



Diversity of appraisal and performance-related pay practices in higher education

Diversity of appraisal practices

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Abstract *This paper discusses the use of appraisal and performance-related pay practices for academic staff in higher education in the UK. This discussion is based on the reports of heads of personnel in universities, with the aim of portraying the pattern of such practices across the sector as a whole, and of investigating the extent to which these activities parallel institutional characteristics and are part of a strategic approach to employment management. It finds some evidence for a continued binary divide in practice between pre-1992 and post-1992 universities, but also a great diversity of practice which can support a convergence thesis for the sector. The paper concludes that such diversity may have a place within the requirements of the higher education system, but it may need to be managed in a more proactive and strategic way in the future.*

Introduction

Arguably the need for effective use of human resources in the UK higher education (HE) sector has never been greater, despite the fact that the sector appears to have coped with the pressures of increased student numbers with reduced public funding which became particularly obvious in the early 1990s (Miller, 1994). This stems not only from the general need to do more with less, but also from issues raised by the Dearing Report (1997) and its aftermath, such as the need for greater consistency of teaching standards and improved quality. However, Keep *et al.* (1996) describe a general lack of consistency and integration of personnel management approaches within universities and across the sector as a whole, a shortcoming which seriously threatens to undermine the ability of the sector to deliver quality teaching and research.

Appraisal and performance-related pay (PRP) systems of various types are said to play a major role in integrated human resource strategies, cited in established human resource management (HRM) models (Fombrun *et al.*, 1984; Guest, 1989) and also in prescriptive texts which relate to the HE sector specifically (Warner and Crosthwaite, 1995). Detail of these systems and their roles follows later in the paper. What is important here, however, is to stress that this article seeks to describe the pattern of practice across the sector rather than accept an assumed uniformity. It, therefore, attempts to link literature concerning the nature of the sector and its personnel management structures with interpretations of spread, take-up, purpose and practice of appraisal and PRP gathered from the viewpoint of heads of personnel in universities. While the limitations of using this one group of respondents is recognised, it is felt essential to undertake the study in a controlled way across the sector using a

common contact point in all universities. Further, respondents' information is enriched with existing literature-based research findings at individual institutional level. It is personnel practices for academic staff that are the focus of this study, again because there is some existing literature which refers to this occupational group which can be combined with the new research reported here and so give greater depth.

Academic staff

Three types of academic professionalism are identified by Schwartzmann (1994): the "liberal professional" or archetypal professor; the unionised skilled worker; and the academic civil servant. In the first of these conceptualisations, academics are seen to value and be able to exercise considerable autonomy over macro issues such as governance and institutional direction. They are motivated intrinsically. This follows the "folk" concept of the term "professional" (Dingwall and Lewis, 1983), where the experts control and regulate themselves and "strike a bargain with society" in so far as they provide advice to society in return for freedom from lay supervision and, to a certain extent, hold criteria power (Winstanley *et al.*, 1995) over the purpose, design and evaluation of the service provided.

In the other two conceptualisations, academics may be skilled (or "professional") in their subject area, but view themselves simply as employees with a role either to deliver their professional knowledge or to deliver a professional system for the institution. Thus, the academic civil servant holds operational power (Winstanley *et al.*, 1995) not criteria power and can decide when and how to provide the service within predetermined aims, structures and resource allocations. This notion of doing a "professional job" implies explicit, external methods of performance measurement, applied through personnel practices such as appraisal and PRP which are managerially controlled. So, whilst this article is about personnel practices, it must also inform a parallel debate about the increase in new public sector management into post-compulsory education (Trow, 1994; Randle and Brady, 1997), the changes to academic professionalism, and the resultant nature of the educational process.

The higher education sector

The article is both framed by, and makes comment on, the nature of institutions in the HE sector. Scott (1995) identifies four main types of HE system. These are: dual systems, in which universities stand apart from the rest of post-secondary education; binary systems, where alternative HE institutions are established to complement or rival the universities; unified systems, in which all institutions are treated equally; and stratified systems, characterised by a division of institutional labour (which may take the form of a planned hierarchy, or be the result of the differing effects of the market). Scott goes on to suggest that there is a tendency for dual systems to develop into binary

systems, binary systems to become unified systems and for unified systems to become stratified.

Between 1965 and 1993 the UK formally operated a binary system split between polytechnics and universities. The 1992 Education Act unified the sector, at least in name, with former polytechnics empowered to issue their own degrees, taking greater responsibility for quality and having the right to call themselves universities. Unified managerial structures (CVCP; UCEA), admissions systems (UCAS), and funding councils (HEFC) support this unification. However, subsequent work has described the emergence of a new HE structure, which recognises continued diversity within the unified umbrella, rather than a binary split between pre-1992 and post-1992 universities. Tight (1996) proposes a 16-category typology based on size, income, subject discipline, level and mode of study and age of institution. Thorne and Cuthbert (1996) postulate a four-fold categorisation based on the extent of academic autonomy, bureaucratic efficiency and market competition, from which A1, A2, B1 and B2 universities are identified. A1 are “Autonomous Professional” institutions, identified by Thorne and Cuthbert as those pre-1992 universities which are relatively insulated from the market place and student consumerism through entrepreneurship and a leading edge reputation with an emphasis on research. The A2 group are termed the “Professional Market” institutions comprising the pre-1992 universities which are unable to avoid significant market risk, ceding control to funding agencies and empowering managers to achieve corporate solutions insoluble by collegial organisations. The B1 group are termed the “Managerial Market” institutions; former polytechnics with a significant research agenda in addition to being teaching institutions, where CNAA power has been replaced by professional power of academic groups internally, but where local government power has been replaced by significant management power. The B2 group are termed the “Market Bureaucracy” institutions; post-1992 universities with a mainly teaching orientation.

In essence, Thorne and Cuthbert (1996) identify an HE system which is now stratified, with a divergence between the A1 and B2 universities on the one hand, and a convergence between the A2 and B1 universities on the other. However, it appears difficult to categorise institutions absolutely, as the increased competition between them, which was encouraged by the government from the early 1990s (DES, 1991), leads to their becoming more distinctively focused upon particular “products” and “markets” in order to meet a diverse range of student and research interests (Tight, 1996; Thorne and Cuthbert, 1996). This diverse pattern is unsurprising given the relatively high level of institutional autonomy which exists within the sector (Tapper and Salter, 1995).

However, both the nature of the sector and the personnel practices within it need to be examined in the light of the current debates surrounding the concepts of lifelong learning and the learning age (Dearing Report, 1997; DfEE, 1998), increased student numbers and improved access from groups in society

which have previously been largely excluded. Arguably, such moves will necessitate greater modularisation and standardisation of course delivery and more external and transparent evaluation of performance, which should prompt personnel practices which enable this to happen. An alternative view may suggest that the rhetoric of learning should give academics and students greater freedom to develop (Ainley, 1994), and even to hold criteria power, free from explicit managerial control.

Appraisal

Appraisal systems are seen as key in most established models of HRM (Fombrun *et al.*, 1984; Guest, 1989), and may be directly or indirectly connected to payment systems as well as other components of performance management approaches (Roberts, 1997). However, the term “appraisal” can mean different things in different situations. Randell (1994) highlights formal and informal approaches which may have a multiplicity of purposes, including: evaluation, auditing, succession planning, training, controlling, development and motivation. Bryman *et al.* (1994) has investigated the use of evaluative and developmental approaches (Townley, 1993) to appraisal in the HE sector. Developmental appraisals focus on both training to address short-term issues and on long-term career needs. In contrast, the evaluative approach focuses on managerial control and judgement. A range of methods of appraisal also exist, from managerially defined behavioural traits and performance criteria, measurement against achievement of objectives, to the inclusion of other parties sometimes with more qualitative measures, such as peer and, in the case of HE, students, in 360 degree appraisal (Fletcher, 1993).

The extent to which managers use appraisal for managerial purposes, and the extent to which individual employees can use appraisal for their own benefit, is a live debate in this field of study (Townley, 1993) and one which is of relevance in the changing world of academia (Townley, 1990). An emphasis on a managerially controlled appraisal agenda, with assessment criteria set by “lay” line managers, rather than a system controlled by academics through peer review based on criteria set at the discretion of colleagues, will be strong indicator of the shift of managerial intent in universities.

At a national level, the requirement for universities to have something in place which is termed “appraisal” has been the subject of broad national procedural agreement for some years now. However, individual institutions have a high degree of autonomy in specifying the detailed substance of the appraisal system. For the pre-1992 universities, the introduction of a process which could formally be termed “appraisal” was implicit in the recommendations of the Jarratt Report (Committee of Vice Chancellors and Principals, 1985) and was introduced in 1989 as a result of the 1987 salary agreement between AUT and CVCP (Pollitt, 1990). Ultimately, as Bright and Williamson (1995) describe, this formalisation was inevitable as it was the subject of a government imposed condition in order to release budget funding for 1988. The introduction of appraisal into these institutions appears,

according to Rutherford (1988) and Bryman *et al.* (1994), to have overlain existing informal processes, as predicted by Farnham (1985). The latter author quotes such processes as: the detailed criticism/advice on a draft paper or book from a colleague, an interview with a head of department on some aspect of academic performance, information from a formal discussion with students about a course, and colleague and student feedback on a range of other activities; all of which were in existence at the University of Birmingham in the academic year 1986/87. Rutherford's (1992) and Bright and Williamson's (1995) descriptions of appraisal at Birmingham and Durham universities respectively, together with more general work by Townley (1990), document the nature of the systems as being very much developmental in orientation. These appraisal methods may be seen as characteristic of a collegial way of working, in the sense that collegial is defined as "the involvement of all academic members of the organisation ... through consultation, as both leaders and led" (Middlehurst and Elton, 1992) and as a process to which participants are willing to contribute necessary time and effort to consensus-building (Hardy, 1991). As such, they may represent a particular style of appraisal, which, although introduced in name by national requirements, is culturally-specific to the pre-1992 universities.

These approaches can be contrasted with the post-1992 universities, where appraisal schemes were formally introduced at a later date, but where, following Thorne and Cuthbert (1996), a more managerial approach might be expected. The 1992/93 funding round required the adoption by former polytechnics of systems of PRP and Bright and Williamson (1995) attribute the introduction of appraisal to this initiative. By making this attribution, implicitly this would seem to indicate a more managerially-controlled evaluative agenda to appraisal in these institutions.

Performance-related pay

PRP has been described as "the explicit link of financial reward to individual, group or company performance" (Armstrong and Murliss, 1991), and part of a re-orientation of pay and reward systems away from traditional methods of job evaluation and time-based pay, often carried out on a collective basis, to a more individualised approach which recognises employee contributions. In the UK generally this re-orientation is seen as a phenomenon of the late 1980s and early 1990s, associated with changing economic, political and social circumstances and with a changed managerial agenda (Kessler, 1994). Although having origins in the private sector, such changes have brought PRP into the public service sector domain (Armstrong, 1996).

Three forms of PRP have been identified by Kessler (1994). First, individual merit and performance-related systems based on appraisal, making a payment which is consolidated into a basic time-based salary. Second, individual unconsolidated bonuses, often based on production targets. Third, unconsolidated bonuses which are group-derived and collectively paid. Although often assumed to be used as a direct motivator to improve individual

employee performance, there are examples of PRP also playing a part in recruitment and retention of staff by enabling higher pay levels which are more representative of market rates to be paid over and above collective pay scales, and for various cultural and image-making purposes such as the pursuit of a non-union, individualistic culture with a reinforced line manager role (Armstrong, 1996). As such, PRP is typically inextricably linked with appraisal, although the potential corruption of developmental appraisal systems by adding a pay link, and the problems of maintaining objectivity in assessment criteria, have been well documented (Kessler, 1994; Randell, 1994).

In UK HE, national collective bargaining provides a framework of pay scales and ensures some uniformity of practice across the sector, albeit there are different scales for the pre- and post-1992 universities and some other variations such as a London weighting allowance. National collective agreements of a more procedural nature have enabled and in some cases required individual institutions to operate a form of PRP. However, the method of PRP and of payment calculation has been a matter for individual institutions to negotiate and introduce locally. Hence, as an indicator of sectoral uniformity or diversity, PRP is of great interest, and may well assume even more significance if the power of national collective pay bargaining is eroded (Farnham, 1997) perhaps as a result of the publication of the findings of the Independent Review Committee on pay and conditions for HE staff chaired by Sir Michael Bett.

The decline in the general level of pay in HE has been documented (Keep *et al.*, 1996; Murlis and Hartle, 1996) and this inevitably places severe constraints on the levels of PRP payments available, while paradoxically placing greater significance on PRP as a means of providing supplements to basic pay. However, it should also be noted that individual academics can also supplement earnings by consultancy and other activities which, arguably, the current contracts of employment allow some time for (Murlis and Hartle, 1996).

Nevertheless, in the pre-1992 universities, individual PRP was introduced, in name at least, as a condition of funding by the Department of Education and Science through the UFC in 1989 “explicitly to enable university managements to recruit or retain exceptionally scarce or valuable staff and reward exceptional performance” (Wilson, 1991), thus intending to fulfil two of the purposes of PRP.

By contrast, the former polytechnics were required by HEFCE from 1992/93 to pay 0.75 per cent of the academic staff salary bill through individual PRP in order to release 2 per cent of revenue funds. This appears to be more directly to do with individual performance improvement than anything else, although may also be for other purposes such as improved staff retention or altered managerial approaches.

Increasingly, universities are being approached to consider the use of profit-related pay at an institutional level. This appears to be possible given the independence that all universities have from direct national or local government control, and the fact that the terminology of university purpose

indicates that they are “operating with a view to profit” and not “trading’ with a view to profit” (Coopers & Lybrand, 1996). However, such developments are relatively new. The research reported here focuses on heads of personnels’ perceptions of individual PRP, and notes the general absence of systems which have a formal intention to operate on a group, institutional or sector-wide scale.

Methodology

Two forms of information were collected: factual information about the extent of use of appraisal and PRP; and information about attitudes and perceptions of heads of personnel to the use of these practices. Postal questionnaires and telephone interviews were used respectively.

Postal questionnaires were sent to all heads of personnel; the whole population of the survey. A combination of closed and open questions were used to elicit factual and opinion-based information. Careful use of wording and terminology was incorporated in order to guard against leading questions. For example, whilst pursuing an interest in PRP, questions were worded to enquire about “a system which bases an element of academic staff pay on their performance”.

Throughout, it was the intention that analysis of results should be as straightforward as possible. Following an initial research premise which aimed to identify similarities and differences across the binary divide, responses were separated into those from old and new universities. Where appropriate, frequency distributions and the chi-square statistical technique were used in order to test the significance of differences between responses from old and new universities. Of the 96 questionnaires sent out, 51 were returned; a response rate of 53 per cent from the whole survey population; and a response that was roughly evenly distributed across the sector.

The questionnaire was followed up by a sample of telephone interviews with heads of personnel. Semi-structured interviews were used in order to both validate previously gathered factual data and to gather new, more qualitative information. Once again, the underpinning framework for the research was the binary divide. Respondents from the postal questionnaire stage were grouped into four sets: pre-1992 universities with and without an element of individual pay linked to performance; and post-1992 universities also with and without an element of pay linked to performance. This was because, at face value, there appeared to be differences between these institutions which required further investigation. A total of 15 interviews were conducted by telephone in order to obtain a representative sample of respondents from a wide geographical population.

Analysis of findings: appraisal

While the use of appraisal practices is widespread and therefore may be used to indicate sectoral uniformity, differences exist in the purpose of such practices, the roles of line managers and the reasons for introducing them. Information given by respondents does show a degree of consistency with the split in

practices on the lines of the binary divide. This is largely derived from the different historical background to appraisal in the two types of institutions. At the same time there are indications of practices in former polytechnics which are more akin to some of those in pre-1992 universities and vice versa, supporting Thorne and Cuthbert's (1996) convergence thesis.

Some evidence of a difference in purpose was established from the questionnaire findings, with six respondents from post-1992 universities volunteering information which suggested appraisal was used for target and objective-setting, compared to none from the pre-1992 universities. Information was also collected about the roles of the various parties in the appraisal process. While the term is open to interpretation in the context of HE, "line managers" were found to have a role in appraisal in most institutions. A statistic which was found to have a significant difference between the binary divide showed a much higher incidence of the use of line manager as the sole appraiser in 38 per cent of post-1992 universities (eight out of 21), compared to only 12 per cent in pre-1992 universities (three out of 26 responses); this is contrasted with other roles, or combinations of roles, such as line managers in tandem with colleague, student and self feedback. This information may be used to reinforce the case for the continued existence of binarism, particularly when linked with the use of target-setting, which could be used to illustrate something of a more managerial stance within post-1992 universities, where externally set and assessed performance criteria can be said to be used by "lay" line managers rather than internal criteria by academics themselves. However, a sizeable number of post-1992 universities do not appear to place such an emphasis on such managerial approaches, while some pre-1992 universities do.

In addition, 18 (90 per cent) of post-1992 universities indicated that they had introduced appraisal wholly or partly for reasons of personnel/HR strategy, rather than government policy, compared to only seven (25 per cent) of the pre-1992 universities. Once again, this point was taken as evidence of the binary divide between institutions but, once again, there are limitations in the interpretation. First, 11 post-1992 universities had also indicated that both reasons were drivers behind appraisal. The assumption was made that such influences could be clearly identified by the respondents and that institutions who said they were driven by their own strategies rather than government policy (i.e. the new universities) were in some way "more managerial" than others.

To a certain extent, the qualitative information gained from the interviews does provide some support for a binary split in appraisal practices. No respondents from pre-1992 universities cited an objective or target-setting component which was driven by someone described as a line manager. One respondent described the system as "not management by objectives in any sense ... the system is of two academics talking to each other rather than a manager-subordinate relationship". All respondents stated that there was a close link between appraisal and staff development but no link with pay.

Some contrasting views can be drawn from the respondents from the post-1992 universities. Six of the nine interviewees mention a purpose of objective-setting in their appraisal process, an indication of an evaluative, control-oriented approach. "Cascaded" objectives were mentioned by several of these respondents. An example from one of these described a system where the university's strategic plan is devolved to schools for conversion into one year operating plans. In turn, these are translated into staffs' individual objectives. Another respondent noted that appraisal "seems to be shifting to be more managerial rather than developmental ... more objectives ... the scheme originally emphasised self review, now it is managerial review. The Vice Chancellor wants everyone to have a clear set of objectives". Further evidence of a control orientation was provided by one respondent from a former polytechnic who stated that appraisal provides "a model we can use for pay purposes" and that it provides a "formal link" with pay. In addition, it became clear on questioning that a number of former polytechnics have a compulsory requirement for staff to submit appraisal evidence in furtherance of promotion applications, which may clearly work against any developmental orientation of these schemes.

While this analysis provides some support for the idea of a developmental-evaluative split in practice between the pre- and post-1992 universities, the overall view from respondents did not appear to provide a neatly consistent picture of the two sets of institutions. The descriptions given by respondents from pre-1992 universities are, to a certain extent open to interpretation, depending on the actual power that a "Head of Department" in a "line manager" role may be able to exercise over colleagues, and the extent to which overt work-related target or objective-setting may be hidden behind development-oriented terminology. In some circumstances one may suspect that in a situation of "two academics talking to each other" as described earlier, one party may hold more power than the other (Townley, 1990, 1993). Respondents did indicate that there were variations on the extent to which academic staff were required to use the system to self-generate personal objectives; and while one described a separate page in the appraisal form which may be completed on a voluntary basis as a training and development "statement of intent", another linked this to the department by saying that "appraisal no longer involves individual goal-setting but is about how individuals can assist in the achievement of departmental goals" and another described staff as setting goals which are "generally both work and personal development related". In addition, in most pre-1992 universities, whilst there was no compulsory link with pay, staff could voluntarily submit their appraisal as evidence in promotion application and, therefore, the pressure to complete the process to a departmental standard must exist.

These inconsistencies are supported by the literature. In the pre-1992 universities, the sheer range and variety of appraisal practices (Rutherford, 1988), found nine informal methods existing in the University of Birmingham alone), makes it difficult to generalise about one institution, let alone a group of

them. Bryman *et al.* (1994) found that only one university from a sample of 51 institutions had a formal appraisal system in place prior to 1989, a fact which makes theorising about the basis of appraisal in these institutions being a long-lived, culturally embedded process, specific to pre-1992 universities, somewhat risky. In addition, some doubt must be cast over the rhetorical clear cut nature of the developmental orientation of appraisal in old universities. Townley (1990) and Bryman *et al.* (1994) note that in practice most appraisals used in universities also appear to follow an evaluative approach in addition to a developmental one.

Rutherford (1992) highlights some of the difficulties experienced by heads of schools in the University of Birmingham, the majority of whom wanted to retain a spirit of collegiality, but were struggling to do this as the appraisal system was seen to be acting as a catalyst for increasing tension between the demands of the university and the expectations of their colleagues. Therefore, to assume that pre-1992 universities have been able to continue operating an insulated and somewhat idyllic collegial culture, through nothing but a formalised labelling of a previously existing informal developmental appraisal process, must be treated with a degree of scepticism.

To confound the overall picture still further, the more control-evaluative style of appraisal depicted in post-1992 universities is often wrapped in a very developmental rhetoric, with the most frequently cited purpose of appraisal being staff development. In one example, appraisees voluntarily select their appraiser (termed “appraisal partner”) from any member of staff, with a stated aim which is purely facilitative and developmental, allowing what appears to be a high degree of operational power for academic staff.

Thus, some post-1992 universities may be more akin to pre-1992 universities in this respect and, whilst there are clear differences between the post-1992 universities themselves (for example, one interviewee talked about the use of appraisal for “workload control”, while another discussed its role in the “development of scholarly activity”), it would appear that any conclusion about the continued existence of the binary divide on the basis of appraisal practice is an over-simplification of an extremely complex situation. In addition, the diversity of purpose, following Randell (1994), makes it difficult to track the extent of fit with an integrated HRM strategy. Because of the close links between appraisal and PRP (Roberts, 1997), greater insight can be gained by an examination of PRP practices alongside appraisal.

Analysis of findings: performance-related pay

Unlike appraisal, not all institutions of HE operate any form of PRP. Therefore, there is certainly no case to be made for cross-sectoral uniformity. The author’s initial research framework assumed that there would be sufficient difference in practices to reinforce the case for the continued existence of the binary divide and, to a certain extent, such a case can be made.

Some universities operate PRP for senior staff only. However, 65 per cent of pre-1992 universities currently operate a system of PRP for all academic staff,

or at least operate systems which, as the questionnaire was worded, “base an element of academic staff payment on their performance”. Where “PRP” of some kind is used, there appears to be a big emphasis on individual unconsolidated bonuses, derived through forms of peer and colleague assessment (for example, through committees organised in a collegial manner (Hardy, 1991; Rutherford, 1992), staffed by academics and with heads or chairs elected from amongst academic staff). A total of 14 respondents (82 per cent) cited collegial methods of PRP decision making.

By contrast, only 33 per cent of post-1992 universities said they had a system which can be termed “PRP” available to all academic staff, and only 43 per cent of these felt that pay decisions were made in a collegial manner. This is despite the fact that former polytechnics were required by HEFCE to introduce a scheme in 1992. Again, these schemes were typically those which paid unconsolidated bonuses to individuals. In fact, the proportion of post-1992 universities using PRP could be considerably lower than even the initial questionnaire findings indicated, as it became apparent after interview that some respondents who originally stated that they had such a scheme, no longer operate it. Interestingly, it is the heads of personnel in post-1992 universities who generally appear vehemently opposed to the use of PRP for academic staff. Of the nine of these respondents interviewed, all except one had operated some form of PRP system, mostly for the year 1992/93 in order to comply with the HEFC requirements, and had subsequently dropped the schemes when this requirement ceased. Respondents’ reasons for this include the following: the scheme “was felt to be imposed”; and that “the university was generally uncomfortable with it”; that “it was wrong to reward individuals in a team culture”; “PRP was a waste of time . . . doesn’t fit the culture . . . not worth the effort”; the scheme was “not believed to be effective in motivating teachers”; what was put in place was “not a true PRP system”; for academic staff “pay is clearly not a motivator”; the idea is “not in keeping with the excellence for everyone mission (statement)”; “problems with the operation of the system, consistency, fairness, etc.” and “the 0.75 per cent was a joke”. Such comments appear to support the previously cited assessment and objectivity concerns (Kessler, 1994; Randell, 1994) and reflect the financial constraints operating in the sector (Keep *et al.*, 1996; Murlis and Hartle, 1996).

Again, however, on subsequent reflection the author found evidence for a diversity of approaches across the sector rather than a simple binary divide. There is a diversity of approach within the pre-1992 universities themselves; a variety of forms of PRP which are unlike forms commonly found in other organisations (Wilson, 1991). This is not surprising, for it could be argued that “PRP” in these institutions has been introduced in little more than name only, through formalising a variety of existing methods of financial reward such as discretionary awards and accelerated incremental schemes, merit pay, bonus schemes, and promotion schemes, as well as a small number of schemes actually named “PRP”. Diversity could also be said to be in evidence through the subjectivity which appears to be intrinsic to many of the schemes described

above (Wilson, 1991). Evidence of this comes from a variety of respondents who said that it was difficult to use specific criteria to determine eligibility for payment, although they stated that rewards are based on “above average performance”, “provable standards of excellence”, “excellence” and “recognition of doing something above and beyond colleagues”. Nor were the responses from the pre-1992 universities uniform. One respondent rejected the whole idea because “the culture was not right”, PRP is “not the sort of thing that goes on in universities” and the “perceived complexity of handing out such relatively small awards”. Here again, the emphasis is typically on individualised, unconsolidated payments, but there is a sense of purpose behind the subjectivity of these practices, to enable managers to make payments for staff retention purposes and in a way which supports the existing culture, rather than directly for employee motivation.

Conversely, and again making the diversity case for the sector, PRP was not rejected by all post-1992 universities. Whilst significantly fewer of these institutions do have systems called “PRP” those which do have it place a greater reliance on external, manager-controlled systems, perhaps because they have lacked the historical, collegial methods of reward which can simply be repackaged under this heading. One interviewee from these institutions did describe a PRP system still in operation, originally introduced in 1992/93 and continued from April 1994 as the institution’s own initiative. This system, described as “use of discretionary increments” gives Deans the responsibility to make payments to individuals to accelerate progression through the incremental scale, or over maximum. Staff are not consulted about the payments. Other examples are known to the author outside of the interview sample; typically these are limited to an across the board increase for all but those staff who are the subject of disciplinary action, but are nonetheless labelled as “PRP”. These practices are about as close as any get to group or institution-wide schemes, albeit they are portrayed as individual PRP.

Generally it appears that the use of PRP, particularly formally named schemes, is not widespread, is restricted to schemes which operate on an individual basis, and is limited by financial constraints. In some cases PRP does support the appraisal system, but the difference in the extent of take-up between appraisal and PRP indicates an inconsistency across the sector. Some of the more subjective systems of discretionary payments which exist are more culturally appropriate and may be creative enough to work for broader strategic purposes such as staff retention. However, the fact that such practices are in the minority and that other forms of PRP such as organisation-wide schemes do not appear to have caught on, may indicate a hiatus in planning for locally determined pay in universities whilst the outcome of the Bett’s review committee was awaited.

Conclusions

It is apparent from the analysis of the findings that there is some difference in appraisal and PRP practice between the pre- and post-1992 universities, but

there is also evidence of diversity of practice across the HE sector as a whole, which does not support the simplistic binary split. In making the link with different institutions, it may well be that the variety of appraisal and PRP practice broadly supports Thorne and Cuthbert's (1996) divergence and convergence thesis, within Scott's (1995) idea of a stratified system emerging from unification following binarism. The "élite" institutions typically practice more developmental forms of appraisal and have more collegial approaches to PRP practices, with academics retaining an element of criteria power, indicating a more culturally specific approach to manager action. There is marked divergence of practice between these and institutions at the other end of the university "league table", where a greater emphasis on management-controlled power is evidenced through the take-up of evaluative appraisal and in some of the examples of PRP. At the same time, there is convergence of practice between other pre- and post-1992 universities, the A2 and B1 institutions of Thorne and Cuthbert (1996).

The issue for the future therefore has to follow the concerns highlighted by Keep *et al.* (1996) and to question the viability and sustainability of this diversity of approaches to employment management in UK HE. The current pattern of appraisal shows widespread usage but diversity of practice. PRP practices are more limited in number and rather restricted in scope and purpose. This diversity is perhaps not surprising given the institutional autonomy which prevails in the sector.

The issue of sustainability needs consideration in light of the demands on the HE sector, which have been expressed through the Dearing Report (1997), the Department for Education and Employment (DfEE, 1998) and subsequent government spending reviews (to increase student numbers, to increase access to under-represented groups and to put in place more consistent and externally judged quality and assessment mechanisms); and whether these will have a universal effect across the sector, or whether current institutional autonomy, enabled by differing exposure to market forces (Thorne and Cuthbert, 1996) will prevail.

A maintenance of current institutional autonomy and diversity of practice will follow Scott's (1995) stratification argument and Ainley's (1994) vision of a more meaningful, personal and individualised teaching and learning experience. This situation may see a maintenance of the status quo for Thorne and Cuthbert's (1996) A1 universities, perhaps with the continued existence of "liberal professional" academics, but with greater demands placed on other universities. Diversity may increase in line with stratification and the necessity of coordinated sector-wide employment management strategies may be lessened.

On the other hand, if these demands do have a universal effect, then a more truly unified system may prevail (Scott, 1995), albeit one which is unlikely to ever be completely homogenous. In such circumstances it is likely that greater criteria power (Winstanley *et al.*, 1995) may be held by agencies which are external to the universities themselves, such as HEFC, QAAHE and the new

Institute of Learning and Teaching (Dearing Report, 1997). "Academic civil servants" will be in danger of losing their power. In this case, greater standardisation of course delivery and more external and transparent evaluation of performance may require centralised control of employment management issues across the sector. Thus, the merits of retaining national collective bargaining may be heightened, but so may requirements for university managers to demonstrate value for money from staff at institutional level. An emphasis on a managerially controlled appraisal agenda, with assessment criteria set by "lay" line managers, rather than a system controlled by academics through peer review, may become an imperative. A more consistent and meaningful PRP system, with a focus on group and institution level rewards, could find a place here.

However, the research described in this article does indicate some merit in enabling institutional diversity of practice, especially given the financial constraints on the sector, if such practices allow institutions to tackle issues such as staff retention with some freedom. There also appears to be a lot that universities can learn from each other, particularly in the culturally specific embedding of practices and the linkages between PRP and appraisal. In addition, there is much practice, for example, group and university-wide forms of PRP, which has yet to be thought through and applied to HE.

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