

Preserving Partnership in Teacher Performance Management in the NSW Public Education System

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Introduction

This paper explores the origins and outcomes of an unprecedented union-management partnership in the implementation of teachers' performance in Australia's largest state schooling system, the New South Wales (NSW) Department of Education and Communities (formerly known as Department of Education and Training, also known as Department). The Teacher Efficiency Agreement (TEA), formalised in November 2000, represented a significant departure from the adversarialism that had characterised employment relations within the NSW system for many years. The TEA - also represented an apparent shift in the strategic outlook of both parties to the agreement: DEC senior management, on the one hand, and the union covering the State's public school teachers, the New South Wales Teachers' Federation (known as Federation). The DEC is the largest single public sector organisation in Australia (DET 2001; Maslen 2002). Equally, the NSW Teachers Federation, the union that has represented NSW public school teachers since 1918, stands apart from most other contemporary Australian unions in two very important respects. Firstly, it has defied the trend of declining union membership density in Australia. Secondly, during the 1980s and 1990s, it was one of the few unions to retain a reputation for industrial militancy, a reputation that can be traced back to the organisation of a remarkably successful one-day mass strike in October 1968. (Baldwin 1992:183; O'Brien, 1987:126-195).

In essence, the TEA of 2000 represented a first tentative step towards management-union partnership in human resource management in this most labour-intensive, bureaucratised and politically-sensitive area of public sector employment. While performance-focussed partnership arrangements, comparable to that of the TEA, are now quite widespread in state schooling systems in other Anglophone countries (Healy, 1997; Kerchner, 2003), co-partnership arrangements of this type remain uncommon in the Australian context. The TEA of 2000 is the first formal union-management partnership in any Australian organisation that deals explicitly with the monitoring, assessment and remediation of individual employee performance; matters that, in terms of Australian employment law, have historically been regarded as the exclusive preserve of management. As such, the TEA represents a new departure in Australian employment relations practice. (Bacon and Storey 2000; Gollan and Patmore 2006).

This paper explores the origins of this innovative experiment in cooperative performance management; the strategic choices and changes that it necessitated for both management and the union; the processes involved in its implementation, its impact on union and employee 'voice'; its human resource outcomes thus far, its main limitations, and its implications for the future of participative employment practices in Australia.

The paper also addresses a gap in the existing literature on participative human resource practice in highly-unionised contexts. While the factors associated with the formation of union-management partnerships are well recognised, what is less well understood are the strategic, structural and cultural processes that follow from these partnerships. We have much more to learn about the manner in which such partnerships are implemented and played out, especially

the processes by which strategic purpose, collective and individual 'voice' are negotiated and reconciled (Danford et al 2005).

As in many areas of public sector employment, during the past decade public education systems in many developed countries have experienced a major transformation in the nature of managerial discourse and practice regarding employee performance. Performance management has been embraced by public sector managers as a significant tool to assume greater control over professional work and standards particularly via the implementation of formal individual performance appraisal. In many public school systems, the changes to staffing practice have included both formal individual performance appraisal and performance pay schemes for teachers. By definition, performance management is oriented to the employee's individual work performance and assumes that she/he willingly accepts responsibility for the performance outcomes. The focus on performance management serves to highlight the prominent feature of the 'New Public Management' as a drive by management to assume greater control over standards and activities that were previously in the hands of the professionals. (Fairbrother and O'Brien, 2000; Seddon, 1997)

However, international studies of the new performance management in the public sector and public education reveal considerable systemic weaknesses, particularly in system validity, reliability and felt-fairness. Frequently, such schemes lack the trust and support of employees and this is compounded by the lack of accountability on the part of management for ensuring system effectiveness and fairness. The literature shows that for many public sector employees, the experience of performance management has been far from uniformly positive. Similar perceptions are also evident in the appraisal practices in UK public schooling, where interviews with teachers show suspicion of, and distrust towards the appraisal process.

Why was it, then, that DEC management and the Federation chose, in 2000, to enter into a partnership in this most problematic of human resource management practices, and why is it that this partnership appears to have endured for more than a decade? What might impel an occupational union seemingly so powerful as the Teachers' Federation, after decades of effective adversarialism, to enter into a partnership with management in one of the most sensitive and fraught of all human resource processes, namely individual performance management – and at what cost; and to what gain?

This seeks to provide answers to these overarching questions. In order to do so, it has also pursued answers to four more specific questions:

1. What factors influence strategic decisions by management and union alike to enter into a partnership arrangement?
2. How do key parties in the employment relationship – in this case school administrators and local union representatives - go about redefining their respective roles and relationships under a partnership agreement?

3. How does a partnership arrangement alter stakeholder perceptions of union purpose?
4. In determining the fate of a partnership arrangement, are workplace relationships – such as those between line managers and union – more important than those at the organizational apex, i.e. those between senior managers and full-time union leaders?

In framing and addressing these research questions, the paper draws on a range of theoretical and conceptual constructs, with the primary analytical construct employed being Kochan, Katz and McKersie's model of interactive 'strategic choice' by industrial relations actors. (Kochan, Katz and McKersie:1986). The study tests their contention that the ability of management or unions to determine the nature of, and outcomes from industrial relations structures and processes within any organization reflects the power available to other actors, and that even though management remains the primary locus of strategic choice, choice is not simply unconstrained prerogative of management.

The paper firstly overviews the extant literature on strategic choice and industrial partnership, then describes the research methodology applied to TEA case. The paper then explores the factors influencing the choice of partnership and this is followed by the operation of TEA at the school level and its impact on workplace relationships. The examination of the shift in perceptions of union strategic purpose are then explored. The concluding section summarizes the key findings and the implications for theory and practice.

Choosing Partnership: A Brief Literature Review

Kochan, Katz and McKersie maintain that the central contribution of Strategic Choice Theory is in showing how choices about business and industrial relations issues influence the response of the organization to a threat, and how these responses in turn may give rise to a wide variety of workplace changes. The Strategic Choice Theory represents a significant advance on Dunlop's general systems approach. One of the key developments is its focus on the role of the management in shaping its external environment. Kochan, Katz and McKersie also acknowledge the growing significance of management's role in industrial relations structures and processes due to the demands of more pro-active management planning and decision-making on their part.

A further significant contribution of Strategic Choice Theory is that it provides a means of understanding the dynamics of labour-management relations in a broad range of circumstances. Kochan, Katz and McKersie's (1986:21) base strategic choice on two main propositions: Firstly, strategic decisions can only occur where the parties have discretion over their decisions, i.e. where environmental constraints do not severely curtail their choice of alternatives. Secondly, within the set of decisions to be made at their discretion, those considered strategic are ones that alter the party's role or its relationship with other actors in the industrial relations system.

In line with Strategic Choice Theory, this study posits that stakeholder options, choices and decisions are not restricted to the sphere of formal collective bargaining and that employment

relations can assume different forms at different levels of the organization. This approach accords with Marchington's (1995:285) observation that the success of any employee involvement initiative will depend largely on the level of commitment by first-line managers/supervisors, since they are the stakeholders who stand to be affected most directly by any change in management practices. Marchington also suggests (1995) that the impact of any participation initiative on union presence will depend partly on how effectively the union is able to establish and maintain 'connections' with line managers.

It has long been recognized that management choice is constrained and shaped by union preserve and unions own strategy. Kochan, Katz and McKersie (1986) argue that unions may play a significant role in determining the choice of management strategy and that in highly unionized workplaces, unions may have sufficient power to challenge, resist or overturn management decisions. Such observations also raise important questions about the circumstances in which unions may choose to enter into consultative relations with an employer. Critics suggest that mutuality typically favours the management agenda of heightened labour control and organizational change whilst the gains in employee voice and involvement are often more apparent than real. (Ackers and Payne, 1998: Ackers, et. al., 2005; Bramble, 1989; Marchington, 1995, 2001; Ramsay, 1977). Moreover, unions run the risk of being incorporated into the management agenda, perhaps even to the point of assuming a quasi-managerial disciplinary function. Is a union, then, more likely to choose partnership from a position of strength or from a position of weakness? Voice mechanisms associated with partnership arrangements may also allow management to redirect employee commitment from union to the organization (Danford et al., 2005; Guest and Peccei, 2001).

Nevertheless, substituting partnership for a traditional adversarial role poses many problems for unions and their leaders. Some unions have struggled to define their multiple roles and at times have experienced significant confusion as to whose interests they really serve. A study by Rubinstein, et al. (1993:339-370) of a union-management partnership arrangement revealed that the union frequently struggled to define its multiple roles in representing the interests of its members and in jointly participating with management in administering the partnership arrangement. Local union leaders defined their role as being responsible for the interests of their members by ensuring stable employment with higher wages and good working conditions, as well as providing an effective voice on the job. At the same time, they sought to ensure that the workforce was able to meet the quality, productivity, and long-term profitability levels set by the firm. For the union leadership concerned, worker participation was based on the premise that members' long-term employment security could not be negotiated independently of the economic performance of the firm nor solely through collective bargaining outside of the strategic choices made by the firm (Rubinstein et al. 1993:352-353).

There is some evidence to suggest that the involvement of unions in managing workplace reform benefits both employees and the organization in a number of ways. A study by Eaton and Voos (1992) revealed that US unions have facilitated rather than hindered the implementation and success of workplace innovations. The same study showed that unions are an important vehicle of employees' collective voice in the workplace that ensure genuine and effective participation

of employees in decision-making. Belman (1992) provided a similar viewpoint that collective voice is superior to individual efforts to communicate with employers because of the inherent imbalance of power between the employers and the employees. Collective voice/representative participation is also a vehicle of enforcing agreements with employers in addressing issues in the workplace. Collective voice also relieves the employer from making a decision that would lead to employees discontent. However, if employees are involved in making the decision, employers are more likely to accommodate the employee viewpoint (Belman 1992:42-45). Of course, union support for any change process is likely to be contingent on a management guarantee that the outcomes will not be to members' net detriment. Rubinstein et al. (1993:367) provided a similar insight into the benefits of union cooperation. They noted that union leaders bring expertise and provided an independent view to the issues in the organization. The union also adds value to the quality of decisions made in the various joint committees because of its ability to speak up regarding complex issues that managers are reluctant to raise with supervisors during the meeting. In addition, the presence of union leaders ensured that the interests of employees are carefully considered in any decision making. Waddington and Whitson (1995), Deery and Walsh (1999) and Cooke (1989) note that there may be mutual benefits from involving the union as it can form part of wider employee involvement and participation aimed at improving workplace performance. The union also offers a mechanism by which employee attitudes may be shaped and management practices improved.

In a unionized context – as is still typically the case in many public organizations – management may have little choice but to pursue partnership with on-site unions. In such context, establishing non-union forms of employee involvement is unlikely to be a viable alternative for management, at least in the short term. Paradoxically, the decline of union density also appears to have given a fillip to partnership arrangements, particularly via tripartite partnership arrangement. In countries governed by Labour and Social Democratic political parties, the retreat of unionism has encouraged initiatives for partnership-based union renewal. Such initiatives have aimed both to encourage union representation in decision making and also to enhance organizational, industry and national performance by replacing conflict with cooperation.

Marchington (1995:289) observes that the success of any human resource strategy hinges on the level of commitment by first-line managers/supervisors, since they are the stakeholders who stand to be affected most directly by any change in management practice. Marchington also suggests (1995:297-301, 2001:241 and 248-249) that the impact of any participation or partnership initiative on union agency will depend partly on how effectively the union is able to establish and maintain 'connections' with line managers. Likewise, much will depend on the attitude of local union representatives themselves, since they may feel burdened by the additional responsibility and by a sense of conflicting loyalties. The social phenomenon somehow draws attention to the interplay between context and agency in shaping the dynamic nature of appraisal. It also shows the interrelationship at the local, regional and national levels; and the strategic choices and experience of the actors.

The viability of any partnership arrangement is also likely to depend crucially on the level of resourcing provided to those charged with implementing partnership at operational level and, in turn, on the degree to which they are committed to the process. This accords with the 'strategic choice' model of industrial relations theory (Kochan, et. al. 1986) which posits that stakeholder options, choices and decisions, and hence the tenor of the employment relationship, can assume very different forms depending on the organizational scale or level involved. Kochan, Katz and McKersie (1986) highlight the different levels of decision-making that occur within organizations, unions and government, and trace the independent effects of these decisions on industrial relations outcomes. The strategic choices relate to decisions at the workplace level, those relating to collective bargaining and personnel policy, and decisions which determine the nature and the future of the organization as a whole.

The DEC is characterized by both a multilevel bureaucratic hierarchy and a parallel union hierarchy structured around State, region and school workplace.

This complex organizational reality helps us to understand both how union-management partnership in performance management came into being in the first instance and where and why this partnership has endured. The choices and relationships pertaining at workplace level have their own integrity and cannot simply be inferred from decisions and agreements made at the level of formal bargaining and policy-making. The same applies to the contingencies, choices and meanings applying to management-union partnership at operational level. As Gospel (1983) convincingly argues the term 'strategic' is typically used to express the importance or the value of the decisions made by the key decision-makers. He explains that strategy can be made at any level of organization as it meets organization objectives. For example, in the negotiation and introduction of performance management scheme that may originate at the top level of the organization, key decision-makers at other levels of the organization may also be instrumental in determining the success or failure of policy implementation.

Methodology

With a view to gauging continuity and change over time under the TEA system, the study draws on two phases of interviewing conducted in 2003-4 and 2008-9 and focused on a sample of case study schools in metropolitan and regional areas. This approach has enabled longitudinal analysis of system impact. The rationale for longitudinal study is to gauge the extent of outcomes and of the teacher performance management system and its human resource and industrial relations implications since the first round of interviews in 2003-2004. The interview-based investigation has been framed around depth case studies of four schools. Two schools were located in a metropolitan school district and two in a non-metropolitan district within the jurisdiction of DEC. During the first phase of the study, in-depth semi-structured interviews were conducted with a range of individuals from key stakeholder groups: senior union officials, senior DEC management, union organizers and local union representatives, principals, school executives and rank-and-file teachers. Where the initial participants were no longer available, comparable stakeholders were identified and approached. Table 1 and 2 in *Appendix A* summarizes the details of the first and second phase of the interviews undertaken for the study.

Key Findings

Factors influencing the choice of partnership

The findings support the proposition that there are specific factors leading to the emergence of a management-union partnership arrangement and that the outcomes arising from such an arrangement are likely to be influenced by a complexity of internal and external factors pertaining to the relevant industrial relations system. The development of a partnership approach to aspects of employment relations in NSW public education can only be understood by analyzing the motives of each party against the backdrop of the industrial turbulence, the staffing crisis and the deterioration of teacher's morale and job satisfaction during the 1990s. Over this decade, both the DEC and successive governments had endeavoured to institute performance appraisal and by the end of the decade, the parties were moving towards agreement regarding procedures for remedying under performance. However, it took the particularly bitter teacher salaries dispute of 1999-2000 to convince both parties of the potential mutual benefits of a performance partnership. Given the Federation's industrial and political strength, it was most unlikely that DEC management could have succeeded in instituting performance appraisal without union support.

The relations between the Government, the DEC and the Federation prior to the 2000 TEA were confrontational, tension-ridden and typified by constant disputation, especially from the mid-1980s on, when teachers expressed their discontent with working conditions in a succession of disputes and mass stoppages. Wilson (1980:50) has proposed that managers are more inclined to adjust their approach and actions when there is pressure from the external environment and when these are seen to contravene socially-ordained values such that the strategic decision can be considered 'socially irresponsible'. In this sense, DEC managers were no less open to the charge of social irresponsibility than were the leaders of the Federation. As such, it was the impact of recurrent strike action on teachers, parents and students, along with growing public and media criticism of the perceived decline in teaching quality, which, from the mid-1980s on prompted successive governments and Departmental leaders to pursue measures to remedy the causes of industrial conflict and quality decline.

By the late 1990s, some influential Federation leaders had also come to the conclusion that formal involvement was the only viable option for managing the Federation's public image while at the same time ensuring that annual performance appraisal was not directed toward punitive ends but, rather, was focused on the improvement and professional development of teachers.

What, specifically, was it that impelled the leadership and rank-and-file of a powerful and highly militant trade union such as the Federation to enter into a partnership arrangement with management over such an avowedly managerialist practice as individual performance assessment? The union had initially been unwilling to cooperate on performance management unless the Department agreed to provide written undertakings regarding staffing procedures and future staffing levels. However, the union's demand for staffing guarantees was abandoned under pressure from sections of the union membership itself who argued that non-acceptance

would leave the Federation vulnerable to media denigration as well as giving the government and the DEC justification for refusing to negotiate a new salary scale. In the end, the union was maneuvered into making a difficult choice between a pay increase and performance management partnership.

If, in the minds of Federation officials, the resulting partnership offered the union a new strategic purpose, what might account for management's willingness to embrace joint regulation? Findings from the study have provided evidence that in highly unionized contexts, the costs of confrontation – including those arising from industrial conflict and non-cooperation – may far outweigh any diminution in managerial authority and autonomy likely to arise from a move to consultation and collaboration. The many industrial disputes predating the 2000 TEA had a detrimental impact on the learning and welfare of students as well as the reputation of all stakeholders in the NSW public education system.

According to one DEC senior officer, the pressure to make the TEA work was a great motivator for a genuine change in attitude by both parties:

People recognize what a disaster the 2000 series of strikes was and that parents were leaving the public system in droves to take their kids to other places that were less affected by strikes. So I think, neither side, the Department nor the Federation really wanted to go back to the blood on the streets, in terms of an old-fashioned industrial relations. (Interview 01/03).

This statement supports the argument that in highly unionized contexts, the costs of not engaging in co-partnership with the union – including those arising from industrial disputes – stand to far outweigh any diminution in managerial authority and prerogative. This is more so where there is strong pressure from other actors, particularly government, the media and the public. As Wilson (1980) has argued, management is more inclined to engage in partnership where there is public pressure to do so. DEC was left with little option, especially when parents were removing their children from the public system due to industrial disputation and perceived quality shortcomings.

Similarly, a Senior Officer from the Federation remarked that “the management knew that without the union they would not be able to put it into effect because we'd just say no... (Interview 01/04)

One DEC senior officer claimed that management had succeeded in effecting a more cooperative approach on both sides by encouraging the union to follow certain processes in both the investigation of cases and the identification of remedies:

When they [the Teachers' Federation] have actual concern at a school that may relate to some form of unfair treatment, in the past the Federation would have been inclined to accept the teachers version of events without bothering to check greatly into details. We've managed to turn that type of culture around to the extent that where such a concern is raised it will be raised in a coherent way...There have been

occasions where we have upheld that the Teachers' Federation is completely right, where we've given teachers an opportunity in a new workplace... But similarly, they've accepted the vast majority of situations where we've indicated that the complaint of the teacher has no substance. (Interview 02/04)

Such remarks appear to bear out Kopick and Kerchner's assertion (2003:2) that 'adversarial bargaining need not forever be the labour-relations norm on education'. Adversarialism, they suggest 'no longer fits into the current industrial relations regime'. The above evidence also seems to bear out Kochan, Katz and McKersie's proposition that the ability of the management to make strategic choices is dependent upon the position and the power of other parties, and that the industrial relations outcomes within an organization are normally influenced by the interactions of the actors within a set of structures and processes. By recognizing the Federation's workplace power and bringing it to the discussion table, the Department was able to establish better relations and wield greater influence on the outcomes of negotiations. The above interview evidence also supports the proposition that by recognizing the diversity of viewpoints held by their opponents, both sides were, in important respects, able to temper their own stance and reactions.

Financial factors also appear to have played a part in the move towards a more cooperative approach. As noted in this paper, under the old procedures, the removal of an under performing teacher could entail prolonged litigation, with both the DEC and the union incurring extensive legal costs. As such, cost-containment was almost certainly one of the motives for partnership – for both parties.

A more positive 'business case' for forging such a partnership lies in the significant contribution union involvement may make toward improving teacher quality and managing workplace reform. This, in essence, is the same logic that governs the 'social partnership' or 'mutual gains' model of organizational change that gained currency in the United Kingdom under the Blair Labour government and which now forms the centrepiece of European Union policy on employment relations (Bacon and Storey, 2000; Gollan and Patmore, 2006). In the NSW public education system, after decades of adversarial militancy, such arrangements hold out the prospects of new or renewed purpose for trade union representation within the employment relationship. While this is, of course, precisely what advocates of strong, independent unionism along traditional lines (e.g. Ackers et al 2005; Ackers and Payne, 1998; Kelly, 1996) criticize about the 'social partnership' model, this paper demonstrates that entering a partnership from a position of existing strength in fact stands to enhance rather than diminish the union's standing.

The secular decline in union presence has led other commentators (e.g. Guest and Peccei, 1998 and 2001) to suggest that non-union forms of collective employee representation, such as joint consultative committees, may be more effective in instituting employee voice while simultaneously eliciting greater organizational efficiency. However, in a unionized context – as is still typically the case in many public sector organizations – establishing non-union forms of employee involvement is unlikely to be a viable alternative, at least in the short term, and management may have little choice but to pursue organizational change in partnership with the

respective unions. As Kochan, Katz and McKersie argue, the ability of either party to make strategic choices reflects the degree of power available to the other. In the case of the DET, to produce a change in industrial relations that would reduce tension and conflict, management needed to acknowledge that it was dealing with a typically powerful union. Moreover, as Storey and Sisson (1993) have observed, employers' attempts to by-pass unions by dealing with and involving employees directly have generally met with limited success. This is particularly so in public sector organizations.

These findings also support the proposition that intervention by the state is a significant factor influencing management decisions – axiomatically so in the case of public sector organizations. As reported in the study, the original idea of collaboration and cooperation within the DEC came from the Greiner Coalition Government in response to the negative publicity the public education was getting by the continual industrial disputes by teachers. The Labor Government's role in industrial relations processes has also been evident during the most recent salary negotiation rounds, in the call from the Federal Labor government to introduce performance-related pay, and in the reduction in teachers' workload where Government and DEC management have fully supported the Teachers' Federation.

Partnership in workplace reform can also be explained in terms of Montenari's (1978) contention, that management's ability to achieve actual changes to organizational policies, processes and structure will depend on the constraints created by the external environment, including union presence. In the case of DEC, it took eight years to convince the Teachers' Federation to agree to the introduction of formal performance management of teachers. Despite the different schemes, procedures and processes introduced by the DEC from the mid-1980s onwards, it was only in 2000 that agreement was reached between the Federation and the DEC.

In sum, the study has highlighted a number of internal and external factors that contributed to the eventual emergence of a process-specific management-union partnership arrangement at peak level in NSW public education, as well as the strategic circumstances and options of each of the three main parties – the union, DEC management, and executive government. As suggested above, the move to partnership can only be properly understood in terms of the mutual strategic choices, shifts and compromises made by management and the union. Even if management remains the primary locus of strategic choice, choice is not simply the unconstrained prerogative of management.

Redefining roles and relationships within the partnership

Building on the insights offered by Strategic Choice Theory, the study provides evidence that strategic decisions and strategic partnerships also occur at the workplace level. This, in turn, helps to illuminate the dynamics of industrial relations activity at the workplace level and demonstrates that this is also an important locus of strategic decision-making and agency – for both managers and unionized workers. While it is clear that the 2000 Agreement was primarily a consequence of top-level negotiation, its acceptance, application and effectiveness reflected strategic choices made further down the line.

The findings presented in the study supports the suggestion that strategic decisions are made at every level of the organization. Indeed, the fate of any reform initiative can be said to depend critically on how – and how well – it is embraced and applied at workplace level. School administrators at the school level made strategic choices that had the effect of reducing the potential for conflict, thereby also demonstrating their ability to meet the challenges of workplace reform. At the same time, local union representatives began to widen their traditional industrial role to become actively involved in the professional development of teachers.

The outlook of line management and the school executives was quite literally closer to that of the union than to that of DEC senior management. While acknowledging that the knowledge and competency of local union representatives was of paramount importance, most school executives and teachers interviewed believed that the involvement of these representatives underwrote system effectiveness.

For lower level management (i.e. school executives), the involvement of the union promised to make the performance management process more transparent and effective. In essence, they saw the involvement of local Teachers' Federation representatives as an important, if not essential, part of the process and most school executives were eager to involve them. As one remarked:

I think it's very important that people who are being assessed have an avenue in which to express dissatisfaction. And I think in NSW the only unbiased avenue is through the Teachers' Federation, in the sense that departmental officials always take the departmental line, you know, in my view. And it's very interesting 'cause the welfare section of the Teachers' Federation's huge and it performs jobs that in any other system probably should be performed by the employer... so I think individuals certainly should have access to Teachers' Federation personnel because my experience suggests to me when there are people who are genuinely not performing, the Teachers' Federation adopts the same view and encourages the person to find another job, assists them indeed, you know. (Interview 12/03)

Similarly, school administrators saw much benefit in union involvement at this level. According to the principal of a city high school, union participation ensured not only procedural fairness but also procedural effectiveness. (Interview 10/03).

A head teacher at the same school expressed a similar viewpoint, emphasizing the way partnership produced goal alignment:

The Federation representative is involved at every step of the way from the first meeting that the teacher has with the principal right through every other meeting that takes place. I think that's where the Federation representative needs to be involved to make sure that this procedure is fair and so there's no real possibility of somebody being victimized or discriminated against ... (Interview 9/03)

Senior Federation officials endorsed this view. Asked about the role of the local union representative in the implementation of the program, a senior union official remarked:

Oh, it's critical. Let's say that a school decides to put a program in place: the people who know about it, apart from the teacher involved, are the principal, the person's supervisor, and the Teachers' Federation's local representative. (Interview 02/04)

Most of the school executives interviewed believed that the involvement of the local union representative provided teachers under review with an avenue for expressing any dissatisfaction, as well as facilitating a transparent and fair process. The principal of another city high school indicated that the union's involvement was an integral part of the program's success. (Interview 10/03).

Likewise, a country high school principal observed:

The staff member has a right to have a Federation representative and/or a support person with them. And I have no problems with that. I'm more than happy to have a Federation member sitting in trying to support this person because an efficiency program is there to support a teacher and to further develop their skills. (Interview 13/03)

Similarly, the views expressed by Federation city and country regional organizers reinforced the perceptions of the school executives regarding the importance and the effectiveness of union's involvement in the performance management process. As stated by a local organizer during the second phase of interviewing:

Well, my role as a country organizer is, one of those roles is welfare. What, and often I deal with teachers that work in very isolated areas... they often end up in places that aren't suitable in regards to overseas trained teachers, retrained teachers with families that really don't think through where they might end up or young teachers that are young and energetic that really don't understand the effects of isolation. And then when they get confronted invariably with issues related to their teaching performance or an allegation, it can be very isolating and very soul destroying and they feel very alone and they feel very underrepresented. And I guess, at that point of time I hope, whether guilty, not guilty, whether they can teach or can't teach, irrelevant to all of that, I hope I'm a support to all those people while they're going through the process. (Interview 05/09)

For a city school organizer, the union's role was to ensure that the process was fair for all involved - not just for the teacher but the management team also:

I'm not there to make [a] judgment. It's not my role to judge... However, go[ing] back to that word fair...it's about making sure that the process is done properly and appropriately and sometimes that, I guess, I know in the past we also had a dispute at one point with a previous senior departmental official about the role of a support person and I guess the word support itself is sometimes problematic... We are there to make sure it's a fair process. As a support person that means making sure that it is

happening properly, asking questions as appropriate, and not necessarily defending particular things, unless they are things that do need to be brought to the attention of the management team. (Interview 04/09)

A Federation representative in a city primary school saw her role as being to ensure that any issues relating to the implementation of the efficiency procedures were brought to the Federation executive meeting (Interview 12/09).

Likewise, a union representative in a city high school saw his role as being vital to ensuring that teachers experiencing performance difficulties were accorded procedural fairness:

The Fed Rep is vital. Because the emotional side on the teachers' side, they're being told that they're no good, that they can't do the job and it becomes a totally emotional draining situation for them. They need someone there beside them who can keep a clear head, to guide them through the process and to make sure that they don't muck up the process, and they give themselves a fair go. And you need that person in the middle to make sure that, you know, what's happening from above comes down in a fair equitable way. But also it gives, and to allow the person who's going through the program someone to talk to – (Interview 09/09)

Other phase two Federation interviewees reported similar views (Interviews 07/09, 11.09, 15/09). Indeed, a comparison of the interview evidence from phases one and two indicates that union representatives have, if anything, become more committed over time to their role as stewards of procedural fairness.

The rank-and-file teachers interviewed in phase two shared this positive perception. One city school teacher remarked as follows on the importance of Federation involvement at school level:

It's very important because it gives you a balance between your employer and what my rights are. Because, if you don't have that representative voice – and we are not all up with all the conditions of my employment, I wouldn't know all of my conditions of my employment. Okay now if I go to my employer they might only tell me what's convenient for 'them'. I need that other independent body to give me the other side of the argument. And therefore also be that support for me as well so that I am being represented. So, for me the Federation rep is absolutely vital. Absolutely. (Interview 07/09).

A country high school teacher offered a similar assessment:

If someone is causing concern and the principal wants to put them on a program, you need a Federation viewpoint... So, I think they've got to be somewhere in the picture. (Interview 15/09)

For a senior administrator from non-metropolitan district, the Federation regional organizer was a source of support not only to the teacher in question but also to the administrator:

I was very comforted by the fact that the Regional Organizer rang me and then rang the principal of the school because she knew we were very distressed to having made that decision and she [the Regional Organizer] made sure that everybody was right at the local level. (Interview 1/04)

School executives, too, saw the involvement of local union representatives in managing workplace reform as significant for the welfare of his staff and, thereby also, for the success of the program. The principal of the country high school commented in phase one:

I am very fortunate here...I have no problem bringing our local rep into whatever I do... I keep him informed because I think that is staff welfare. To me, the Federation provides a lot of the staff welfare in school ... I inform the local representative just in case the teacher may want access to him and his support. (Interview 13/03)

A city high school principal interviewed in phase one also felt that union involvement at the local level was vital to program effectiveness:

I have involved our Federation representative on all occasions. I think one of the reasons why it's been so successful here is because the Federation representative and myself always discuss the matter... I think it is very important [that the] Teachers' Federation is consulted in the process so that it is seen as a joint process that what we are trying to do as school administrators and as the Federationists. We are all looking for good performance and good outcomes for kids. (Interview 10/03)

He also saw co-operation between the school administration and the union at the local level as obviating the need for higher-level involvement:

I see the consultation as a two-way partnership in terms of talking and working with people...I always consult with the Federation representative of the school. I don't think I have ever spoken to anybody at the state level. It is always at the school level. I have not had to involve anybody at the state level on any of the processes. (Interview 10/03)

Other school executives consistently expressed their gratitude for the assistance rendered by the local Federation representative. For instance, the city primary school principal singled out the importance of the skills brought to the assessment and placement process by the Teachers' Federation's delegate:

He's quite skilled to understanding people's motive, you know...he was very diplomatic and actually without realizing it, inadvertently, told me there's something brewing that I had no knowledge of. But he did it in such a way that I could get proactive and resolve the situation before it blew up... That's a bit of an indication of his calibre. In terms of welfare officers I found them very skilled. (Interview 04/03)

The country school education director interviewed in phase one considered the local union representative and the organizer great sources of support, indicating that they shared a high level of mutual regard:

I enjoy working with both the organizers and Federation reps at the school level. They've been terrific supports and, you know, they're trouble shooters and they ring me if there's an issue. And we had one in, there was one in the secondary schools where the staff didn't have the initial six weeks after the implementation of this phase, didn't agree with the principal's method of implementing it... we've worked through a contentious process ... this is a principal who has never been supervised...a new young principal, so, you know, all of my experiences would relatively [be] positive, particularly with the welfare officers who have been assigned to the cases and they'll ring, and we'll have long conversations. And I think there's mutual respect that I wouldn't do anything to harm a person's career prospects unless I generally felt that it was in their best interest to change a career because it was hampering children's lives. (Interview 14/03)

These positive sentiments were generally reciprocated by the union organizers and representatives. For both country and city union organisers, having a solid reputation with the school management was vitally important:

That's where I hope I am effective. It's my teaching experience that's led me to the understanding. It's the Teachers' Federation working with the Department of Education to have a fair and just outcome to each case, individual case. It's about the two parties working together. It's not about being in parallel lines and having different points of view. It's the ability to go down to the district office and know that you're welcomed in and say, can we talk about this... I have some school education directors that will call me on a regular basis because they feel like you are part of the process and that you can give valuable advice and they wish to share your point of view... But I hope that my attitude personally is that I can work with the department to work through the process for the teachers that are in need. (Interview 05/09; also Interview 4/09)

The local Federation representatives were almost invariably seen as an important resource for managing the change process, a factor that undoubtedly increased their workload. Where school executives exhibited a high level of commitment to procedural fairness, union representatives tended to have greater confidence in them and be more supportive.

Both rounds of the interview evidence indicate that school administrators and executives placed particularly high value on the skills of local union representatives, their knowledge of performance management, and their ability to provide advice and welfare to teachers experiencing performance problems. Where school executives exhibited a high level of fairness in their leadership, local union representatives tended to have greater confidence in them and reciprocated the goodwill by being more supportive. School administrators saw the benefit of union involvement in procedural fairness and effectiveness, observing that it produced goal alignment and transparent and effective performance appraisal which, in turn enhanced the teachers' wellbeing. Of interview evidence from both phases also points to a markedly pluralist attitude and strong support for involving local representatives in the implementation of

workplace reform. Likewise, union representatives and organisers became more committed overtime to their role as stewards of systemic fairness.

There are two key reasons for this accord at the local scale. The first has to do with the actors' propinquity: their physical proximity on a daily basis gave them no option but to get on with one another. The second reason was the fact that many school principals had also been active members of the union, a factor that created a sense of collegiality.

This evidence supports Bevan and Thompson's (1992) proposition, that unions have played a significant role not only in consultation and negotiation over the terms of the appraisal process but also in monitoring the operation of performance management schemes once introduced.

The evidence presented in this paper suggests that the experiment in performance management partnership would have come to nothing without the active support of school administrators and union delegates at the local workplace level. This supports Marchington's (1995: 289) observation that the success of any employee participation initiative will depend largely on the level of commitment by first-line managers/supervisors as the stakeholders most directly affected by any changes in management practice. Marchington (1995:301) also suggests that the impact of union presence on participation in any employee involvement initiative will depend on how well the union is able to establish and maintain 'connections' with line managers. In the case of the NSW public education system, these connections were – and remain - unusually strong. The strength of these workplace associations reinforce the point that different forms of decision-making and employment relations exist at different levels of the organization. As such, and by extension, strategic choice is a multi-level phenomenon, not simply a top-down process.

The evidence presented here also reveals that the value system underlying the interaction between the DEC and the Federation was predominantly pluralist and approving of power-sharing particularly at the local level of the organization. This supports Kochan, Katz and McKersie's (1986) argument that management's decisions will be influenced by their personal values, their philosophies and the history of the organization. It emerged that the values, beliefs and philosophies of key decision-makers within the Department were influenced by their historical dealings with the Federation and the degree of power the union wielded. It is apparent that the DEC acknowledged the legitimacy and presence of the union and accepted the extent to which the union representatives should be allowed to participate in the implementation of the performance management policy. As the study has revealed, school administrators acknowledged the significance of consulting and involving the local union representatives in the implementation of the policy and make choices based on their assessment.

Partnership and union purpose

For this most independent and militant of unions, the transition to workplace partnership posed a range of challenges at all levels. It is therefore unsurprising that the prospect of formal cooperation with management on such a sensitive matter initially caused considerable disquiet in union ranks. As one former Senior Officer from the Teachers' Federation recalled:

There was a time in the Federation when our policy was that a trained teacher is a fit and proper person to teach...Anybody who suggested that any teacher could be dismissed for inefficiency was regarded as absolute rubbish. There's no such thing. So, we did have to overcome that... A lot of people disliked the Agreement because it admitted that teachers could get into trouble. Really they hated it. So we had a lot of fights with the organizers and the we had a lot of fights with the executive and we had a lot fights with council, but we stayed firm, stuck to our guns and said, now it's time that we get rid of this idea that some teachers don't do the work properly and we move on. (Interview 02/04).

Altering attitudes toward those who had hitherto been seen as industrial adversaries required something akin to a leap of faith on the part of policy-makers on each side of the industrial divide. As one union representative at a city school remarked:

There's a fundamental thing that the Federation has had to look at in the implementation of this process. It's that they've got to work side by side with their - for all intents and purposes - practical enemies. So yes, the role of the Federation has changed because they've had to now sit side by side with people that they've usually sat across the tables and yelled at. For the Federation and the Department to work together...it is a step in the right direction...there are still a lot of problems but they're stepping in the right direction...This is the first step where the Department and Federation have kind of come together to work on it'. Oh, it's a major change to actually just sit down together and actually agree on a procedure. That's a major change...Now under this procedure, it's 'we', not 'them and us' (Interview 11/03).

For the Federation's leadership, the TEA partnership strengthened the union's strategic purpose in furthering teacher quality and professional standards. It gave the union added legitimacy as the guardian of employee voice and due process within a core human resource function. However, the partnership also necessitated a shift in espoused strategic outlook to include direct involvement in the management of individual teacher performance. One of the most forceful initial articulations of this altered strategic orientation was that by one Federation regional organizer, in a speech delivered at the 1999 NSWTF Annual Conference:

We should consider orienting ourselves towards more open and forceful advocacy for teacher quality and educational standards. The Teachers Federation should be identified as the advocate for quality teaching and learning. We should not be easily positioned as we have been on the side of struggling teacher, wearing criticism that we are obstructing the employer and government's attempts to lift the quality through teacher appraisal processes. (Zadcovich, 1999:29-31).

Through its journal, *Education*, and via its annual conferences, it managed to assert the importance of a transparent and consistent application of the performance management policy:

The new procedures attempt to achieve the correct balance between the need to quickly address issues of professional under-performance in the interests of students and schools, and the need to ensure that teachers receive professional support and fair treatment aimed at improving their effectiveness. (*Education*. October 2000).

The interview testimony from one of the local union representatives suggests that union representatives have embraced the workplace reform. As asserted by the school representative at a city high school:

The old process of fighting inefficient teachers was a hit and miss affair. Once you became a teacher, unless you were sexually assaulting, or physically assaulting somebody, it really was very difficult for you to get sacked, to be dismissed. Now that process wasn't good for the service, wasn't good for the profession. It certainly wasn't good for the Federation because it put them in a position where they were seen to be defending bad teachers and that's not what they wanted. (Interview 11/03).

Ultimately for the Teachers' Federation senior officer, the TEA was about demonstrating accountability:

...at the end of the day we have to be accountable and I think the Teachers' Federation worked jointly with the Department around TARS [Teacher Assessment Review Schedule]...The Teachers' Federation and its officers worked with the Department to go out to schools to talk to teachers and principals and Federation Representatives about how it would work. So there was a good process between the Department and the Teachers' Federation to work together to assure teachers that accountability was important but it was to be a collegial process, not a stick or a cane, but a collegial process (Interview 03/09).

In sum, the Teachers' Federation departure from traditional unionism meant pursuing alternative ways of making an impact on workplace reform. Evidence presented in this paper shows that the Federation play a vital role in performance management of teachers. The evidence presented also shows that since 2000, the Federation has embraced performance appraisal as a means of demonstrating its commitment to advancing teacher quality. The union has been instrumental in enhancing the awareness of teachers and school executives about the performance management procedures, in asserting the importance of a procedurally fair, transparent and consistent applications of performance management policy, in acting as an important resource for all teachers undergoing an appraisal process, and in representing members in dispute resolution procedures relating to the implementation of the improvement program.

Relationships sustaining partnership

At peak level, perceptions of labour-management relations appeared to have altered noticeably since the implementation of the TEA. In the first round of interviewing, at least, some DEC officials retained a significant degree of skepticism and suspicion about direct union involvement

in this most sensitive of human resource management functions. According to one DEC senior officer:

On occasions where we review areas to do with the procedures, for example, we might... identify that a cluster of teachers in a particular area or from a particular background have not been successful, I'm sure that we would do something about that or we'd attempt to do something about that. But I'm not sure we've reached the stage of trust ... that if we became aware of a difficulty in a program that we would discuss it with the union. A union organization is a little bit in flux. There is a degree of unpredictability in relation to how they will respond. We have seen them respond in an unpredictable way depending upon the circumstances and the particular local organizer we're dealing with (Interview 02/03).

The interview evidence also reveals residual suspicions and enmities at peak level. Several DEC officials remarked that the Federation, like the Department itself, remained a politically diverse organization. Whilst some union's officers might be supportive of an initiative, others might not. As one DEC senior officer remarked in 2003:

When you talk about a union, you've got to realize that they've diverse components as well. It's like politics, you know, you've got various factions within the union who have got certain viewpoints and there would be people within the union who loathe and detest these procedures...then you've got the more intelligent, probably, component of the union, who you know is looking for and realize that their members need a quality education system... Some members of the current executive that Federation have, have a much stronger focus on a high-quality public education system and have been prepared to entertain notions of teacher quality that may not have been discussed by Federation executive in the past. (Interview 02/03)

Likewise, old adversarial suspicions remained in evidence within senior ranks of the Federation. Whilst co-partnership necessarily imposes constraints on the union's strategic independence, of particular concern here was the perceived constraint on the union's ability to take independent action – including action before the State Industrial Relations Commission – should the DEC or the Minister of the day choose to resist their requests or demands. In the words of one Federation senior officer:

In terms of being able to influence broader issues,... our ability to influence departmental policy and practice and government policy can depend very much on the political climate of the day...it can also depend on who's in charge in the department...having been a Federation officer, sometimes you can get down there to talk to them and you can get issues addressed...you can get change more easily on things that can be seen to fit into the government agenda, what it wants to say, where it sees itself going. (Interview 01/04)

Some senior union leaders have also been reluctant to support a more stringent performance management policy for fear of its members being victimized, with one union officer asserting that:

Victimization is always possible where one party dislikes another party. Or there has been some kind of disagreement between the principal and the teacher. At some stage you will get, almost inevitably, the notion that, the only reason this has happened is because I had a fight with him about so and so. (Interview 02/04)

Another retained fears about the possible erosion of teachers' professionalism:

Well I think the fear is always that teachers professionalism can be ignored, that there is always the risk with top-down appraisal models that you end up with just crude assessments of teacher performance and it comes down to sort of, really sort of reductionist-type models that reinforce the power of principals and the executive, that sort of control over what teachers do. You lose some of that independence some of that autonomy. (Interview 01/04)

One union leader interviewed for the second phase also harboured doubts informed by recollections of a past episode of non-consultation by a Labor government:

When the Minister - as Rodney Cavalier just overnight said, I'm going to introduce a Teacher Efficiency Review - in 1986 or 1987, without any consultation, without any discussion about really how it was all going to work. It was a pre-election decision that he obviously made, cause the election was coming up in 1988. Then the Teachers' Federation will then say to its members, well, we haven't been consulted. Nothing's been discussed with us. Then we will say to our members, no, don't get involved in it. Say no! And I know that irks bureaucrats and politicians in Macquarie Street and irks some bureaucrats in Bridge Street. But the fact of life is, that we are an industrial service professional union and if we are ignored then public education stands still. When we are consulted and good argument is put to us then we will come around and we'll say, well yeh, that's great. And we'll be involved in that and we'll say to our members, yeh, we can be involved in that, because it's good for schools, it's good for public education, at the end of the day. (Interview 03/09)

Both the Federation officials and Departmental officers interviewed recognized that a degree of industrial cooperation was necessary to address pressing issues of teacher quality and morale. According to a Federation Senior Officer interviewed in phase two:

Public education is at its best when the Department and the Federation are working closely together to resolve issues and support each other... When the Department and the Federation actually sit down - whether that's in Bridge Street or whether that's here, or whether that's in the School Education Director's Office in Deniliquin, with our Organizer and our School Education Director sitting down and saying, we have a real problem at this particular school and we've got 'this' teacher and the principal's not handling it very well. How do you reckon 'we' might be able to work together to

try and make sure that the process works properly. That's when things work very well. No-one wants confrontation. It's about sitting down and trying to work through these things in a non-confrontational way. (Interview 03/09)

Similarly, the Senior Officer from the DEC argued that:

I think probably it's [Agreement] changed the nature of the fight. So, I think it's probably reduced the argy-bargy in the Commission about the process, unless of course they can demonstrate that the process that was agreed has not been followed correctly. But I think – it then allows us to focus more on, you know, was the person treated fairly, was the process followed according to the Agreement and also was the outcome fair and reasonable in the circumstances. I mean, the reality is often we resolve a lot of them before they get to full hearing. (Interview 02/09).

The phase two interview evidence also indicates the Federation leadership has developed a clear expectation that there would be consultation with the union in relation to teachers' performance management. One Federation Senior Officer commented that:

But we also understand that we have to give and take in these things... And we want to be listened to because we have a very close link with our members and they say to us, this is what 'we' think and we want you to go to the Department or the Government and tell them what we think. That doesn't go down well with politicians and bureaucrats sometimes but, that's life. (Interview 03/09).

As shown above, whilst there is general recognition among senior DEC officers and union officials that the TEA has enabled both parties to work together, old suspicion and enmities are still evident at the peak level. This is testament to Cohen-Rosenthal's (1993) claim that cooperation does not necessarily mean the complete absence of conflict. It is not analogous to the image of total harmony but, rather, an affirmation by the parties of mutual goal seeking and the pursuit of ways of working and relating that may be of mutual benefit.

In sum, whilst evidence from interviewees at school-level suggests that the system introduced in 2000 has been very successful, largely as a result of close cooperation between its representatives and school executives at local level, at peak level, the partial move to co-partnership has involved a degree of soul-searching on both sides of the old industrial divide, with the evidence indicating both a will to cooperate and lingering doubts and suspicions. As shall be shown below, this ambivalence has continued to play its way out in the wider industrial arena.

Industrial climate change?

There was general agreement between union representatives and school representatives interviewed that the implementation of the performance management policy has enabled them to work collaboratively in implementing the policy, especially at the local level. There is also solid

evidence of perceived mutual gain. The DEC now has clear and agreed procedures for assessing all teachers and principals, for mandatory remediation in cases of significant performance deficiency, and for termination of employment in the case of unsatisfactory performance and misconduct. For the Federation, the partnership has conferred a new strategic purpose in furthering teacher quality and professional standards and has given the union added legitimacy as the guarantor of employee voice and due process.

Given the long history of peak level industrial adversarialism in the system, collaboration in performance management has undoubtedly posed significant challenges and threats, as well as opportunities, for both the Federation and the DEC. For the union, in particular, it meant a significant development and redefinition of its purpose and the nature of union voice. For management, it has meant relinquishing prerogative over a staffing practice that has hitherto been regarded as sacrosanct.

In line with this, there is growing evidence that the experience of partnership has had wider ramifications for industrial relations within the NSW education system. Though differences remain, the players have become increasingly united through their common quest to improve teacher quality. In this respect, the industrial relations climate in NSW public education has undergone a considerable transformation in the years since 2000.

Evidence presented in this paper also shows that disputes declined markedly following the introduction of the TEA industrial, with only 19 strike actions and just 11 days lost in aggregate from industrial action in the eight years to 2008. In 2008, there were only two industrial actions relating to salary increases and only four hours were lost. It is appropriate to conclude that the reduced level of industrial disputation, following the advent of the TEA, may be attributed in some significant degree to the partnership in performance management between the Federation and the DEC.

Since 2000, there have also been significant improvements in pay relativities for public school teachers and in the workload of beginning teachers. In relation to a range of core industrial issues such as teacher salary increases and alleviating teachers workload, a spirit of cooperation seems to prevail. The Iemma and Rees State Labor Governments have also adopted a more conciliatory approach to wage negotiation than that of the prior Carr cabinet. Salary negotiations in 2006 and 2009 resulted in outcomes that made NSW public school teachers the highest paid teachers in the country. A settlement of a new three year salary agreement for the NSW public school teachers and school executives in January 2009 was finalized without resorting to further strike action by the Teachers' Federation. While the improvement in NSW teacher pay relativities since 2005 is attributable to a range of factors, it is reasonable to conclude that the advent of partnership in performance management has played some part. The Federation has also had considerable success in reducing workloads, particularly by providing beginning teachers with extra preparation time. There is justification for concluding that these gains could not have been achieved or maintained in a climate of industrial confrontation.

This is not to suggest that the industrial relations climate has been thoroughly transformed. Interview evidence from both rounds reveals residual suspicions and enmities among DEC senior officers and the Federation leaders. Likewise, the old adversarialism and suspicion remained in evidence within the senior ranks of the Federation.

However, the signs of climate change are undeniable. Most surprisingly, perhaps, the new climate has contributed to a softening of the Federation leadership's previously trenchant opposition to performance pay for teachers. Interviews with rank-and-file teachers in the second phase of the study reveal continued deep suspicion of, if not hostility towards, performance-related pay. Some are fearful of the prospect of performance-related pay fragmenting long-established collegiality within the schools and that performance pay may demotivate some teachers who would be less willing to assist one another. Rank-and-file teachers are also likely to doubt that performance pay would give them genuine incentive to increase performance and that it would also disadvantage teachers who are teaching pupils with special needs. They also believe that the funding should be placed towards projects within the school so that everyone might benefit. Others believe that funding should be used to purchase resources in school.

Notwithstanding these grass-roots sentiments, in May 2009, in the context of a Federal Labor Government initiative to recognize and reward teachers of high merit, the Federation leadership publicly endorsed the principle of performance-related pay. For many years, DEC management and the Federation favoured 'objective' methods of determining employee pay increases, such as progression up the pay scales. Now, the Federation leadership appears to have accepted the inevitability of pay for performance. Such a concession to the new public managerialism would have been inconceivable a few short years ago.

Given the Federation's support for TEA procedures, the prospect of performance related pay presents the Federation with an underlying and ongoing strategic dilemma. In one sense, the Federation's acceptance of individual performance management may have forestalled the adoption of pay for performance for a while. However, the presence of formal individual assessment has provided the very means by which such performance pay could be applied, as has occurred in the United Kingdom and elsewhere. It remains to be seen whether, in this respect, partnership in performance management may ultimately prove to be a double-edged sword for the Teachers' Federation and its members.

The Federal and State governments, in partnership with the Federation and DEC management, are exploring ways of how performance related pay might be implemented in NSW government schools.

For senior management in DEC, performance-related pay would not only be problematic in its implementation but also in the organisation's capacity to fund payments. The Federation leadership has made it clear that it will oppose measures of teachers' performance based on students results. In essence, the Federation leadership is still doubtful about how a valid, reliable and fair system of performance-related pay might be implemented.

What is important here, though, is the fact that in many public organizations, including the public schooling systems, performance management is no longer simply a managerial discourse. It has assumed a positive and prominent place in teacher union strategy, policy and practice. In embracing performance management, the Federation has sought, with considerable success to influence and reshape the performance management discourse and practice in ways that not only assert the primacy of teachers' quality but which also maximize the members and union voice in scheme design and implementation and uphold union norms, especially those relating to procedural justice and distributive justice. It remains to be seen whether and how the parties might be able to jointly translate these values to pay-for-performance.

Implications for policy and practice

The Federation's departure from adversarialism was neither instantaneous, complete nor uncontested. Yet, while many less powerful Australian unions have been excluded from partnering workplace reform, the active involvement of the Federation in the 2000 Agreement has allowed it to present itself in a positive light. The evidence presented in this article indicates that the Teachers' Federation has benefited from not confining its attention to traditional 'bread and butter' issues and that its members have also benefited from the extension of its role into areas traditionally claimed by management. This supports Kopick and Kerchner's (2003) view that militancy may no longer be the most appropriate strategy in public education and that teachers' unions have themselves become influential agents of education reform, including the more effective management of teachers as 'human resources'.

Much of the Federation's recent policy and strategy, but particularly its involvement in the TEA, has aimed at ensuring joint custody of the workplace reform from the workplace to peak level. In most cases, this has stretched the Federation's human resources by significantly increasing officials' workload, particularly for local and regional representatives and the union's welfare officers. As such, from a union perspective, partnership requires careful consideration not only of the strategic implications but also those to do with delegate's workload and resourcing.

The findings of the study also have significant implications for management in terms of their strategic decision making. Mainstream management theory posits that by considering the broader range of conditions affecting their strategic choices, management is well placed to develop structures and processes to shape its organizational environment. In the case of DEC, management's ability to override its external environment was shown to be dependent on the power available to the other party, the Federation, while the structures and processes in place at the time were clearly incompatible with a more consultative and cooperative approach.

During the early 1990s, DEC management made a series of strategic choices that eventually helped to redirect industrial relations towards becoming a more collaborative and cooperative approach. These choices were reflected in Departmental structure and processes in terms of a decentralization of industrial relations from the peak level to the workplace level. The introduction of the *Industrial Relations Act* 1991 facilitated this choice while the need for structural changes was evident in the many years of conflict between the Federation and the DEC

that preceded the Act's introduction. The creation of a Conciliation Committee and devolution of responsibility for employment relations to schools and regions were some of the strategic choices pursued by management. Yet, the absence of union involvement in and support for systematic performance improvement prior to 2000 repeatedly thwarted management's reform efforts.

The apparent success of the performance management partnership thus carries major implications for future human resource management policy in such a context. This study provides evidence of the potential to employ partnership approach across a wide range of workplace change issues in public education: from workplace innovation programs, workplace restructuring and the introduction of new technology, to employment security for teachers, class sizes reduction, teacher's workload, grievance processing, teacher's shortage, teacher's satisfaction and occupational health and safety.

Conclusion

The evidence presented in the study points to three major findings directly salient to the research questions. Firstly, the evidence shows that the administration of teacher performance management under this Agreement has involved multi-level cooperation between DEC management and the Federation in relation to this key staffing function, with partnership being most in evidence at workplace level. Secondly, the evidence reveals that this system of performance management has a generally positive influence in terms of both process effectiveness and procedural fairness. Thirdly, whilst the evidence on causal impact of performance management co-partnership on the overall industrial relations climate in the NSW public school system is necessarily circumstantial, it would appear that the 2000 Agreement has made an important contribution to demonstrable shift from industrial confrontation to consultation during the course of this decade.

These findings also illuminate aspects of the key conceptual frameworks invoked throughout the study. Firstly, the evidence and findings support Kochan, Katz and McKersie's (1986) proposition that the ability of either party to make strategic choices reflects the degree of power available to the other. Even if management remains the primary locus of strategic decision-making, choice is not simply a matter of unconstrained managerial prerogative. Secondly, the evidence supports the proposition that the emergence of a management-union partnership arrangement, and its subsequent outcomes, are likely to be influenced by a complex of array of internal and external factors pertaining to the relevant industrial relations system. In short, the nature and extent of any partnership arrangement will depend chiefly on the specific contextual factors within which it arises. Thirdly, the evidence presented establishes that strategic choice and decision making necessarily occurs at all levels of the organization, even if top management remains the primary locus of choice. Fourthly, the findings support previous research highlighting the positive role that a union may play in the management of workplace change/reform. Fifthly, the evidence highlights the fraught nature of the partnership process for all parties, even for a powerful and well-resourced union such as the Federation.

This study, then, has investigated on historic union-management partnership in a major area of public sector employment and covering one of the most sensitive areas of human resource management practice - an area long considered the exclusive preserve of management. The study has examined relevant literature and theories relating to performance management in the public sector contexts. It has canvassed the historical context and key developments towards the formation of this partnership. Using longitudinal interview data, it has examined the human resource management outcomes from the initiative, as well as the possible industrial relations consequences. The analysis has been informed by relevant literature and theories relating to strategic voice and workplace partnership. The study has outlined the constructive role played by the Teachers' Federation in working with DEC management to achieve significant reform in the remediation and development of teacher performance. It has been argued that the union's involvement in the negotiation and implementation of the TEA marks a considerable departure from the adversarial industrial climate previously characteristic of the public school system.

In essence, the study has endeavoured to explain why this most powerful and militant white-collar union, and its managerial opposites, came to embrace this partnership in workplace change. For the union, embracing a cooperative approach to the highly sensitive issue of individual performance management allowed it to simultaneously champion both teacher quality enhancement and procedural fairness. For management, acceptance of union involvement in the implementation of formal performance management provided an opportunity not only to work collaboratively with the union on a single issue but, in fact, to experiment with a new regime of cooperative industrial relations. As the study makes clear, this new partnership was long in the making, and its emergence and significance can only be adequately understood through the lens of history.

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Table 1 Interviewee Details, Phase One

Organization	Position	Date of Interview	Interviewee Code No
Department of Education and Training	Senior Officer	10 October 2003	01/03
	Senior Officer	16 March 2004	02/03
NSW Teachers Federation	Former Senior Officer and current Executive Member	30 January 2004	01/04
	Former Senior Officer and current Executive Member	3 March 2004	02/04
District	Position	Date of Interview	Interviewee Code No
City High School City Primary School	Superintendent	10 October 2003	03/03
	Principal	23 September 2003	10/03
	Head Teacher	23 September 2003	09/03
	Local Teachers' Federation Representative	23 September 2003	11/03
	Principal	24 September 2003	04/03
	Deputy Principal	24 September 2003	05/03
	Assistant Principal	24 September 2003	07/03
	R/Assistant Principal	24 September 2003	08/03
	Local Teachers' Federation Representative	24 September 2003	06/03
Country High School Country Primary School	Superintendent	25 September 2003	14/03
	Principal	26 September 2003	13/03
	Deputy Principal	26 September 2003	12/03
	Local Teachers' Federation Representatives	26 September 2007	15/03
	Principal	25 September 2003	17/03
	Deputy Principal	25 September 2003	16/03
	Local Teachers' Representative	(Withdrew from participation)	

Table 2 Interviewee Details, Phase Two

Organization	Position	Date of Interview	Interviewee Code No
Department of Education and Training	Senior Officer	19 December 2008	01/09
	Senior Officer	07 April 2009	02/09
NSW Teachers Federation	Senior Officer	03 April 2009	03/09
	City Organiser	25 March 2009	04/09
	Country Organiser	27 February 2009	05/09
	Local Union Representative (City High School)	18 December 2008	09/09
	Local Union Representative (City Primary School)	12 December 2008	12/09
	Local Union Representative (Country High School)	15 December 2008	16/09
	Local Union Representative (Country Primary School)	2 March 2009	20/09
District	Position	Date of Interview	Interviewee Code No
City High School	Principal	18 December 2008	06/09
	Teacher	18 December 2008	07/09
	Teacher	18 December 2008	08/09
City Primary School	Principal	12 December 2008	10/09
	Teacher	12 December 2008	11/09
Country High School	Principal	15 December 2008	13/09
	Teacher	15 December 2008	14/09
	Teacher	15 December 2008	14/09
Country Primary School	Principal	02 March 2009	17/09
	Teacher	02 March 2009	18/09
	Teacher	02 March 2009	19/09