements or otherwise in both the short-term and the medium term.

In this session I would like to ask you about the strategic planning during the 2004-2008 period. How the strategies taken during 2004-08 impact on MCS (i.e., budgeting, performance measurement systems) and consequently, impacted on staff attitude and how they align with (aid or hinder) the changes sought by management.

Scope of Interview questionnaire

I would like to ask some questions on four aspects and its alignment with institutional/organisational/individual goals:

First: The external and internal factors that influenced the 2004-2008 strategic plan of UWS.

Second: Strategic goal 2 of the Teaching and Learning strategy and the operating measures

Third: Research Strategy and operating measures

Fourth: Regional and Community Engagement strategy

(Inform the participant the conversation will be tape recorded)

Question details

Before I go into the detail question would you please tell me which of the above strategies you were more involved in during the 2004-8 period?
Internal and external factors that influenced undertaking strategic goals

1. From the literature, I already have some idea about the external and internal factors during 2004 period that influenced university strategic planning, in your opinion which ones in order of importance had a major impact on UWS?
2. How did UWS respond to ensure it could satisfy or counter those external pressures? Why do you think those changes were necessary?
3. What responses did you expect at both middle management and lower levels to your changes in strategy? Why do you have this opinion?
4. What levers did you expect to be most useful in aligning behaviour with the new priorities?
5. Was there any resistance to the changes?
6. How did the changes impact on your role?

Teaching and Learning

I would like to ask you about strategic goal 2 and sub goal 2.4 and operating measures:

( Supply a copy of the strategy to the participant)

‘Enhance the University’s reputation for educational excellence and scholarship in teaching scholarship in teaching resulting from the professionalism of staff and their commitment to students’

1. How was the particular strategy operationalised?
2. How the performance measurement was used (how did you measure the level of success)?
3. How it was funded?
4. Was there any resistance to change? Did any group resist these changes and what form did the resistance take?

Research

Strategic goal 2 (Supply a copy of the strategy to the participant)

‘Substantially increase the University’s profile in research output, income and commercialisation of findings’

1. How this particular strategy operationalised?
2. Was there any funding for strategic projects?
3. Was there any resistance to change? Did any group resisted to these changes?
4. In your view how did this particular strategy aid/ inhibit the Teaching and Learning strategy?
5. In your views what could have been the possible impact on individual staff attitudes to achieving the strategic goal?

Community Engagement:

What was your role in engagement?

Strategic goal 4

‘Promote civil society and sustainable communities by building their social and intellectual capital’

1. How was the particular strategy operationalised?
2. How was performance measurement used to increase the likelihood of achieving this goal, and how did you measure the level of success?
3. How was it funded?
4. Was there any resistance to change?
5. How did this particular strategy impact on staff attitudes? Was the impact as expected?

There will be some open ended questions depending on the response.

In a summary, would you please tell me about your expectation about how the system was meant to work and your perceptions about the extent to which it worked or didn't work? (This question will be depended on time and circumstances)
Appendix 4:3: Group One Participant Information Sheet

Participant Information Sheet (General)

An information sheet, which is tailored in format and language appropriate for the category of participant - adult, child, young adult, should be developed.

Note: If not all of the text in the row is visible please 'click your cursor' anywhere on the page to expand the row. To view guidance on what is required in each section 'hover your cursor' over the bold text. Further instructions are on the last page of this form.

Project Title: A Case Study of Management Control Systems' Effectiveness in Altering Operating Behaviour to Align with Strategic Imperatives: 2004-2008

Who is carrying out the study?
You are invited to participate in the interview conducted by Mr. Mamun Billah, PhD candidate (principal researcher), Dr. Colleen Puttee (supervisor), Professor Garry Tibbits (co-supervisor) and Associate Professor Dr. Philip Ross (co-supervisor) of the discipline of Accounting, UWS School of Business.

What is the study about?
The purpose is to investigate the influence of the major external and internal environmental factors on a university's Management Control Systems (MCS) and how these MCS changes impact on staff attitude at different levels of the organisation.

What does the study involve?
Based on your involvement in the planning and implementation of the UWS strategic decision making process you will be asked 10-15 semi-structured and open ended questions on the three core strategic activities of the University during the 2004-2008 period. The interview will be on a one on one basis and you will be asked to elaborate/reflect on your own experience/knowledge and opinion or views on the 2004-2008 strategy implementation process and your involvement in it. For example, you can reflect on your views about the significant influencing factors for undertaking some selected UWS strategic goal(s) and their effectiveness, and in your opinion how it influenced the design of the UWS Management Control Systems (i.e., budgeting, resource allocation process/funding system, performance evaluation, accountability etc.), and consequently how it might have impacted on your roles and responsibilities. The researcher intends to tape record all interviews if you give your consent and the tape will be used for future transcription and coding. In the event of your not wanting to be recorded the researcher will make notes during the interview. You will have the option to withdraw at any stage of the interview process. The confidentiality of your identity and response will be maintained at all time.

How much time will the study take?
30-40 minutes

Will the study benefit me?
The study findings may assist you in the future design of MCS. Moreover, the knowledge about the impact of MCS
changes on staff attitude could assist you in future decision making.

Will the study involve any discomfort for me?
No. You will have the option to delete any part of the transcribed data that you may think could create discomfort to you. Throughout the research your name and responses will be kept confidential. All the results will be coded and reported anonymously.

How is this study being paid for?
The study is being sponsored by School of Business, University of Western Sydney

Will anyone else know the results? How will the results be disseminated?
The results of the study will be used for successful completion of a PhD thesis and upon successful completion of the degree, the results of the study may be published in business journals. However, the personal details of the participants will be kept confidential at all time.

Can I withdraw from the study?
Participation is entirely voluntary: you are not obliged to be involved and if you do not want to participate you can withdraw at any time without giving any reason and without any consequences.

Can I tell other people about the study?
Yes, you can tell other people about the study by providing them with the chief investigator's contact details. They can contact the chief investigator to discuss their participation in the research project and obtain an information sheet.

What if I require further information?
When you have read this information, Mr. Mamun Billah will discuss it with you further and answer any questions you may have. If you would like to know more at any stage, please feel free to contact Mamun Billah, PhD candidate, College of Business, University of Western Sydney (Tel: +61 2 4620 3230, Fax: +61 2 4620 3465, Email: 13249247@student.uws.edu.au).

What if I have a complaint?
This study has been approved by the University of Western Sydney Human Research Ethics Committee. The Approval number is [H3336]

If you have any complaints or reservations about the ethical conduct of this research, you may contact the Ethics Committee through the Office of Research Services on Tel +61 2 4736 0229 Fax +61 2 4736 0013 or email humanethics@uws.edu.au.

Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

If you agree to participate in this study, you may be asked to sign the Participant Consent Form.
Appendix 4.4: Group Two Participant Information Sheet

Participant Information Sheet (General)

An information sheet, which is tailored in format and language appropriate for the category of participant - adult, child, young adult, should be developed.

Note: If not all of the text in the row is visible please 'click your cursor' anywhere on the page to expand the row. To view guidance on what is required in each section 'hover your cursor' over the bold text. Further instructions are on the last page of this form.


Who is carrying out the study?
You are invited to participate in the interview conducted by Mr. Mamun Billah, PhD candidate (principal researcher), Dr. Colleen Puttee (supervisor), Professor Garry Tibbits (co supervisor) and Associate Professor Dr. Philip Ross (co supervisor) of the discipline of Accounting, UWS School of Business.

What is the study about?
The purpose is to investigate the influence of the major external and internal environmental factors on a university’s Management Control Systems (MCS) and how these MCS changes impacted on staff attitude at different levels of the organisation.

What does the study involve?
Based on your involvement in the execution of the strategic initiatives undertaken by senior management during the 2004-2008 strategic planning period you will be asked to elaborate on your experience/opinion/views on the significant changes in the UWS Management Control Systems (i.e., budgeting/resource allocation process/funding system, performance evaluation, accountability, etc.) and reflect on how these changes impacted on your role and responsibility and on other unit/staff under your authority. For example, you can reflect on the changes in the resource allocation process (budget) due to the implementation of any new strategic goals. The interview will be on a one-on-one basis. The researcher intends to tape-record all interview data with interviewee’s permission for future transcription and coding. In the event of your not wanting to be recorded the researcher will make notes during the interview. You will have the option to withdraw at any stage of the interview process.

How much time will the study take?
30-40 minutes

Will the study benefit me?
The study findings will assist you in the future design of MCS. Moreover, the knowledge about the impact of MCS changes on staff attitude could assist you in future decision making.
Will the study involve any discomfort for me?
No. You will have the option to delete any part of the transcribed data that you may think could create discomfort to you. Throughout the research your name and responses will be kept confidential. All the results will be coded and reported anonymously.

How is this study being paid for?
The study is being sponsored by School of Business, University of Western Sydney.

Will anyone else know the results? How will the results be disseminated?
The results of the study will be used for successful completion of a PhD thesis and upon successful completion of the degree, the results of the study may be published in business journals. However, the personal details of the participants will be kept confidential at all time.

Can I withdraw from the study?
Participation is entirely voluntary: you are not obliged to be involved and if you do participate you can withdraw at any time without giving any reason and without any consequences.

Can I tell other people about the study?
Yes, you can tell other people about the study by providing them with the chief investigator's contact details. They can contact the chief investigator to discuss their participation in the research project and obtain an information sheet.

What if I require further information?
When you have read this information, Mr. Mamun Billah will discuss it with you further and answer any questions you may have. If you would like to know more at any stage, please feel free to contact Mamun Billah, PhD candidate, School of Business, University of Western Sydney (Tel:+ 61 2 4620 3230, Fax: +61 2 4620 3495, E-mail: 13249247@student.uws.edu.au).

What if I have a complaint?
This study has been approved by the University of Western Sydney Human Research Ethics Committee. The Approval number is [H9335]

If you have any complaints or reservations about the ethical conduct of this research, you may contact the Ethics Committee through the Office of Research Services on Tel +61 2 4736 0229 Fax +61 2 4736 0013 or email humanethics@uws.edu.au.

Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

If you agree to participate in this study, you may be asked to sign the Participant Consent Form.
Appendix 4.5: Group Three Participant Information Sheet

Participant Information Sheet (General)

An information sheet, which is tailored in format and language appropriate for the category of participant - adult, child, young adult, should be developed.

Note: If not all of the text in the row is visible please ‘click your cursor’ anywhere on the page to expand the row. To view guidance on what is required in each section ‘hover your cursor’ over the bold text. Further instructions are on the last page of this form.


Who is carrying out the study?
You are invited to participate in the interview conducted by Mr. Mamun Billah, PhD candidate (principal researcher), Dr. Colleen Putte (supervisor), Professor Garry Tibbits (co supervisor) and Associate Professor Dr. Philip Ross (co supervisor) of the discipline of Accounting, UWS School of Business.

What is the study about?
The purpose is to investigate the influence of the major external and internal environmental factors on a university's Management Control Systems (MCS)and how these MCS changes impacted on staff attitude at different levels of the organisation.

What does the study involve?
Based on your day to day involvement with the three main core activities (Teaching and Learning/ Research/ Regional and Community Engagement) of the University you will be asked to elaborate on your experience/ opinion/ views about the significant changes during the 2004-2008 period in UWS that could have influenced your roles and responsibilities. Especially, if you have noticed any change in attitudes during that period then whether/ how you consider them to be influenced by or linked to the core activities. For example, you can reflect on the changes in budgeting/ resource allocation process/ funding systems, performance evaluation, and accountability affecting your areas of responsibilities. The interview will be on a one on one basis. The researcher intends to tape record all interviewed data with interviewee’s permission for future transcription and coding. You will have the option to withdraw at any stage of the interview process.

How much time will the study take?
30-40 minutes

Will the study benefit me?
The study findings on the impact of the management control system changes on staff attitudes could provide you...
enhanced understanding about the impact of strategic changes on employee behaviours.

**Will the study involve any discomfort for me?**
No. You will have the option to delete any part of the transcribed data that you may think could create discomfort to you. Throughout the research your name and responses will be kept confidential. All the results will be coded and reported anonymously.

**How is this study being paid for?**
The study is being sponsored by School of Business, University of Western Sydney.

**Will anyone else know the results? How will the results be disseminated?**
The results of the study will be used for successful completion of a PhD thesis and upon successful completion of the degree, the results of the study may be published in business journals. However, the personal details of the participants will be kept confidential at all time.

**Can I withdraw from the study?**
Participation is entirely voluntary: you are not obliged to be involved and if you do participate you can withdraw at any time without giving any reason and without any consequences.

**Can I tell other people about the study?**
Yes, you can tell other people about the study by providing them with the chief investigator's contact details. They can contact the chief investigator to discuss their participation in the research project and obtain an information sheet.

**What if I require further information?**
When you have read this information, Mr. Mamun Billah will discuss it with you further and answer any questions you may have. If you would like to know more at any stage, please feel free to contact Mamun Billah, PhD candidate, School of Business, University of Western Sydney (Tel: +61 2 4620 3230, Fax: +61 2 4620 3495, Email: 13249247@student.uws.edu.au).

**What if I have a complaint?**
This study has been approved by the University of Western Sydney Human Research Ethics Committee. The Approval number is [H9335]

If you have any complaints or reservations about the ethical conduct of this research, you may contact the Ethics Committee through the Office of Research Services on Tel +61 2 4736 0229 Fax +61 2 4736 0013 or email humanethics@uws.edu.au.

Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

If you agree to participate in this study, you may be asked to sign the Participant Consent Form.
Appendix 4.6: Interviewee Consent Form

Participant Consent Form

This is a project specific consent form. It restricts the use of the data collected to the named project by the named investigators.

Note: If not all of the text in the row is visible please 'click your cursor' anywhere on the page to expand the row. To view guidance on what is required in each section 'hover your cursor' over the bold text.

Project Title: A Case Study of Management Control Systems' Effectiveness in Altering Operating Behaviour to Align with Strategic Imperatives: 2004-2008

I, ........................................... consent to participate in the research project titled [A Case Study of Management Control Systems' Effectiveness in Altering Operating Behaviour to Align with Strategic Imperatives: 2004-2008].

I acknowledge that:

I have read the participant information sheet [or where appropriate, ‘have had read to me’] and have been given the opportunity to discuss the information and my involvement in the project with the researcher/s.

The procedures required for the project and the time involved have been explained to me, and any questions I have about the project have been answered to my satisfaction.

I consent to the [insert specific activities] [if applicable] [list all components of involvement, e.g. audio/video taping to ensure participants can indicate their willingness to participate in all or some of the research]

I understand that my involvement is confidential and that the information gained during the study may be published but no information about me will be used in any way that reveals my identity.

I understand that I can withdraw from the study at any time, without affecting my relationship with the researcher/s now or in the future.

Signed:

Name:

Date:

Return Address: The signed consent form will be collected by the interviewer before commencing the interview

This study has been approved by the University of Western Sydney Human Research Ethics Committee.

The Approval number is: [H9335]
If you have any complaints or reservations about the ethical conduct of this research, you may contact the Ethics Committee through the Office of Research Services on Tel +61 2 4736 0229 Fax +61 2 4736 0013 or email humanethics@uws.edu.au. Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 4.7: HREC Ethics Protocol Report

Office of Research Services

Human Research Ethics Committee
Ethics Protocol Report Form

The University monitors research involving humans to ensure compliance with the approved protocol to ensure the rights and interests of participants are protected. The University is also concerned to foster responsible research, maintaining the reputation of the University and its researchers. Principal Researchers must ensure that the research is conducted according to the protocol approved by the Human Research Ethics Committee (HREC) and advise HREC immediately of any unforeseen events, adverse or otherwise. Any significant variations to the research protocol must be approved by HREC. All protocols must be reported on annually and at completion.

SUBMISSION
Submit this Report Form to the Human Ethics Officer by email (humanethics@uws.edu.au). For the certification/signatures (section D) we accept email approval, scanned or faxed copies to 07338-0905 (ext: 2905).

Note: All text fields will automatically expand to fit any amount of text.

Approval Number: H9335  Expiry Date: 30/06/2015

Title of Project: A Case Study of Management Control Systems- effectiveness in Altering Operating Behaviour to Align with Strategic Imperatives

Principal Researchers

Family Name: Bilah First Name: A B M Title: Mr

Type of Activity* (Insert a percentage according to the type of research effort to be undertaken. The total must add up to 100%)

<table>
<thead>
<tr>
<th>Pure Basic</th>
<th>Strategic</th>
<th>Applied</th>
<th>Experimental</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Fields of Research (FOR) Codes* (The methodology used in the research that is being proposed) %

- 150310 Organisation and Management Theory 10
- 130103 Higher Education 70
- 130199 Education Systems not elsewhere classified 20

*For more information on "Type of Activity" or "Fields of Research (FOR) codes" visit: http://www.uws.edu.au/research/researchers/research_development/research_codes

SECTION A

1. Status of Research Project: In-Progress

a) If finished, provide the finish date: 

b) If in-progress, provide the likely date of completing involvement with human participants and/or their records: 1/01/2015

c) If abandoned, provide brief reasons as to why and then send this report to humanethics@uws.edu.au

N/A

d) If this research involved a student, was an examinable thesis produced?

N/A

e) Please advise of any publications arising from the research.

Not yet

Created by Jason SG White (ja.white@uws.edu.au) - Office of Research Services, 2012
2. Variations to Ethics Protocol:
Your research project was granted ethics clearance on the basis of an approved protocol, together with any special
conditions imposed upon it.

In the conduct of this project, have there been any variations to the protocol in respect of:

<table>
<thead>
<tr>
<th>Select</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

* * * CLICK 'Y' to add or 'N' to remove a row

If you have answered Yes to any of these questions, please provide details.

3. Was the Number of participants recruited: As expected

If less, what are the implications for your statistical analysis and how have you (or how do you intend to) address them?

Since the commencement of your project, how many participants have withdrawn their consent?

Briefly state the reasons for this:

4. Adverse events:

Have any participants encountered adverse effects while participating in your research project (eg stress, psychological trauma, unforeseen side effects of procedures)? □ Yes □ No

If Yes, have these been reported to the Committees? □ Yes □ No

Briefly list incidents or complaints, and describe what action has been taken.

SECTION B

6. Does your project involve Aborigines or Torres Strait Islanders? □ Yes □ No

If No, go to SECTION C

If Yes, please complete the following:

a) What difficulties, if any, have you encountered in conducting your research in the participant's community or group?

b) Have you involved a local member of the community or group as part of your research team? □ Yes □ No

If Yes, in what capacity?

If No, please give reasons for not involving a local member.

SECTION C

7. Please comment on any other ethical aspects relating to your research.

Recently I have received an e-mail from the Office of Research Services on 26th of March, 2013 regarding the recruitment process for the interviews and is being responded to.

SECTION D

I / we certify that the information provided in this report is an accurate account of the conduct for the above research project for which I / we am responsible.

Note: We accept email approval (humanethics@uws.edu.au), scanned or faxed copies to 4736-0905 (ext: 2905).

Principal Researcher: Signature: Date:

ABM MANUN BILLAU

3/09/2013

* * * CLICK 'Y' to add or 'N' to remove a row

Created by Jason SG White (jasonwhite@uws.edu.au) - Office of Research Services, 2012
Appendix 4.8: Letter of Ethics Approval from the HREC

UWS HUMAN RESEARCH ETHICS COMMITTEE

10 February 2012

Mrs Colleen Puttee,
School of Accounting

Dear Colleen,

I wish to formally advise you that the Human Research Ethics Committee has approved your research proposal H3335 “A Case Study of Management Control Systems: effectiveness in Altering Operating Behaviour to Align with Strategic Imperatives”, until 30 June 2015 with the provision of a progress report annually and a final report on completion.

Please quote the project number and title as indicated above on all correspondence related to this project.

This protocol covers the following researchers:
Colleen Puttee, Garry Tibbits, Philip Ross, Mamun Billah.

Yours sincerely

[Signature]

Dr Anne Abraham
Chair, UWS Human Research Ethics Committee
### TEACHING AND LEARNING

(Out of Five strategic goals the following will be investigated)

<table>
<thead>
<tr>
<th>Strategic goal</th>
<th>Selected strategic sub-goals</th>
<th>Operating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic goal 1</strong> Provide distinctive, professionally oriented and flexible academic programs</td>
<td>1.2 Ensure the relevance, academic integrity and viability of academic programs</td>
<td>Graduate Satisfaction i.e. SFU CEQ Overall satisfaction Good Teaching i.e., SFT Generic Skills</td>
</tr>
</tbody>
</table>

### RESEARCH

(Out of Five strategic goals the following will be investigated)

<table>
<thead>
<tr>
<th>Strategic goal</th>
<th>Selected strategic sub-goals</th>
<th>Operating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic goal 2</strong> Substantially increase the University’s profile in research output, income and commercialisation of findings</td>
<td>2.1 Enhance the University’s effort in research development support 2.2 Promote targeted development of contract research and consultancy activity 2.3 Improve commercialisation opportunities arising from collaborative industry research, locally, nationally and internationally 2.4 Communicate the University’s research orientations, strengths and achievements</td>
<td>Research Output: i.e., Weighted research publication per FTE academic staff member Competitiveness of University research: i.e., % Growth in total research income Consultancy Income Research Commercialisation</td>
</tr>
</tbody>
</table>

### REGIONAL AND COMMUNITY ENGAGEMENT

(Out of Seven strategic goals the following will be investigated)
<table>
<thead>
<tr>
<th>Strategic goal</th>
<th>Selected strategic sub-goals</th>
<th>Operating measures</th>
</tr>
</thead>
</table>
| **Strategic goal 4**  
Promote civil society and sustainable communities by building their social and intellectual capital | 4.1 Incorporating community engagement activities into the UWS academic program  
Providing opportunities for students to develop entrepreneurial skills in collaboration with businesses and other organisations in Greater Western Sydney (GWS) | **Student Engagement**  
i.e. Number of students in cooperative programs  
i.e., % of courses with community-engaged learning |
## Appendix 4.10: Interview Questionnaire

### External & Internal Environmental factors, Strategic Planning and Management Control Systems

<table>
<thead>
<tr>
<th>How this question is linked to the research issue</th>
<th>Interviewee Group I (VC/PVC/DVC)</th>
<th>Interviewee Group II (Dean/Ass. Deans)</th>
<th>Interviewee Group III (HOS, HOP, and Selected staff)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To ensure that the interviewee was an existing staff during the implementation period</td>
<td>What was your position(s) during the 2004-2008 period and how long did you hold the position?</td>
<td>What was your position(s) during the 2004-2008 period and how long did you hold the position?</td>
<td>What was your position(s) during the 2004-2008 period and how long did you hold the position?</td>
</tr>
<tr>
<td>To evaluate the staff's awareness on strategic changes</td>
<td>What were the major strategic decision made during that period that affect your roles and responsibilities? To what extent were your responsibilities linked with strategic decision making?</td>
<td>What were the major strategic decision made during that period that affect your roles and responsibilities? To what extent were your responsibilities linked with strategic decision making?</td>
<td>What were the major strategic decision made during that period that affect your roles and responsibilities? To what extent were your responsibilities linked with strategic decision making?</td>
</tr>
<tr>
<td>To understand the general shift in attitudes/behaviours for Group II and III</td>
<td>In your opinion, how successful were the implementation of the strategic changes? Why do you have this opinion?</td>
<td>During 2004-2008 period what were the major changes in your tasks and responsibilities?</td>
<td>During 2004-2008 period what were the major changes in your tasks and responsibilities?</td>
</tr>
<tr>
<td>To understand the changes in MCS and how staff at different levels view</td>
<td>What were the major changes in the MCS in</td>
<td>What were the major changes in the MCS in</td>
<td></td>
</tr>
<tr>
<td><strong>the changes</strong></td>
<td><strong>this organisation in 2004-8</strong></td>
<td><strong>this organisation in 2004-8?</strong></td>
<td><strong>In your view what was the major changes in the control system in 2004-8?</strong></td>
</tr>
<tr>
<td>----------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>In your understanding why the changes were necessary?</td>
<td>In your understanding why were the changes necessary?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To what extent did the management control system assist you in strategic decision making?</td>
<td>To what extent did the management control system assist you in strategic decision making in the period 2004-8?</td>
<td></td>
</tr>
<tr>
<td><strong>To understand the resource allocation process as a means of control at different levels and to understand its link with Resource Dependency Theory</strong></td>
<td><strong>Were any initiatives in your area supported by a strategic project? Did you receive any funding for any strategic project?</strong></td>
<td><strong>Were any initiatives in your area supported by a strategic project? Did you receive any funding for any strategic projects?</strong></td>
<td><strong>Did you have any opportunity to apply for funding for strategic projects and if you had, how did you react to what was offered?</strong></td>
</tr>
<tr>
<td></td>
<td>In your opinion, what was the role/influence of stakeholders (internal and external) in influencing these changes? / In your opinion what are the major barriers from the external and internal environments in implementing the strategic changes?</td>
<td>In your opinion, what was the role/influence of stakeholders (internal and external) in influencing these changes? / In your opinion what are the major barriers from external and internal environments in implementing the strategic changes?</td>
<td>In your opinion, what was the role/influence of stakeholders (internal and external) in influencing these changes? / In your opinion what are the major barriers from external and internal environments in implementing the strategic changes?</td>
</tr>
<tr>
<td><strong>Performance evaluation</strong></td>
<td><strong>In your opinion, to what extent did individual KPI’s align with the strategic goals of the organisation?</strong></td>
<td><strong>In your opinion, to what extent do think your individual KPI’s align with the University strategic goals?</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>In your opinion did you feel you had clear understanding of the strategic direction of the changes?</td>
<td>In your opinion did you feel you had clear understanding of the strategic direction of the changes?</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Appendix 4.11: Teaching and Learning Goal Questionnaire

### TEACHING AND LEARNING

**Strategic goal 2:** Enhance the University’s reputation for educational excellence and scholarship in teaching resulting from the professionalism of staff and their commitment to students

**Sub-goal: 2.4** Recognise and reward excellence and scholarship in teaching

**Operating Measures:** Graduate Satisfaction, i.e., SFU, CEQ Overall satisfaction, Good Teaching, i.e., Generic Skills

<table>
<thead>
<tr>
<th>How this question is linked to the research issue</th>
<th>Interviewee Group I (VC/PVC/DVC)</th>
<th>Interviewee Group II (Dean/Ass. Dean)</th>
<th>Interviewee Group III (HOS/ HO P and Selected staff)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To identify the external factors and their influence on teaching and learning activities. (related theoretical link-legitimation)</td>
<td>What were the significant changes in teaching and learning strategic goals stimulated by the government policy during 2004-2008?</td>
<td>What were the significant changes in teaching and learning strategic goals stimulated by the government policy during 2004-2008?</td>
<td>What were the teaching and learning policy changes you have identified within your organisation during 2004-2008?</td>
</tr>
<tr>
<td>Change leaders, flexibility</td>
<td>What are the reasons for these changes? Who promoted these changes? What other strategic teaching and learning initiatives occurred and who initiated those?</td>
<td>What are the reasons for these changes? Who promoted these changes? What other strategic teaching and learning initiatives occurred and who initiated those?</td>
<td>What do you think the role of an academic is in teaching and learning? What is or are the major constraint(s) preventing you from being a better teacher?</td>
</tr>
<tr>
<td>Resistance to change, normative isomorphism</td>
<td>In your view, to what extent did academic staffs participated in the planning and implementation of these changes? Did any group resist those changes?</td>
<td>In your view, to what extent did academic staffs participated in the planning and implementation of these changes? Did any group resist those changes?</td>
<td>Did you participate in any decision-making roles. What is your opinion of the new initiatives?</td>
</tr>
<tr>
<td>Tensions, resistance, power relationship, conflicts</td>
<td>Do you think that implementation of the Teaching and Learning plans (2004-2008) has impacted on staff behaviours? How?</td>
<td>Do you think that implementation of the Teaching and Learning plans (2004-2008) has impacted on staff behaviours? How?</td>
<td>Compared to pre 2004 period, in what ways did the changed policies impact on your roles and activities</td>
</tr>
<tr>
<td>Levers of control, budget,</td>
<td>What were the changes in</td>
<td>What were the changes</td>
<td>Did you apply for funding</td>
</tr>
</tbody>
</table>

382
<table>
<thead>
<tr>
<th>Resource allocation process/funding</th>
<th>the fund allocation process for teaching and learning plans in 2004-2008? What was your role in this process?</th>
<th>in the fund allocation process for teaching and learning plans in 2004-2008? What was your role in this process?</th>
<th>during the 2004-2008 period? How frequently?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levers of control, resource allocation process, politics</td>
<td>Were any initiatives in Teaching and Learning activity supported by a strategic project? Did you receive any funding for any strategic projects?</td>
<td>Were any initiatives in Teaching and Learning activity supported by a strategic project? Did you receive any funding for any strategic projects?</td>
<td>Were any initiatives in your area supported by strategic projects? Did you receive any funding for any strategic projects?</td>
</tr>
<tr>
<td>Performance evaluation, attitude</td>
<td>What are the major changes in workload allocation among teaching staff due to the 2004-2008 strategic planning?</td>
<td>What are the major changes in workload allocation among teaching staff due to the 2004-2008 strategic planning?</td>
<td>Did the quality of your teaching change during the 2004-8 period? What factors do you attribute to the change(s)?</td>
</tr>
</tbody>
</table>
## Appendix 4.12: Research Goal Questionnaire

### RESEARCH

**Sub goals:** 2.1 Enhance the University’s effort in research development support, 2.2 Promote targeted development of contract research and consultancy activity, 2.3 Improve commercialisation opportunities arising from collaborative industry research, locally, nationally and internationally, 2.4 Communicate the University’s research orientations, strengths and achievements

<table>
<thead>
<tr>
<th>Operating Measures: member</th>
<th>Research Output: i.e., Weighted research publication per FTE academic staff member</th>
<th>Competitiveness of University research: i.e., % Growth in total research income</th>
<th>Consultancy Income, Research Commercialisation</th>
</tr>
</thead>
</table>

### How this question is linked to the research issue

<table>
<thead>
<tr>
<th>Interviewee Group I (VC/PVC/DVC)</th>
<th>Interviewee Group II (Dean/Ass. Dean)</th>
<th>Interviewee Group III (HOS/ HO P and Selected staff)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factors influencing changes in core activities</td>
<td>During the 2004-2008 strategic planning process why did the university feel the need to implement the following sub-goals?</td>
<td>During the 2004-2008 strategic planning process why did the university feel the need to implement the following sub-goals?</td>
</tr>
<tr>
<td>2.1 Enhance effort in research development support</td>
<td>2.1 Enhance effort in research development support</td>
<td>2.1 Enhance effort in research development support</td>
</tr>
<tr>
<td>2.2 Promote targeted development of contract research and consultancy activity</td>
<td>2.2 Promote targeted development of contract research and consultancy activity</td>
<td>2.2 Promote targeted development of contract research and consultancy activity</td>
</tr>
<tr>
<td>2.3 Improve commercialisation opportunities arising from collaborative industry research locally and internationally</td>
<td>2.3 Improve commercialisation opportunities arising from collaborative industry research locally and internationally</td>
<td>2.3 Improve commercialisation opportunities arising from collaborative industry research locally and internationally</td>
</tr>
</tbody>
</table>

### Legitimacy/Isomorphism

<table>
<thead>
<tr>
<th>Interviewee Group I (VC/PVC/DVC)</th>
<th>Interviewee Group II (Dean/Ass. Dean)</th>
<th>Interviewee Group III (HOS/ HO P and Selected staff)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who initiated those changes and did any group resist or ignore</td>
<td>Who initiated those changes and did any group resist or ignore</td>
<td>What was your response to these changes?</td>
</tr>
<tr>
<td>Impact of the changes/ institutionalisation</td>
<td>These changes?</td>
<td>These changes?</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Research output, weighted research publication per FTE academic staff member, Research productivity, change in attitude towards research</td>
<td>What was the impact on staff performance expected due to the implementation of these policies?</td>
<td>What was the impact on staff performance expected due to the implementation of these policies?</td>
</tr>
<tr>
<td>Research productivity, change in attitude towards research</td>
<td>In your view what factors facilitated or hampered the achievement of the following sub goals?</td>
<td>In your view what factors facilitated or hampered the execution of the following sub goals?</td>
</tr>
<tr>
<td>Commercialisation of research</td>
<td>Were any initiatives in your area supported by a strategic project? Did you receive any funding for any strategic project?</td>
<td>Were any initiatives in your area supported by a strategic project? Did you receive any funding for any strategic project?</td>
</tr>
</tbody>
</table>
Appendix 4.13: Community Engagement Goal
<table>
<thead>
<tr>
<th>How this question is linked to the research issue</th>
<th>Interviewee Group I (VC/PVC/DVC)</th>
<th>Interviewee Group II (Dean/Ass. Deans)</th>
<th>Interviewee Group III (HOS, HOP, and Selected staff)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To ensure that the interviewee was an existing staff during the implementation period</td>
<td>What was your position(s) during the 2004-2008 period and how long did you hold the position?</td>
<td>What was your position(s) during the 2004-2008 period and how long did you hold the position?</td>
<td>What was your position(s) during the 2004-2008 period and how long did you hold the position?</td>
</tr>
<tr>
<td>To evaluate the staff’s awareness on strategic changes</td>
<td>What were the major strategic decision made during that period that affect your roles and responsibilities? To what extent were your responsibilities linked with strategic decision making?</td>
<td>What were the major strategic decision made during that period that affect your roles and responsibilities? To what extent were your responsibilities linked with strategic decision making?</td>
<td>What were the major strategic decision made during that period that affect your roles and responsibilities? To what extent were your responsibilities linked with strategic decision making?</td>
</tr>
<tr>
<td>To understand the general shift in attitudes/behaviours for Group II and III</td>
<td>In your opinion, how successful were the implementation of the strategic changes? Why do you have this opinion?</td>
<td>During 2004-2008 period what were the major changes in your tasks and responsibilities?</td>
<td>During 2004-2008 period what were the major changes in your tasks and responsibilities?</td>
</tr>
<tr>
<td>To understand the changes in MCS and how staff at different levels view the changes</td>
<td>What were the major changes in the MCS in this organisation in 2004-8? In your understanding why the changes were necessary? To what extent did the management control system assist you in strategic decision making?</td>
<td>What were the major changes in the MCS in this organisation in 2004-8? In your understanding why the changes were necessary? To what extent did the management control system assist you in strategic decision making in the period 2004-8?</td>
<td>In your view what was the major changes in the control system in 2004-8?</td>
</tr>
<tr>
<td>To understand the resource allocation process as a means of control at different levels and to understand its link with Resource Dependency Theory</td>
<td>Were any initiatives in your area supported by a strategic project? Did you receive any funding for any strategic project?</td>
<td>Were any initiatives in your area supported by a strategic project? Did you receive any funding for any strategic project?</td>
<td>Did you have any opportunity to apply for funding for strategic projects and if you had, how did you react to what was offered?</td>
</tr>
<tr>
<td>To understand the influence of</td>
<td>In your opinion, what was the role/influence of stakeholders (internal and external) in influencing</td>
<td>In your opinion, what was the role/influence of stakeholders (internal and external) in influencing</td>
<td>In your opinion, what was the role/influence of stakeholders (internal and external) in influencing</td>
</tr>
<tr>
<td>external and internal factors on the changes, and coercive and mimetic isomorphism linked with Institutional theory</td>
<td>these changes? / In your opinion what are the major barriers from the external and internal environments in implementing the strategic changes?</td>
<td>influencing these changes? / In your opinion what are the major barriers from external and internal environments in implementing the strategic changes?</td>
<td>influencing these changes? / In your opinion what are the major barriers from external and internal environments in implementing the strategic changes?</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Performance evaluation</td>
<td>In your opinion, to what extent did individual KPIs align with the strategic goals of the organisation?</td>
<td>In your opinion, to what extent do think your individual KPIs align with the University strategic goals?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In your opinion did you feel you had clear understanding of the strategic direction of the changes?</td>
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Appendix 5.1: Five Key Principles of Resource Allocation Model

First: The strategic priorities of the University will guide resource allocation (improving quality of teaching and learning, research performance, diversity and increasing revenue streams, improving flexibility and efficiency of education delivery, increasing community and regional engagement).

Second: Incentives are provided to Colleges for performance on a range of factors related to these strategic priorities (research performance, income generation and academic quality and efficiency).

Third: RAM will be a driver of strategic change (resource allocation performance drivers to be adopted by colleges and divisions)

Fourth: The RAM should be relatively easy to understand (to make it more transparent and flexible)

Fifth: for an initial period, the capacity will exist to smooth budget outcomes: (Colleges affected significantly by the changes in the RAM will get transitional funding.)

Source: Adopted from the University’s internal documents