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MANAGERIAL VERSUS PROFESSIONAL CONTROL: THE CASE OF PERFORMANCE APPRAISAL IN UK UNIVERSITIES

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MANAGERIAL VERSUS PROFESSIONAL CONTROL: THE CASE OF PERFORMANCE APPRAISAL IN UK UNIVERSITIES

Abstract

We offer a case study of the relative efficacy of managerial and professional modes of control over professional behaviour. It focuses on performance appraisal in UK higher education, particularly one 'new' university. Despite the government's intention that appraisal would be used for managerial purposes, in operation appraisal had a development or mixed orientation, and even then was only partly effective. We argue that appraisal failed because it cut across professional values in an area of professional autonomy, and that it can be rescued, if at all, only by aligning it with those values. While management remains necessary for allocating resources, professional mechanisms have a neglected value for improving work performance in 'clinical' areas where professionals necessarily retain autonomy.

Keywords: performance management and appraisal; professionalism; higher education; managerial control

INTRODUCTION: MANAGEMENT IN A PROFESSIONAL ECONOMY

The economies of industrialized countries have progressively retreated to the uplands of the service economy before the rising tide of Asian industrialization, Britain's more than most. The transfer offshore of mobile low-skill service jobs, such as to call centres in India and elsewhere, means that the retreat has been disproportionately to the terrain of the professional and the 'knowledge worker', which has expanded in both size and scope (Greenwood and Lachman 1996; Powell and Snellman 2004; Rudiger 2007). The trend is well established and shows no sign of abating. Professional workers in UK employment went up from roughly 3,585,000 to 3,754,000 between the third quarters of 2005 and 2006. In an almost static labour force, their share of total employment rose by

0.5%, the largest increase of any occupational category (Office of National Statistics 2006).

There are of course other established and often less benign employment trends which should not be minimized. But this article contributes to the literature on professional service organizations by providing material for an assessment of the respective claims of management and professionalism as principles for organizing professional work. We offer a case study of performance management and appraisal (hereafter 'appraisal' for short) of academic staff in UK universities which focuses on a single university which we will call Elbereth. (We declare our interest at this point, since we are, respectively, academic and professional employees of universities in the UK). In so doing we also propose a rereading of the findings of previous studies of appraisal in higher education by Barbara Townley, Hugh Willmott and others.

APPRAISAL: FOR WHAT AND FOR WHOM?

Standard and authoritative texts have increasingly defined appraisal in terms of its contribution to organizational performance: 'a strategic and integrated process that delivers sustained success to organizations by improving the performance of people who work in them and by developing the capabilities of individual contributors and teams'; 'performance appraisals … are … a key lever to enhance organizational performance' (Armstrong 2000:1; Bach 2005: 289), and one authority has gone so far as to assert that when it comes to improving staff performance, there is 'no real alternative' (Fletcher 1994: 1). But while we might expect the 'lever' to be plated with gold, convincing evidence of appraisal's contribution to individual performance, let alone organizational performance, remains elusive, despite good evidence of the contributions of employee selection, and HR as a whole, to individual performance and organizational performance respectively (Hunter and Hunter 1984; Huselid 1995). Thus Latham *et al.* fall back in their review of appraisal on the evidence - admittedly it is very strong - of the value in

almost any walk of life of setting objectives for performance and then providing feedback on it (1993; see also Locke and Latham 1990).

Clearly the pertinence of the evidence hinges on whether appraisal actually includes objective setting and feedback. Yet when we turn from normative texts to the descriptive evidence of the numerous surveys of actual practice, we are confounded by variety: not just of approaches, but of basic orientations. At the fundamental level, the approaches come down on one or other side of the familiar unitarist/pluralist division. There is a longstanding dilemma about how to reconcile 'organizational concerns for control and compliance on the one hand with employee expectations of professional development and personal aspirations on the other' (Simmons 2002: 87, see also Campbell and Lee 1988), and it is reflected in approaches that strike different balances between the interests of organizations and employees.

But there are important subdivisions even on the unitarist side. Surveys carried out for the Chartered Institute of Personnel and Development in the UK have portrayed appraisal that to varying degrees was forward-looking with an emphasis on setting objectives, or backward-looking with an emphasis on rating to inform pay or promotion decisions (Armstrong and Baron 1998 and 2005). Appraisal is also a moving target in the surveys. Performance-related pay (PRP) has declined in importance, while linking appraisal to organizational objectives, the hallmark of the new 'strategic' performance management model, has increased.

Faced with this multiplicity of purposes, appraisal sometimes tries to be all things to all men and women, leading Randell (1994) to warn that the basic purposes will cancel each other out unless they are handled separately. Moreover, even the simple unitarist/pluralist split can blur in practice, as in so-called 'country club organizations' where organizational objectives are only the sum of individuals' objectives (Sonnenfeld and Peiperl 1988). Perhaps we should not be surprised that the confusing array of appraisal purposes has been given as an explanation for the final, and dismal, relevant

feature of appraisal usage: employers are generally dissatisfied with appraisal, and many individual managers do not see it as an important part of their jobs (Bach 2005).

APPRAISAL IN UK HIGHER EDUCATION

When the UK's Conservative government reached the universities in its 1980s long march through the public institutions, it signalled its determination to treat them no differently from any other recalcitrant public body by setting up the Jarratt Committee (1985). It was explicitly modelled on the 'Rayner audits' of efficiency in the civil service which were the harbinger for Britain of what came to be called the New Public Management (Greer 1994); its chairman and two of the other nine members were businessmen, and the government's efficiency adviser was there for good measure. Appraisal for academics was part and parcel of its recommendations: an annual review 'as is the practice in the best staff development systems used elsewhere' (a tactful allusion to the private sector) that would 'make the most effective use of academic staff' and allow them to realize 'their full potential as quickly as possible' (29). It envisaged that it would be carried out 'on a hierarchical basis'. The report was following the lead of the Secretary of State for Education, Sir Keith Joseph, who had indicated in a speech that appraisal was to be used for managerial purposes (Townley 1990).

In both 'old' and 'new' universities (the latter are the former polytechnics and colleges which were redesignated in 1992 and subsequently), threatening to withhold funding if appraisal was not implemented had the desired effect. It was duly introduced in the old universities in 1989, and the new universities followed suit after the Higher Education funding round of 1992/3. (It is worth noting that HR departments had very little part to play in all of this: see Townley 1990.) At the time of writing, most if not all UK universities had an appraisal scheme in place, with the election of the Labour party in 1997 having made no discernible difference.

On the face of it, management had cemented its victory in this last bastion of professional control. Academic commentary was quick to deprecate it. The big guns of the managerialism critique, Foucauldian analysis, labour process theory and the proletarianization thesis were all brought to bear (respectively Parker and Jary 1995; Townley 1993; Willmott 1995; and Wilson 1991). The changes of which appraisal was an element were seen as an attack on traditional collegial governance; and, in true professional style (see below) and right up to the present, as contradicting traditional academic autonomy and self-regulation (Chandler *et al.* 2002; Constanti and Gibbs 2004; Dollery *et al.* 2006; Simmons 2002).

We will allow ourselves to remark in passing on the black view taken by professors of management when they find themselves and their peers on the receiving end of the very thing that they profess. However, readers familiar with the proverbial comparison between managing academics and herding cats (see Jackson's [1999] account of the plight of the university Head of Department) might have expected that things would not go as smoothly as Jarratt had hoped or his critics feared. The mountains, in fact, had laboured only to bring forth a mouse. While there was evidence of some diversity in the sector, with the new universities a little more managerially minded than the old, one survey found that only 33% of the former were operating the PRP system to which their funding formally committed them, and even then it was sometimes only in name (Shelley 1999). The University and College Union (UCU) had played a clever hand by not opposing the scheme outright but concentrating their fire on its excrescences (Townley 1990. UCU is a deliberate anachronism here: it arose from the merger of the former college lecturers' union NATFHE and the university lecturers' union AUT in 2006). By the late 90s it looked like appraisal was settling into a developmental orientation, and it transpired that many heads of department were reluctant to operate even this innocuous version (Townley 1997; 1999). Subsequent evidence showed appraisal in wholesale decline, in Scotland at any rate, even though its purported victims, languishing in the shadow of Foucault's panopticon, showed an unaccountable affection for it (Wilson and Nutley 2003).

How did the critics, who manifestly had been loosing their ammunition into an empty jungle, explain this turn of events? Universities and their senior academics had, it now appeared, their own 'institutional logic' or 'practical reason' which mediated or even trumped the top-down logic of appraisal (Prichard and Willmott 1997; Townley 1997 and 1999). It was not a question of stigmatizing academics as public sector mavericks with slipshod ways, as Jarratt and the government perhaps had done. Rather, informal but serviceable mechanisms that senior academics used for monitoring staff performance came suddenly to light. They ranged from criticizing colleagues' draft papers to acting on feedback from their students (Shelley 1999). After all the sound and fury, appraisal was, it seemed, trivial, and it was trivial because it was superfluous.

APPRAISAL AT ELBERETH

Empirical studies of appraisal in UK universities have been mainly cross-sectional (Prichard and Willmott 1997; Shelley 1999; Townley 1997) or confined to manager interview data (Townley 1999). In this section we present the findings of a case study of appraisal in a single new university which we will call Elbereth. Our data comprises the responses of 52 academic staff to an 18-item questionnaire distributed on-line via Heads of Department in early 2007, supplemented by a focus group attended by eight of the respondents; and of eight semi-structured interviews with academic leaders and the university's HR director lasting roughly 90 minutes each. Interviewees were selected to represent the range of disciplines in the university. The limitations of our data are self-evident, and are reflected in the inferences we have drawn from them. *INSERT data if poss. from MMU EO monitoring.*

In Townley's 1999 study, her chosen university was merely on the verge of introducing appraisal. But like the other new universities, Elbereth has had appraisal since the early 90s, and its teething troubles are long past. Appraisal's current avatar is called Performance and Development Review (PDR), its title following national guidelines and reflecting the unitarist intention to get employees to improve their performance by

reviewing it and then developing accordingly; and perhaps also the pluralist desire to give them some leeway to pursue their own aspirations.

The management perspective

The acting HR director was every bit as dissatisfied with his own scheme as the employers in the appraisal surveys we reported earlier. He and his predecessor had favoured a classic performance management orientation. Referring to a training video in which his predecessor had declared that 'If the PDR is successfully completed the question 'how am I doing?' will be answered as (the employee) leaves the room,' he complained that the scheme was *'missing a clear action focus.'*[1] This was not for want of trying on his part. He and his predecessor had pressed for such a focus in reviews of the scheme in 1996 and 2004, but their senior academic colleagues had demurred. The academics *'hid behind'* the argument *'staff don't want that culture'*, behind which again lurked the notion of academic freedom. Recalling the studies of university appraisal reviewed earlier, the director ruefully recalled a senior academic's comment during the 2004 review that appraisal was *'mostly harmless'*.

Certainly the PRP element of appraisal was nowhere to be seen (so that Elbereth was not to be numbered among the 33% of new universities ostensibly using it). And there was evidence for the director's frustration in the stance taken by UCU locally. It had vigorously opposed a performance management orientation throughout the scheme's history. In this it was doing no more than UCU branches elsewhere, such as at Leeds Metropolitan and Nottingham (Baty 2007; Overell 2004). Opposition to the PRP element in appraisal is not unique to academic trade unions, of course, but opposition to using appraisal for promotion is distinctive, certainly relative to the UK civil service where it is appraisal's main *raison d'être*. Minutes of a Joint Committee at Imperial College London show the local UCU branch characteristically seeking, and obtaining, reassurance from the management side that appraisal data would not be used to decide promotions (Symons 2004).

There was further evidence for the HR director's frustration from the senior academics themselves. One said that appraisal in his department was there merely to give staff the chance to talk about their career ambitions. Another conceded that the scheme was supposed to have a performance management orientation, but went on, in an understatement: *'I'm not sure that it operates that way.'* A third flatly maintained that the PDR was the wrong place to deal with performance.

But there was also contrary evidence. A split opened up between what we will call 'vocational' and 'academic' departments. Vocational heads, some of whom had previous careers in the National Health Service (NHS) and elsewhere (so that their work identity was perhaps not exclusively academic), were more comfortable with the performance management orientation. One of them said that appraisal in her department was *'quite performance manage-y'* and was even used to allocate workload. Another was convinced that the university had every right to talk to academic staff about their performance and set objectives with them.

In general our data from the management side suggested that the picture was less monolithic than the HR director believed, and also, from his point of view, a little less bleak. While the 'academic' reviewers lived up to his disillusioned view, he had significant support among the 'vocational' departments. Thus Elbereth's practise as reported by Elbereth's appraisers reproduced the variety of basic approaches that we found in the literature, minus the PRP extreme, which the local UCU branch had successfully lopped off.

The staff perspective

The way staff saw things was different again. They were, perhaps surprisingly, happy in equal measure to see appraisal used for reviewing and improving performance (and, implicitly, setting objectives), and for supporting their development, including career development (73, 69 and 73% of questionnaire respondents respectively). Their opinions carried through somewhat to their view of appraisal in practice. Most of them said that

their PDR had indeed dealt with both performance and development. They also tended to be well disposed towards their appraisers, who were reported as giving helpful performance feedback based on a good understanding of appraisees' work (respective mean scores of 3.8 and 3.9 on a five-point scale).

Unfortunately the staff view was less positive in three respects. First, they were lukewarm towards having objectives that derived from the university's strategic goals, a proposition with which on average they neither agreed nor disagreed. Second, their career development goals had been discussed only half as often as their performance. Third and crucially, fewer than half of them were prepared to say that their last PDR had made a difference to their performance (a mean score of 2.7, the lowest in our survey).

Appraisal at Elbereth: the overall picture

In general, our evidence suggests that the academics approached PDR with more of a performance orientation than the disillusioned HR director (or for that matter the recent academic commentators) believed, at least in the vocational departments, although the 'hard' PRP version of appraisal was on no one's agenda. Moreover, far from staff having a problem with the performance orientation, they were, if anything, more willing to be managed than their senior colleagues – the 'academic' ones at any rate – were to manage them: our findings echo Wilson and Nutley's on this point.

On the other hand, staff still expected their objectives to be personal ones, not read off the university's strategic goals (which, incidentally, would make the vaunted strategic human resource management [SHRM] a dead letter in this area of HR). Second, if appraisal was failing to meet the organization's needs in this respect, it was failing likewise to meet staff needs in respect of career development. Third, appraisal's impact on staff performance had been limited.

This last is the most worrying of all our findings, even if it is only in line with the conclusion of our earlier survey of appraisal research. After all, on the face of it we have

quite a strong form of appraisal in Elbereth. Objective setting and feedback, the two features that may give us the most solid basis for claiming that appraisal really does affect organizational performance, are both present, and we do not have the confounding PRP element, about which professional HR opinion in the UK is currently sceptical (see for instance Marsden and Richardson 1994), as its practical decline attests.

How are we to make sense of these findings, and of the other published findings which we discussed earlier? Clearly we can dismiss the studies up to the mid-90s which invoked Foucault, proletarianization etc. as alarmist in the light of later events. As we saw, the explanation in later studies by Prichard and Willmott, and Townley in her 1999 iteration, is that senior academics have serviceable informal mechanisms for monitoring their junior colleagues which render appraisal superfluous. But is that letting the academics off the hook? No evidence is presented for the efficacy of these informal mechanisms. We could with equal ease take the economic point of view embodied in public choice theory (Niskanen 1994) and see it as a typical instance of the self-interested sloth of a public sector producer group. Indeed that was probably very close to the perspective from which the economically literate Sir Keith Joseph set up the Jarratt Committee when he was Education Secretary.

The Research Assessment Exercise and formal performance monitoring

But a public choice explanation entails a view of universities as uniformly slothful and resistant to reform. Such a view, we suggest, is refuted by the very different experience of another Conservative innovation of the mid-1980s, the so-called Research Assessment Exercise (RAE: see http://www.rae.ac.uk) which has graded the quality of UK universities' research five times at irregular intervals since 1986 (the sixth exercise in early 2008 was imminent as we wrote).

RAE has always been even more controversial than appraisal. Where UCU has been nuanced in its attitude to appraisal, it remained at time of writing unremittingly hostile to RAE (see www.ucu.org.uk/index.cfm?articleid=1442). But while appraisal has wobbled

or fallen by the wayside, RAE has stuck. Following the 2008 exercise, the government seemed likely at time of writing to mend rather than end it (see Roberts 2003). The principle of allocating future UK government research funding based on expert review of universities' past research performance is not up for grabs. Nor could we find any published hint of Townley's 'wayward' Heads of Department opting out of RAE submissions in the way they seemed to have impunity to do with appraisal. They may not even have wanted to: we reviewed 30 studies of RAE in academic journals, of which 19 had a descriptive or constructive orientation, while only 7 were critical; very different from the picture in relation to appraisal, as we saw. UCU notwithstanding, academic commentators in the main have accepted RAE in a way that they never accepted appraisal.

Thus we suggest that both the institutional logic and the public choice explanations fail in the case of RAE: the former because there is no question of the formal RAE logic being overridden, so that the question of an informal institutional logic does not arise; the latter because the academics are not self-interestedly evading RAE scrutiny in the way that they have ducked out of appraisal. Why, then, the discrepancy? The explanation we wish to offer is that while both have been characterized as exercises in managerialism (Yokoyama 2006), RAE has prevailed because academics perceive it as embodying professional values to which they subscribe whereas appraisal has stagnated because it is perceived as embodying management values to which academics are prepared to acquiesce only in what they see as management's proper domain. Developing that explanation entails a discussion to which we now proceed of what 'professional' means.

PROFESSIONALS AND PROFESSIONAL AUTONOMY

Professional autonomy versus management authority

'Professional' is a label to which every occupation from footballers to physicians aspires, and academic authors often use it no more exactly than the aspirants themselves. Our

interest here is in the intrinsic content of 'professional' work and how it should be regulated, thus sharply distinguishing our inquiry from the sociological, class-based analysis of professions (such as Boltanski 1984; Bourdieu and Wacquant, 1992: 241-5; or Larson 1984) which underlies the UK official workforce statistics quoted at the start of this article. Thus it is significant that most if not all definitions of 'professional', including that of the US National Labor Relations Act of 1935, which we find most satisfactory, include the notion of autonomy. The NLRA talks about work that cannot be standardized, and which requires 'the consistent exercise of discretion and judgment', based on advanced knowledge which is customarily acquired through lengthy and specialized intellectual study, typically in a university (Section 2, para. 12; see also Freidson 1986, chapter 7).

Naturally the image that such definitions conjure up of an autonomous practitioner, answerable, if at all, only to their professional peers is attractive to the professions (see for instance Royal College of Physicians 2005). But numerous authors have believed that it is some way from the reality of professional work. More and more professionals, they point out, are employees, standing in the same economic relation to their employers as any other wage slave. Their autonomy, they suggest, is only a polite fiction. That is the gist of the 'proletarianization' thesis, elaborated by Derber in 1982 but still current in non-Marxist terms: see, for instance, Reed (1996).

We consider the thesis sound in so far as employed professionals are nominally subordinate to managers, with consequences which we discuss below. Moreover, whatever may be the position in other professions like dentistry (Abbott 1988), the notion of a self-employed academic, our study occupation, is a contradiction in terms. A self-employed dentist can pull out a tooth; a self-employed academic cannot award a degree. In this sense, academics were proletarians from the word go.

However, the relationship between professional employees and their employers is more complex than the economic determinism of the proletarianization account allows. Certainly 'if … professionalism involves acting on autonomous judgement and

management involves getting other people to do what one wants, then there is a potential conflict', say Harrison and Pollitt (1994: 2). But they go on to suggest that conflict does not always materialize, let alone that its outcome will always redound to the manager. So how much autonomy vis-à-vis the manager does the professional have?

Eliot Freidson (1986) concedes to the proletarianization thesis the fact that 'managers' (a shorthand: we want to include owners and [in the public sector] governments and the governing bodies of autonomous public organizations) control the allocation of resources on which the professional depends; including, we may add, the very existence of the professional's job. Indeed he sees their control as quite desirable, since only the manager is able to adjudicate between competing groups of professionals. But he points out that vis-à-vis the client - a relationship that the proletarianization account neglects, and likewise the management literature - the professional can be very powerful indeed. Child abuse scandals in the UK have shown that all too often over the last 20 years. If individual professionals had made different discretionary judgements in one well-publicized case, and notably the hospital consultant who certified her as 'able to discharge' even after finding evidence of abuse, eight year-old Victoria Climbié would not have been murdered by her guardians in 2000 (Laming 2003).

Thus Freidson sums up that the professional is 'organizationally impotent but technically autonomous' (1986: 178). That is succinct; but not precise.

The overlapping domains of managers and professionals

First, even if professionals and managers mostly know their place, as Freidson implies, they still manage to tread on each other's toes often enough. Professionals can determine resource allocation through the time-honoured tactic of 'shroud-waving', keeping open a dilapidated but impeccably local hospital or using the Falklands War to see off proposed cuts in the British navy (Dorman 2001) as the case may be.

For their part, managers can simply override the professionals' expertise if they want to. That is effectively what happens whenever the UK government ties judges' hands with a sentencing 'tariff', as in the mandatory sentencing for dangerous offenders contained in the Criminal Justice Act 2003. (This was clearly the government's initial inclination when dealing with the universities in the 1980s: see above.)

In fact we might wonder with an eye to managers' widely-assumed unslakeable thirst for control why they don't flex their muscles more often than they do. Often it is because they just don't know what the increasingly specialized professionals are up to. Orr's (1996) influential ethnography shows that what Xerox photocopier service technicians did was very different from what Xerox's managers thought they were doing, so that their attempts at control were largely futile. Sometimes they may defer to the professionals because they recognize that professional expertise has an equal footing alongside their own bureaucratic authority as what Freidson (2001) has recently called a 'third logic' governing the division of labour in the economy (the other 'logic' is the market mechanism); and as belonging to the same fundamental Weberian category of rational administration, so that deep calls unto deep (Psalm 42: 7; Stinchcombe 1959).

Second, managers will be that much more amenable to professional persuasion when they are members of the same profession themselves, this being the decisive feature of what Scott (1965), following Weber, called an autonomous (as distinct from a 'heteronomous') professional organization. British state hospitals which had been examples of the former turned into the latter when the government implanted general managers in the 1980s (most law firms, by contrast, remain stubbornly autonomous).

Third, the professional identity is not an exclusive one. Professionals can be forced to choose between their professional and organizational loyalties. Wallace (1995) found that lawyers in non-legal (i.e. heteronomous) organizations were less committed to their professions; and Alvesson (2004) has outlined ways in which knowledge-intensive companies try to increase professionals' loyalty to the company at the expense of their profession. In a way the controversy surrounding the way the UK Attorney-General,

Lord Goldsmith, changed his advice about the legality of the invasion of Iraq in 2003 hinges on the competing claims of his loyalty to his legal profession and to the government of which he was a member, and to which his revised advice was very welcome (Sands 2003).

Fourth, professional knowledge is unstable. It 'degrades' (Freidson's word), in the sense that what was once arcane or 'tacit' (Polanyi 1966) becomes public and explicit, thus falling out of the NLRA definition; whether the slippage is from a lawyer to a junior trainee (property conveyancing), from a systems analyst to a proprietary software programme or from a psychotherapist to some pills in a bottle. Equally of course, professional knowledge expands, as in the pharmaceutical industry's development of drug treatment for stomach ulcers which used to require a surgeon's attention.

Fifth and last, professional authority is also unstable, not only as between professionals and managers, but between whole professions. Abbott (1988) has shown that professions comprise a system in which individual professions are constantly trying to enter new territory and vacating portions of their own territory in favour of other professions; the shifting boundary between psychotherapy and pharmacy, referred to above, is one instance.

Professional autonomy and managerial authority

We summarize our brief review as follows. Professionals emerge from their training with the ability and the acquired confidence to make complex decisions unaided and case by case. But their autonomy is immediately constrained by:

1. their dependence on managers for resources, especially in heteronomous professional organizations
2. their tendency, whether occasional or frequent, to give their primary loyalty to their organizations, not their professions, especially again in heteronomous organizations

3. the tendency of professional knowledge to become standardized
4. the 'capture' of professional jurisdictions by rival professions

On the other hand their autonomy is upheld by managers' acquiescence when managers are not *au fait* with professional knowledge or when they implicitly recognize their own Weberian affinity with the professionals. That acquiescence is more likely in autonomous professional organizations, and where it is politically convenient for the managers to acquiesce. Technical autonomy is also upheld by the expansion of professional knowledge; and by professional encroachment on managers' turf by using or abusing their expertise to influence managers' decisions ('shroud-waving').

Academics as professionals

What kind of professionals, then, are academics such as Elbereth's? Following Freidson's argument, as a wholly bureaucratized occupation they are highly subject to university managers' resource allocations. However, they work in organizations that are effectively autonomous in Scott's terms, with a hierarchy consisting exclusively of academics up to and including the Vice-Chancellor, all tending *'to come up through the academic route - and universities do not appoint on management success but academic success in the broadest sense,'* as Elbereth's HR director remarked. There is scope for allocations to be influenced by academic factors.

Against that, Elbereth's 'vocational' appraisers, often hailing from outside academia and lacking the early career socialization of a PhD training, identify themselves as managers and so tend to have a greater loyalty than their 'academic' colleagues to their organization as opposed to their new profession. That is arguably reflected in their more unitarist orientation to appraisal, as we found in our interviews.

While the managers have placed a resource cordon around the professionals' domain which some would argue that strict funding régimes have drawn ever tighter, inside the professional domain the academic remains every bit as sovereign as the consultant in the

Climbié case. Perhaps even more so: they are bolstered by the 'lengthy and specialized intellectual study' of the NLRA definition in the form of a PhD, from which derives what Winstanley *et al.* (1995) have called 'criteria power', which to an exceptional degree allows them to define their own jobs. There is, though, an important exception: the universities' casual labour force, disproportionately female, to which the proletarianization thesis might apply, albeit temporary work is a staging post for many individuals on the road to a permanent appointment (Farnham 1999).

Further, there seems no imminent threat of academic knowledge becoming standardized. When one academic problem is solved – the structure of DNA, say – or 'degrades', academics simply migrate to another: that is how knowledge grows. Something akin to Abbott's 'jurisdiction challenge' occurs only within academia, as one subject, like Information Technology, rises while another falls, like Classics (creating, incidentally, the inevitable need for managers to step in to redistribute resources, just as Freidson argued). Challenges from outside are virtually impossible because the barriers to entering this particular market (Porter 1985) are almost insuperably high. The University of Buckingham was, in 1983, the last competitor to enter the UK market, and there is no other on the horizon, apart from competition at the margins from universities in other countries.

Thus we judge that the academic professional's autonomy, though circumscribed by managers' resource allocations because of the bureaucratized nature of the academic profession, remains immensely strong in its own domain. 'The academic world's … pronouncements are among the most powerful socially,' as even a disabused critic of academia's pretensions has remarked (Bourdieu and Wacquant, 1992: 70; see also Bourdieu, 1988). This, we suggest, goes some way towards explaining why the senior academics have seen off appraisal.

But it does not explain why academics have submitted to the, on the face of it, equally managerialist RAE. To explain that we must introduce a specific aspect of academic professionalism: the priority that academics, especially senior ones, give to research.

Academics are socialized to accept the judgement of academic journals' anonymous peer reviewers as canonical. The judgement of RAE subject panels carries even greater authority, because it is largely a summation of journal reviewers' judgements on the individual articles which are the decisive part of an RAE submission. Hence this comment in the government's response to the Roberts review:

> 'It is not acceptable for peer review panels to rely on the place of publication as a guarantee of quality. We recommend that HEFCE instruct panels to desist from this practice for RAE 2008.' [Science and Technology Committee 2004: 2])

Everything in academics' professional formation disposes them to take the RAE scrutiny process very seriously. There is evidence, at least for accounting, that academics tend to regard RAE ratings as fair (Brinn *et al.* 2001). Regrettably, by the same token it disposes them to discount the judgement of a single appraiser, prey to all the assessment biases such as contrast, halo and recency effects to which appraisers are notoriously subject (Smith and Robertson 1993), and of which academics, who scrutinize for a living, are perhaps particularly, albeit unconsciously, aware.

IMPROVING PROFESSIONAL PERFORMANCE

We repeat that our arguments here apply only to professional work, and we are uncertain whether they apply outside the UK, the focus of our research, although they appear consistent with our reading of already cited studies on professionals elsewhere, notably those by Abbott and Silberman. Also, professional organizations still have non-professional employees about whom we have nothing to say, and we have explicitly recognized that professionals must normally defer to the resource allocation decisions that are managers' proper domain. However, our analysis would seem to have deprived professional organizations, and universities most of all, of Bach's 'key lever' for improving staff performance, namely appraisal, and it has made us more sceptical than

Prichard and Willmott and Townley that informal scrutiny mechanisms will be an adequate substitute. So where does this leave us?

We think there is a clue, once more, in the RAE experience. It is not necessary to see RAE as an unmixed blessing to recognize that it has had a significant impact on research output. In a general way that reflects the professional priority that academics give to research; but we argue more specifically that it reflects the nature of incentives available to the individual academic.

What motivates academics? We suggest an analogy with lawyers, whose firms in the UK system offer above all else the incentive of a partnership, a goal towards which lawyers are prepared to direct their efforts over a number of years (Morris and Pinnington 1998a and 1998b). Leaving aside the professional ideology recognized by Tawney and many others that directs professionals, including academics, to do work of good quality and serve their clients (Larson 1977), and which derives from a process of self-selection reinforced by professional training, we argue that academics, like lawyers in UK private firms seeking partnerships, are motivated by aiming for promotion, and the money and professional standing – both economic and institutionalized cultural capital, in Bourdieu's (1986) terms - that come with it. If Bourdieu's (1988) analysis of French academics' exquisite awareness of the academic pecking order applies to the UK, then the value of cultural capital should not be discounted here.

Thus although RAE is an assessment of universities, not individual academics, academics have participated fully, despite inevitable reservations, because the outputs it requires are the same ones that they have been socialized into valuing and that will count towards their promotion. Professional socialization and the single-minded concentration of academics and lawyers on promotion in the long term allows their employers to manage them with a light touch in the short term, and obviates the need for close and continuous performance monitoring.

Yet law firms do often use appraisal. Morris and Pinnington account for that paradox by invoking what Cooper *et al.* (1996) have called 'sedimentation', whereby the new managerial logic of appraisal overlays and mingles with the older logic of professional control. That might appear to be the position in universities as well, since most of them have appraisal schemes on the books; but only superficially. A decreasing number of them are using their schemes, with even those that do tending to operate them in a half-hearted way. In universities managerial logic has not mingled with but been swamped by professional logic; and it is not the 'institutional logic' or 'practical action' of Prichard and Willmott and Townley, but the formal logic of academic career incentives, together with professional ideology in some degree.

Practical implications

Our analysis appears to have two implications for the perennial and necessary task of improving professionals' performance. First, we must give more attention to the real levers of professional performance: long-term career incentives and professional self-control. Second, in professional organizations at least we should face up to the finding that employers and managers are dissatisfied with appraisal, both in general and in universities in particular, and recognize that appraisal will only survive in any meaningful way, let alone flourish, if it is aligned with the structure of professional career incentives rather than with organizational objectives as the SHRM model would hold. Our study suggests that professional alignment is a more powerful motor of performance than strategic integration in professional organizations. This suggestion contradicts the SHRM literature, but it is in line with at least one authority on appraisal (Fletcher 1997: 152), who has said that

> 'appraisal is more likely to be acceptable if it is seen as a means of facilitating effective co-operation in achieving common goals and as a mechanism for improving professional development than if it is perceived as a way of assessing and motivating professionals to drive organizational performance.'

All this means a stronger emphasis than we found at Elbereth on using appraisal to support career development, as opposed to setting short-term objectives, unless those are milestones on a well marked longer career development road. The realignment we put forward will have the incidental advantage of resolving the ambiguity over the purpose of appraisal which we suggested as a fundamental reason why appraisal schemes are so often ineffective. However, it will pose a challenge to HR professionals, appraisal's organizational guardians. We saw that they had little part to play in setting up appraisal in universities, and the same goes for academic promotions.

It is open to doubt whether appraisal can now be revived in universities: it is damaged goods. But we think it is still worth a try, if only because it was clear from our case study, as it was to Wilson and Nutley, that staff (and also some appraisers) like it, possibly because in keeping with our argument, staff realize that it contributes to their career development and helps them develop their professionalism. Moreover, if not appraisal, and *pace* Fletcher's insistence that there is no alternative to it, then some more palatable form of mentoring for junior professionals will need to be invented, because the potential of objectives and feedback are independent of appraisal, as we saw, applying equally to academics and to athletes, and should not be ignored.

The efficacy of professional approaches to performance improvement

In organization studies we generally solve one problem only at the expense of creating another (this being the process by which knowledge grows, as we observed earlier). Even if our argument is persuasive that it is long-term professional incentives and 'professionalism' rather than management controls like the hard version of appraisal that are the operative influences on professionals' behaviour, we should not equate 'operative' with 'effective'. We need only allude to those criticisms of professionals' self-serving behaviour for which 'shroud-waving' is a label and of which the often-alleged over-supply of medicine and law in the United States is an example. Moreover, to return to RAE for a final time, while RAE has improved research output, it may have done so at the expense of teaching or collegiality (Brinn *et al.* 2001; Prichard and Willmott 1997).

In establishing incentives geared more to the former than the latter, universities might merely have committed 'the folly of rewarding A while hoping for B' (Kerr 1995). Whether RAE has made academics more effective overall depends on how effectiveness is defined. That should be taken into account in any research which addresses the relative efficacy of professional and managerial approaches to improving staff performance, research which we think very desirable in the light of our analysis.

CONCLUSION: PROFESSIONAL LOGIC AND PROFESSIONAL PERFORMANCE

In the 1980s and 90s, competition in a free market came to be seen as the best way of allocating resources, at least in the economic sector; hence privatization. In the special case of work organizations, whose existence economists like Coase and Williamson attributed to the desirability of minimizing transaction costs, and also in the public service sector where government sits at the apex of the hierarchy, resources were to be allocated by the application of management discipline, including the output/outcome indicators and inspection regimes which became ubiquitous. King Canutes like Pollitt (1990) failed to hold back the management wave by asserting the illegitimacy and ineffectiveness of management control of professional behaviour, The market and management waves swept all before them.

But three things have changed. The first is the empirical evidence of the limitations of management, as this paper has shown in the case of the appraisal 'lever'. The second is the professionalization of the workforce, our paper's starting point. The third is the improved understanding of professionalism which was not available to Pollitt, and which has culminated in Freidson's theory of the 'third logic' with its distinct role alongside market and management in determining the economic division of labour (2001; see also Silberman 1993).

When Sir Keith Joseph applied the 'efficiency audit' principle to the Jarratt Committee's composition, he was acting on the new public choice thinking in economics. In 2007, by contrast, the UK Labour government co-opted a prominent surgeon as health minister with a brief which included 'to ensure that clinical decision-making is at the heart of the future of the NHS' (Department of Health 2007), and a Conservative policy group led by former minister Stephen Dorrell called for a shift in power from managers to professionals through increasing the professions' powers of self-regulation (Public Services Improvement Policy Group 2007). Whether or not those politicians are as well versed in the new professional literature as Keith Joseph was in economics, it is now up to scholars and practitioners to show that the professional logic which appears to be gaining in strength in the UK public sector is not only an operative tool but, relative to management, an effective one for improving the performance of professional service organizations.

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[1] We follow the convention of placing direct quotations from our research interviews in italics.