

**Managing complex change in a Hong Kong  
Higher Education Institution:  
a micro-political perspective**

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by

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## Abstract

Managing complex change in a Hong Kong Higher Education Institution: a micro-political perspective by Yin Ling Beatrice Lee.

**Purpose** - The Hong Kong Government in 2003 introduced a systemic change in its funding policy for Associate Degree programmes which removed funding from previously funded programmes, affecting 3,800 student places and some 150 teaching and support staff of the College of the case institution. The present study aims to explore, through a micro-political perspective, how the institution shaped its original response to this change, which was modified by a range of micro-political factors culminating in a final response negotiated by the management, the College staff and the governing body. In studying the case the research developed a 'micro-political toolkit' comprising five core concepts: interests, conflict, groups and coalitions, power and bargaining,

**Design/methodology/approach** - This study employed a qualitative case study research strategy. Qualitative semi-structured interviews were conducted with 10 interviewees and the data collected was triangulated with official documents.

**Findings** - The case evidence supported further development of the five concepts in the 'toolkit' to help better explain how the institution managed change. This included exposing the tension between professional and personal interests of teachers and developing a 'hierarchy of interests' to explore new types of interests. The study revealed that 'value' was the fundamental source of conflict and demonstrated that a coalition which operated predominantly in the informal processes, enhanced the staff's power position, building up a 'network of power' which interlaced between authority and influence to change the decision of those in authority. The process of bargaining enabled actors to resolve their conflict whilst submerging the underlying value controversies once again.

**Originality/value** - The study refines the 'toolkit' which can be used to analyse how educational institutions manage complex changes. It fills the gap in the knowledge base of micro-political analysis in the higher education sector in Hong Kong and has implications for theory, practice and research.

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## **List of Abbreviations**

Action Group – Save the College Action Group

AD – Associate Degree

Council – Council of University Central

Draft Report – Draft Report of the Working Group on Associate Degree Programmes

EdD – Doctor of Education

Final Report - Final Report of the Working Group on Associate Degree Programmes

HE – Higher Education

HEI – Higher Education Institution

LegCo – Legislative Council

MB – Management Board

SRQ – Specific research question

SARS – Severe Acute Respiratory Syndrome

UGC – University Grants Committee of Hong Kong

UPGC – University and Polytechnic Grants Committee of Hong Kong

Working Group – Working Group on Associate Degree Programmes

# **1. INTRODUCTION**

## **1.1 Introduction**

In 2003 the Hong Kong Government announced that Higher Education Institutions (HEIs) offering Associate Degree programmes were to become self-funding for this element of their provision. Up to this point these programmes had been largely funded by the Government. This change in policy represented a significant shift in direction, with a concomitant impact on HEIs offering Associate Degrees. However, the impact of this policy was experienced very differently by different HEIs depending on the absolute size of their Associate Degree (AD) programmes, and the proportionate size of these programmes relative to institutional size. One HEI in particular, hereafter referred to as University Central was particularly hard hit, and was faced with having to make a rapid response to this major policy change since the funding removal would start in the following academic year. This thesis seeks to explore how the University responded at an institutional level to this dramatic change in its operating environment. It seeks to understand what shaped its original response and how this response was in turn modified by a range of institutional factors and eventually accepted as a final response. It is therefore a case study in the management of complex change.

## **1.2 Outline of the research problem**

University Central was one of eight publicly funded HEIs in Hong Kong and was founded in the early 1980s to offer programmes ranging from sub-degree to research degrees. In 1991 it established a discrete 'College' within the institution as the academic unit designated only to provide sub-degree programmes. In 2003, approximately 35% of the student population (around 5,000 students) of University Central were registered on the Government-funded AD programmes. Following a policy review of Higher Education, including its funding policy, the Hong Kong Government through the University Grants Committee (UGC) informed University Central in May 2003 that over 75 % of the funding for its AD programmes (involving 3,800 student places) would be withdrawn over a period of three years from 2004-05 to 2006-07. Both the magnitude and rapidity of funding removal was unprecedented and University Central was the hardest hit among all the HEIs affected. Hence, the University management (management) was presented with the major financial problem of how to continue the AD programmes when funding was withdrawn.

The management responded quickly by publicly announcing the decision of the Management Board (MB) to recommend to the University Council (Council) the phasing out of the AD programmes and closing down the College as and when funding was withdrawn. The announcement was made before the recommendation was put to the Council, the governing body which had the ultimate authority on such matters. This initial response triggered strong objections by the College staff who would be made redundant if the MB decision was endorsed by Council. The staff organised themselves into the 'Save the College Action Group' (Action Group) and appealed to the Council and the public to reverse the MB decision and demanded that the AD programmes and the College be retained. The impasse between the management and the College staff was eventually resolved by the Council which established its own Working Group which provided a solution in January 2004 to convert the AD programmes to be run on a self-financing basis. This represented a significantly different outcome to that which had been originally recommended.

The major issue of interest to this inquiry is *'How did the University manage the crisis of Government enforced funding change in its provision of AD education?'* This sums up the research problem. The initial institutional response given by the MB was to 'phase out the AD' subject to approval by the Council. The MB was the highest internal decision-making body responsible for making recommendations to the Council on the University's mission, policy and management matters. It was a body that had representation from across the University, including all Deans of the Faculties and the Head of the College, providing input from the respective units to the debate and discussion of management issues. This body operated effectively in the previously stable and well-funded environment experienced over the preceding decade, enabling the University to deal with the various demands and pressures which arose. The consensus of the MB to 'phase out the AD' was, on the surface, the result of a rational decision-making process which concluded that the financial difficulties of switching to a self-financing operation were insurmountable. What made the MB, a body ostensibly based on participative decision-making, reach a consensus which was rejected completely by the College staff? Was the MB truly collegial or was it a forum for different groups to assert their goals/interests over each other? Did the consensus actually represent 'the prevalence of one group over another' (Baldrige et al, 1978: 33-34). Would a different solution have been reached if they had taken more account of the interests of the staff directly affected by their decision? The unprecedented externally

imposed change upset the status quo and created a very uncertain and unstable environment for University Central, in particular, for the 150 College staff responsible for one-third of its student population. The original decision had apparently been based on a collegial decision-making model, reflecting what Bush (2003:93) argues is a 'strong harmony bias' in which 'the possibility of disagreement is ignored or assumed away'. However, the new policy context caused considerable turbulence, and it is against this background that 'micropolitical activity' intensified (Milliken, 2001).

The problem of the funding change was met with different diagnoses and responses from the management and the College staff. The management concluded that the AD work should be given up in times of financial exigency. This conclusion was rejected by the College staff who claimed that they had not participated in the decision-making and such a decision threatened their careers, jobs and livelihoods. The Council's Working Group eventually provided a solution that they believed could make the self-financed ADs viable. This called into question why and how the management and the Working Group in addressing the same funding problem came up with different solutions and conclusions.

The conflicting views on how to manage the problem seemed to stem from something more fundamental than simply treating it as a resourcing issue. It appeared that the difference related to the educational and organisational values each group claimed to hold; and each group analysed the problem of change from their own position and perspective. The MB's solution was to change the existing organisation structure by removing the AD from the University's portfolio and hence closing the College, to refocus energy and resources on undergraduate and postgraduate programmes and research. This proposal had not taken into account the immediate interests and concerns of those members likely to be affected, directly or indirectly (Ball, 1987) and highlighted the possible gaps in the values and goals held by different groups of members in the same organisation. This contrasted sharply with the management model based on collegiality which assumed that the organisational members shared common values and organisational goals.

Once the dispute between the management and the College staff was made public, the College staff appealed to the head of the governing body, the Chairman of the Council; voiced their opposition and criticised the MB decision in the media. The College staff organised themselves into an informal ad-hoc group (the Action Group) to advance their opposition and actively sought sources of influence outside the normal committee

structures and organisational procedures and mechanisms. These included forming alliances with other interest groups and influential others outside the University. Through these actions, the College staff succeeded in obtaining a re-examination of the issue by the Council's Working Group, and through representation in the Working Group, they had a voice in discussing the problem which had a direct impact on them.

The initial response provided by the management using the established management structure, instead of solving the problem, elicited staff's strong reaction in a totally unanticipated and unpredicted fashion. In the history of the institution, the case appeared to be the first internal dispute over an externally initiated problem in which the staff members, through the Action Group, actively resorted to sources of power outside the formal authority structure. In face of the unusual situation and immense conflict, the University Council had to deal with it in a novel way by creating a new structure – its own Working Group to resolve the conflict. The case presented a deviation from the conventional way that management issues used to be handled at University Central up to that point by the MB.

With the development in the case, it is clear that the collegial models are considered deficient in capturing the realities of life in Higher Education (Baldrige, 1971). It is deemed appropriate to examine the case using a micro-political perspective which offers an alternative view that can better represent the realities of organisational life (Ball, 1987). Blase and Anderson (1995) define micropolitics as the use of formal and informal power by individuals and groups to achieve their goals and these goals were based on interests and preferences. Mawhinney (1999: 167-8) comments that 'Micropolitics is about conflict, and how people compete to get what they want in the face of scarce resources'.

The micro-political approach examines organisations as peopled by individuals and groups using power to advance and protect their interests, and in the event of conflict with each other arising from competing interests, they form coalitions and alliances to augment their power in protecting their interests vis-à-vis competing groups which seems to succinctly describe what had happened in the case. With the case, the College staff's strong objection to the initial MB response was followed by their intense opposition and activities to struggle for power and the right to participate in the decision-making. The micro-political processes were centred on the staff's mobilisation of power to protect their interests which came under threat, and how other organisational members responded to these activities, particularly in the interaction within and outside the Council's Working Group. This study

examines the case in detail using the micro-political approach with a view of achieving a better understanding and insight into the case.

After studying the background and the development in the case, the following Main Research Question was introduced to frame the study:

*How did the University manage the change in AD funding policy initiated by the Government between May 2003 and January 2004?*

### **1.3 Aims and objectives of the research**

This thesis aims to examine how University Central managed the significant change in the external policy environment regarding its provision of AD programmes, using a micro-political perspective. It seeks to understand what determined the management's initial response to the policy switch, and how this response was further shaped by a range of micro-political factors and by other organisational members within the institution involved in formulating the final response.

In the process of managing the significant change in the government funding policy, three groups of actors were involved: the management, the College staff and the Council, particularly in the work of the Council's Working Group. The members of the Working Group interacted and negotiated with each other based on their concerns, mobilising their resources of power and generating influence to protect their interests. The study will attempt to uncover and understand the micropolitics involved which ultimately contributed to a resolution of the issues generally acceptable to all parties concerned.

A key assumption underpinning this thesis is that micropolitics are the realities of life in education. 'These interest groups articulate their interests in many different ways, bring pressure on the decision-making process from any number of angles... Power and influence, once articulated, go through a complex process until policies are shaped, reshaped and forged out of the competing claims of multiple groups' (Baldrige, 1971: 19-20). It seems that the reasons for the failure of the collegial model in resolving the issue could be revealed by examining, from the micro-political perspective, the differences in the ideologies and goals held by each group, the actions and interactions of the groups with each other and eventually with the Working Group. The Working Group, had a composition

different from any committee under the existing management structure. Its constitution provided a platform and opportunities for members of the three different sub-groups, each with a stake in the outcome, to come together, advancing their interests and to resolve their differences and conflicts through debate and ‘power play’ (Morgan, 1997: 170).

The purpose of the inquiry therefore is to achieve an understanding of the processes of managing the crisis, through examining the key micro-political components surrounding the case. The complex change management process consisted of multiple stages and involved essentially the creation of two distinct proposals. The first one was made by the University management which was rejected, the second was subsequently generated by the Council’s Working Group, involving management, College staff and Council members. The study will examine the factors that led the management to conclude that the best solution was to ‘close down’ the College which was considered the worst alternative and unacceptable to the College staff. The proposal, if accepted, would have also destroyed the status quo - the agreed realities and ‘negotiated order’ (Strauss, 1978) that the members of the institution were living in.

The College staff, represented in the Working Group were one of the major players that influenced the decision-making process. The study will examine the actions and interactions of the three ‘sub-groups’ in the Working Group and how they impacted on, and modified, the situation and how they advanced their interests formally and informally, internally and publicly, within and outside the Working Group. The study aims to show that the working of the micro-political processes by the various groups contributed to formulating a renegotiated order for all parties concerned. The analysis will show that the management when confronted with the problem of change of such magnitude could not rely on the conventional process of collegial rational decision-making. The micro-political dimension and components of the organisation such as goal diversity, interests and conflict between groups and power struggle should not be understated or neglected. The study hopes to illustrate that these micro-political factors should be taken into consideration especially when the institution is confronted with unforeseen changes driven both internally and externally.

#### **1.4 Context of the study**

The following provides background information to the study which outlines the wider

Higher Education (HE) and socio-political environment and the institutional context; the internal organisational structure and climate; and the particularity of the case.

#### ***1.4.1 The macro-policy and socio-political environment***

The HE scene in Hong Kong has undergone significant changes in the past decade. In 2000 the Government espoused the policy objective to increase the participation rate in HE of the eligible cohorts of youngsters from 18% to 60%, to be accomplished over the following ten years; mainly by opening up the AD ‘market’ which was hitherto restricted to publicly-funded HEIs. This marked the beginning of the neo-liberal agenda to encourage marketised education (Hammersley-Fletcher and Qualter, 2009). To achieve this with a minimum increase in resources, the Government proposed to reduce the subsidy to existing AD providers; to create a ‘level playing field’ (Sutherland, 2002) by giving incentives to new AD providers through free land grants and interest free loans for constructing buildings to house the AD operations. The Government argued that the funding removed from existing AD providers would be channeled to support students through low-interest loans. This change in AD funding policy was effected in 2003. This change lowered the barrier for new operators entering the HE market but seriously impacted on University Central whose AD programmes were largely government-funded.

University Central was the hardest hit HEI as it was the only institution faced with a severe funding withdrawal from 75% of its AD work offered by its College, applied within a short timeframe of 3 years. The new funding regime dramatically changed the operation of the AD programmes from a previously secure and predictable environment to one of aggressive competition and uncertainty. The scale of the problem can be seen from the fact that under government funding the direct unit cost of the AD programmes was some HK\$90,000; switching to self-financing and relying solely on student tuition fees would require the unit cost to be reduced to around HK\$45,000 including both direct and overhead costs. Hence, staff teaching on the AD programmes would be directly affected if the government funding was removed. The fact that funding withdrawal would start in September 2004 added urgency to solving the problem.

The negative impact of the funding reduction on the College staff also should be viewed in the wider context of the then Hong Kong economy which was adversely affected by the Asian financial crisis in 1997. The Financial Secretary (2003) in his 2003-04 Budget

Speech said: ‘by any standards, the deficit has reached a dangerous level ... In Hong Kong, the unemployment rate persists at a high level, and job losses remain a worry ... The public has yet to recover its confidence in the future of our economy’. In April 2003, Hong Kong was hit by the Severe Acute Respiratory Syndrome (SARS) outbreak which took 300 lives, it being amongst the worst affected cities in Asia. The economy was at its lowest ebb. To reduce public expenditure, the Government announced a 6% salary reduction of civil service pay by 3% reduction each year for 2004 and 2005. Employees of subvented organisations such as the UGC-funded HEIs followed a similar scale of salary cut. Hence, any further threat to the economic well-being of the College staff was inevitably resisted strongly.

#### ***1.4.2 Institutional context***

University Central was established as the second provider of vocational-oriented studies in the early 1980s, starting with 65% of its programmes at the sub-degree level with the remainder at degree level. Over the years, the Government funding to degree places for this institution increased and by 2002, the degree level work constituted over 65% of its academic profile. In the early 1990s, as the institution developed towards its goal of attaining university status, it recruited many staff who were qualified to conduct research. Prior to 1991, programmes at both degree and sub-degree work were offered within the same department. In 1991, all the sub-degree work was transferred to a newly established ‘College’ and a substantial number of staff were transferred from the Faculties to the College to undertake the sub-degree work. These transferred staff were not required to do research and remained on a pay-scale different from staff in the Faculties who were responsible for teaching degree and postgraduate programmes and undertaking research. In short, the division of work among the staff body was based on their academic credentials and the level of the programmes they were to teach. The academic structure (Figure 1.1) therefore consisted of three Faculties with staff engaged in teaching degree, postgraduate programmes and undertaking research and one College teaching AD programmes.

|   |   |   |                                    |
|---|---|---|------------------------------------|
| Faculty of Science and Technology                   | Faculty of Arts and Humanities                      | Faculty of Business                                 | College                            |
| Five academic departments offering :                | Seven academic departments offering :               | Six academic departments offering :                 | Five academic divisions offering : |
| Bachelor Degree<br>Master Degree<br>Research Degree | Bachelor Degree<br>Master Degree<br>Research Degree | Bachelor Degree<br>Master Degree<br>Research Degree | Associate Degree                   |

Figure 1.1 Academic structure of University Central

Under the University Ordinance, the Council was mandated to ‘establish bodies equivalent to a Faculty’. The Council so designated the ‘College’ which gave the latter identical status to the three Faculties. Consequently, the organisational and management structure of the University gave equal status to the Deans of the Faculty and the Head of the College; also the heads of the Departments enjoyed equal status irrespective of whether they came from the Faculty or the College and all Departments and Divisions had equal representation in the Senate. Nonetheless, the restructuring in 1991 essentially divided the teaching staff of the institution into two distinct groups with separately defined academic roles and with significantly different remuneration. The MB consisted of senior academic managers including the Vice Presidents, all deans of the Faculties, the one College head and several heads of administrative offices. At the institutional level, the MB chaired by the President was the highest body advising the President on policy and resourcing issues whereas the Senate also chaired by the President was the supreme academic body dealing with strictly academic matters. The day-to-day management of the University was vested with the President advised by his senior management team, in this case the MB. The University Ordinance established the Council as the supreme governing body, responsible for setting the mission and direction of the University. As the governing body of a publicly funded institution the Council is held accountable for the education and services rendered by the University to the community and had to ensure that the institution was meeting the education needs of the society of Hong Kong. Figure 1.2 presents the relationship between the external policy environment and University Central and also the relationship among the

various major bodies within the University.

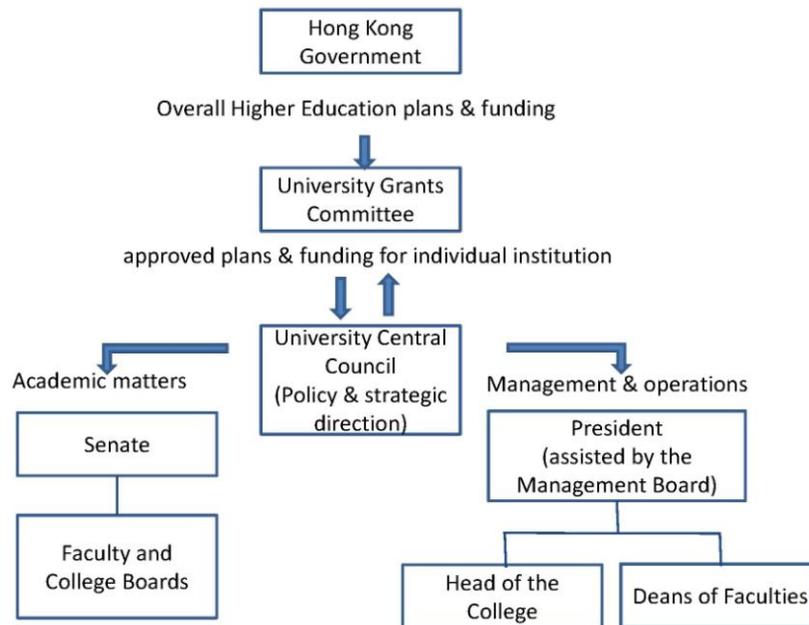


Figure 1.2 University-Government relationship

## 1.5 Some indicative literature

The micro-political approach sees educational institutions as subject to micro-political activities which have a major impact upon the management and operation of the institution and the behaviour of its people.

An education institution is a highly complex organisation which has a 'structural looseness' (Bidwell, 1965) which permits subunits to have autonomy and the actors in them to pursue activities and goals different from each other. This 'structural looseness' is recognised as a major characteristic of an educational organisation in micro-political studies. Ball (1987:15) contends that 'structural looseness' encourages goal diversity and creates the potential for conflict. The fact that the College was a distinct unit teaching only AD programmes within the University's organisational structure whilst the three Faculties were charged with degree and above level work created a specific organisational setting of the case as indicated in Figure 1.1. The 150 College staff over the years had developed a strong identity amongst themselves as staff dedicated to teaching good quality AD programmes. They were also very concerned with their status within the institution. Staff in the Faculties were more academic and research oriented and they had become the dominant group within

the University, responsible for the teaching of over 65% of the student body and research. The staff of the College and those of the Faculties had a different focus, priorities and interests as reflected in the clear segregation of work, different academic credentials required and remuneration packages designed for each group. The budget allocated for the operation and management of the College and the Faculties was also significantly different. There was inherently potential conflict between the two groups which, however, remained subterranean during times of adequate funding.

The College staff's strong disagreement to the MB's recommendation revealed the competing interests and divergent views on educational mission and goals between the two groups (Morgan, 1997). It seems that the interest of the College as a subunit within the organisation clashed with the interests of other subunits (the Faculties) which apparently were recognised as more important in the deliberations of the MB. One set of goals was endorsed at the expense of another set of goals (Bush, 2003). The financial implication of AD funding withdrawal meant reduction in the resources available for distribution among all the units in future. The problem highlighted the crucial relationship between political dispute and the allocation of resources, between philosophy and material interests (Bennett and Wilkie, 1973). 'Resources (material and social), careers and reputations are at stake when policies are agreed and decision taken' (Ball, 1987: 16). The content of policy making and decision-making is ideological since the outcome reflects what is considered more important and/or should be supported or maintained. The MB decision seemed to suggest that AD, with no government funding, was not as important as other academic programmes whereas to the College staff it was the basis on which they built their identities and careers. The MB decision if accepted and implemented, created a severe change to the interests of the College staff since it removed their jobs and careers at the institution; and consequently was forcefully rejected.

The open conflict between the management and the College staff showed that the control of organisational matters could no longer be maintained through the existing management mechanisms exposing the inadequacy of the collegial models in dealing with conflicts in Higher Education (Baldrige, 1971). University Central migrated over a period of some 10 years from a bureaucratic to a collegial model of management with the MB established in 1993 (Director of University Central, 1993) which replaced the old system of a highly centralised structure of decision-making by a few senior staff in the University management. The MB, based on participative management made a recommendation which

failed to solve the problem but fuelled further political activities among the interest groups. The Council's Working Group, a new structure created on an ad-hoc basis, was able to solve this unprecedented challenge, albeit not without difficulty. The conflict brought to the surface a range of features and processes including individual and group interests, goal diversity, conflict, groups and coalitions, power and bargaining which are the key concepts often discussed in micro-political analyses of educational institutions.

Most members of the Working Group had not been directly involved in the original process of decision-making of the MB. Its constitution provided the political setting for policy and decision-making to be achieved through negotiation as suggested by Bolman and Deal (1991: 186): 'organizational goals and decisions emerge from ongoing processes of bargaining, negotiation, and jockeying for position among members of different coalitions.' The actions of the Working Group reflected these processes since there were on-going discussion and debate on cost-cutting measures such as salary reduction, changes to terms of employment, increased workload which would change existing work practices that impacted on the interests of the staff. In contrast to the MB's original decision, the Working Group's proposed solution in January 2004 was accepted by all parties concerned.

The micro-political approach highlights the significance of several key components of micropolitics: interests, conflict, groups and coalitions, power and bargaining which feature in the organisational life within an institution; and prominently in the case. It is proposed that these 5 key micro-political concepts together can provide a conceptual 'toolkit' in analysing and explaining this case study of how an HEI managed the problem of change initiated by the external environment. This study will consider through the micro-political perspective, based on the 'toolkit', the behaviour of organisational members as driven and motivated by their desire to protect and advance their *interests*, which may be threatened by changes initiated by the head or externally. The impact of change may lead to or unveil *conflict* between groups who exercise power to resist or respond to the change in protecting their interests. The conflict between groups is likely to be resolved ultimately by the relative *power* of the participants. To increase their power vis-à-vis the other competing group(s), the members inevitably form *groups and coalitions* with people who share similar interests and leverage on each other's influence in contesting for *power* and the final decision-making. The process of *bargaining* is the action component of resolving conflict. Through this on-going process, policy and decision-making is made (Bolman and Deal, 1991). These five core concepts which form the basis of the 'micro-political toolkit' will be

used to inform the specific research questions of this study.

## **1.6 Research methodology**

In conducting the inquiry the research will be located within an interpretive paradigm. The interpretive paradigm can provide a philosophical framework for conceptualising and construing the issue and ultimately help with understanding the actions and behaviour of the people involved in managing the problem.

The research study will use the case study approach to explore in detail the particulars of the problem through a micro-political perspective which concentrates on understanding the behaviour and actions of people gathered together in various groups, the way they perceived and interpreted the problem and how they promoted their respective interests. The analysis of the case should culminate in developing a better understanding and explanation of why the decisions and actions were taken and how the conflict between the groups eventually was resolved. It is hoped that the study can provide an insight into how an educational institution operates and manages complex changes under considerable pressure. The analysis will be based on the experiences, views and interpretation of the participants involved since they were the actors in the case who interacted and shaped the final solution.

The study will include as many variables in the case as possible and portray their interaction from May 2003 to January 2004. It will examine a series of significant events and happening and the interactions amongst the actors.

## **1.7 Specific research questions**

To achieve the aims and objectives of the research, the scope of the enquiry should be defined more closely with specific research questions. The main research question:

*'How did the University manage the change in AD funding policy initiated by the government between May 2003 to January 2004?'*

is fractured into the following specific research questions (SRQ) which are directed to capture the relevant information and evidence of how the process of change was managed.

- SRQ1 How did the University Management (management) initially come to its recommendation to the Council on its response to the Government's new AD funding policy announced in May 2003 and what was the rationale for its response?
- SRQ2 How, and by whom, was opposition to the management's recommendation articulated? How did oppositional groups seek to influence the management's recommended change in University policy?
- SRQ3 How were institutional structures adapted to manage the change process? What was the rationale provided for such changes?
- SRQ4 What were the Working Group's recommendations presented to the Council? How did the Working Group come to its recommendations and what was the rationale for those recommendations?
- SRQ5 To what extent can the situation be considered to have been resolved 'satisfactorily'?

The decision-making process involved in arriving at the management's initial decision in May 2003 of phasing out the AD programmes will be examined and analysed to see what was the rationale for the decision and why it was made. How did the College staff react to the decision and what caused such a reaction. The establishment of the Working Group and the decision-making process of the Working Group will be analysed to see how the concepts of micropolitics including interests, conflict, groups and coalitions, power and bargaining can explain their behaviour and how they eventually reached an agreement on the solution to the problem.

## **1.8 Position of the researcher**

The researcher has been working at the case institution as an administrator in support of the work of the Council since 2002 and was assigned to serve as the secretary to the Council's Working Group. As the secretary providing administrative support to the Working Group, the researcher performed the task of a scribe and was responsible for maintaining an official record of the minutes of meetings and the work of the Working Group which required neutrality since the records had to be agreed among all members of the Group. As an employee working in close association with the University management, the researcher noted that apparently the case situation which arose in 2003 was the first internal dispute with a particular group of staff members which could not be resolved by the management

who had been able to deal with most changes in the past. Given the researcher had a close involvement in the case in her capacity as secretary of the Working Group and as an employee supporting the Council, she addresses the role of the researcher and also the pros and cons of insider research in detail in Chapter 3.

## **1.9 Significance and outcomes of the study**

Hoyle (1986: 149) points out that micropolitics 'is not a widely researched aspect of schools' although its existence in educational institutions is widely recognised. One of the reasons for the 'under-development' of micro-political analyses is that such studies are by their nature highly sensitive, and this can make conducting research difficult.

Most of the studies and literature on micropolitics exist in the western world and there has been little research in Asia. In Taiwan, there were Lin's (2003) and Chen's (2005) studies of Taiwanese elementary schools but no such studies on tertiary institutions were found. In Hong Kong, there have been few studies on educational management issues using a micro-political perspective. The Higher Education and school systems in Hong Kong in the past had been modeled heavily on the British system. The education management approach also follows rather closely the developments in the West. The study of education management issues have therefore tended to focus more on the merits of the participative and collegial model which is underpinned by assumptions about shared values, organisational goals and objectives. There is a gap in micro-political studies in the non-western world, particularly in the tertiary education sector. The present study aims to fill this gap in the research base.

It is anticipated that this study can add knowledge and understanding of how significant and unforeseen changes in higher education policy are handled by institutions. It is believed that the scale of the change in this particular case is unique, particularly in the region, and tested the traditional collegial model adopted by the case institution to its limits. This study can demonstrate the effectiveness of using a micro-political perspective in revealing the different motivations of the interest groups involved and in understanding how they mobilised power in protecting their interests and eventually resolved conflicts through bargaining.

The present study aims to expose the key components of micropolitics at work which show how the various groups in the University reacted in handling a major change in its *modus*

*operandi* enforced externally. It also aims to demonstrate that the micro-political perspective can provide a powerful framework and an important lens (Blase and Anderson, 1995) through which to view the life of the institution and can explain why the Working Group succeeded in providing an acceptable solution in managing the change. It points to the need for an education institution in facing any significant changes, to evaluate the capacity of the existing management structure and systems and the possible impact of the proposed decision on the interests and concerns of people likely to be affected before making the final decision. New challenges might need to be dealt with by novel means. It will also explore if some conclusions can be drawn on increasing the micro-political awareness to help with managing such changes in policy.

### **1.10 Chapter outlines for the rest of the thesis**

The literature review in Chapter 2 examines the micro-political studies of researchers of educational organisations in search of a conceptual framework to help understand the perceptions and behaviour of the different groups of organisation members involved in managing the problem of change in University Central. Some key micro-political concepts such as ‘interests’, ‘conflict’, ‘groups and coalitions’, ‘power’ and ‘bargaining’ are studied and organised into a ‘micro-political toolkit’ that can be used to analyse the interactions of organisational members. The last section in the chapter relates the specific research questions to the literature review and shows how the questions drive the research in this study.

Chapter 3 presents a discussion of the research design, starting with the choice of the interpretive paradigm as the philosophical underpinning of the research and use of a qualitative case study as the research strategy in conducting the research. The role of the researcher in the case study is examined, in particular, as an employee who played a part in the case herself. It further describes the methods of data collection, the sampling issues in using interviewing and the documents reviewed. This is followed by an explanation of the data analysis and data reduction processes used to give meaning to the data gathered. The quality of the findings is discussed in terms of its trustworthiness. This chapter ends with a brief discussion of ethical consideration and the limitation of the research method.

Chapter 4 presents the findings which gives a rich description of the development of the case. The chapter consists of five sections, with each section presenting relevant data that

answers a specific research question. At the end of each section is a summary of the main issues that emerge from the data accompanied with a preliminary analysis of the concepts or themes emerging. Chapter 5 is an in-depth analysis of the findings using the five micro-political concepts in the 'toolkit' that the researcher developed on the basis of the literature in Chapter 2 to evaluate the effectiveness of each concept in explaining the development in the case. More importantly, the analysis will discuss how each concept might be further developed to extend and refine the 'toolkit' to help better explain the case and the issues in micro-political studies. Chapter 6 provides an overview of the aims and purposes of the study and a summary of the key findings to the specific research questions. This is followed by a description of the knowledge that emerged as a result of the investigation and the limitation of the research. The concluding section highlights the significance of the study, its implications for theory, practice and research. The thesis ends with an epilogue.

## **2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

### **2.1 Overview**

A review of the literature on micropolitics suggests that it is a dimension of organisations often ignored in administration and management theory (Hoyle, 1982; 1986). Studies of micropolitics originally emerged in the fields of public administration and management as an alternative approach to the more traditional models of organisations as discussed by Weber (1947) and Taylor (1947). Burns (1961) was one of the first political theorists to analyse organisations as political entities and suggests that an organisation consists of individuals and groups who are ‘cooperators’ and ‘rivals for the material and intangible rewards of successful competition with each other’ (Burns, 1961:261). Iannaccone (1975) applied the concept of micropolitics to public schools and focused on the interaction among the administrators, teachers and students within the school building. Later in the 1980s, more theoretical and empirical work in micropolitics appeared in both the fields of management and education, and it is this literature, centred on education which is the focus of this chapter.

Following this overview, there are 7 sections in this chapter. The first provides a broad working definition of micropolitics in education and the next examines critically the key approaches to micro-political analyses by analysing in some detail three key contributors to the field: Hoyle (1986), Ball (1987) and Blase and Anderson (1995). This early and formative work is explored further in detail, with other more recent sources analysed elsewhere in the chapter. This is followed with an analysis which highlights the different emphases and nuances of their work. The next section provides a critique of the micro-political approach followed by the presentation of a set of core micro-political concepts chosen from the literature to form a ‘micro-political toolkit’ which I used in studying the case. The chapter then examines HEIs as the sites of micro-political activity. The next section elaborates on how the macro-policy environment shapes the institutional context in which the internal micro-political activities amongst organisational members take place. The last section relates the research questions to the key micro-political concepts identified in the literature.

## 2.2 What is micropolitics?

The study of micropolitics in education broadly focuses on the behaviour of members of an educational organisation for the purpose of advancing or protecting their interests. However, within this broad compass there are a number of different competing analyses and nuances, and it is important to identify these.

Blase and Anderson (1995:3) for example provide the following definition of micropolitics:

Micropolitics refers to the use of formal and informal power by individuals and groups to achieve their goals in organisations. In large part, political actions result from perceived differences between individuals and groups, coupled with the motivation to use power to influence and/or protect... Both cooperative and conflictive actions and processes are part of the realm of micropolitics. Moreover, macro- and micropolitical factors frequently interact.

(Blase and Anderson, 1995: 3)

The emphasis within micropolitics is on the political activity which takes place in an education institution rather than being concerned with politics and educational policy in the wider socio-political context and the focus within micropolitics is clearly on the institutional level, generally taken to mean the individual school or college. Fletcher, Caren and Williams (1985) refer to the internal micropolitics in schools as politics with a small p. Similarly Lindle (1994:1) uses a 'little p' to refer to politics in education which concerns 'how things get done everyday in schools' as opposed to the 'big P' politics which concerns legislators and state departments. Put simply, a micro-political analysis focuses attention on the dynamics within organisations and explains these by stressing the importance of power, and the way that power is mobilised and exercised, and by whom. However, micropolitics does not take place in a vacuum disconnected from the macro-political context and it is important to both understand and explain the link. The research in this study highlights the importance of this link since the micro-political activity, which is the direct focus of this study, was the product of a macro-political development. The relationship between the micro-political activities within an educational institution and the wider policy context within which it operates will be examined in a later section.

### **2.3 Key approaches to micropolitics**

Thus far I have provided a very broad definition of micropolitics as an approach to studying organisations that focuses on the way power is exercised by organisational members in furthering their interests. It is now necessary to analyse these issues in more detail and I seek to do this by comparing and contrasting the contributions of key scholars in the field, specifically: Hoyle (1986), Ball (1987) and Blase and Anderson (1995). These writers share a view that micropolitics offers a very important perspective, different from the traditional rational perspective, in providing a better understanding of the behaviour of organisational members. They share much common ground in their analysis of educational organisations. Major themes that feature in their work include the political interactions between organisational members to protect their interests; a focus on power and resources; and an interest in conflict, strategies and tactics. They recognise that an educational organisation has a structural looseness (Bidwell, 1965) which gives its sub-units relative autonomy with members pursuing different goals. Hence the interaction between the Principal and the teachers, and among the teachers themselves, constitute a key part of the micro-political activities of life within the organisation. They are also subject to conflict and change and the demands and expectations of the external environment and agencies.

In the following section I compare and contrast the work of these three authors as arguably the key commentators who have framed discussions based on micro-political analyses. However in so doing I draw on many other scholars whose work has contributed to the development of the micro-political approach. Hoyle (1986) and Ball (1987) studied the school life in the UK in the 1980s and Blase and Anderson's (1995) work was based on schools in United States. Their work has generated much interest and further research. Micropolitics is however a sensitive area in which to conduct research and, especially in the Asian context, there is a scarcity of valid bodies of knowledge and fieldwork. The three contributors provide a theoretical underpinning and the data and analysis presented in their work can help the researcher examine her case from various perspectives. The ensuing paragraphs summarise, compare and contrast, where appropriate, the major themes and ideas presented in their work.

Hoyle (1986:171) maintains that schools, because of the 'relative autonomy of teachers', are inherently prone to conflicts between administrators (the 'leadership') and teachers; the headteacher has the legal authority to exercise control which may clash with the

professional authority and autonomy of the teachers. The major elements of micropolitics are 'interests, interest sets, power and strategies' (Hoyle 1982:88). Hoyle (1986:126) sees micropolitics 'as a continuum, one end of which is virtually indistinguishable from conventional management procedures but from which it diverges on a number of dimensions – interest, interest sets, power, strategies, and legitimacy – to the point where it constitutes almost a separate organisational world of illegitimate, self-interested manipulation'. Hoyle (1986:129) further elaborates that management and micropolitics have a symbiotic relationship with management expressed in the formal structure and procedures, whereas micropolitics is more likely to be 'oriented to *interests* rather than *goals*, *coalitions* rather than *departments*, *influence* rather than *authority*, *strategies* rather than *procedures*'. In his later work, Hoyle (1999) uses the term 'management micropolitics' to emphasise again that there is no clear boundary between management and micropolitics.

Hoyle (1986) argues that the essence of micropolitics which distinguishes it from the domain of management are the strategies employed by school leaders and teachers in pursuit of their, sometimes conflicting, interests. Hoyle identifies some basic micropolitical strategies in the decision process which include 'dividing and ruling', 'co-optation', 'displacement', 'controlling information', 'controlling meetings' (1986:140-6), many of these are more accessible to the headteacher and management level personnel. 'Strategies' also include means or activities outside formal structures and procedures. He also points out that exchange theory in sociology which involves 'goods' to be exchanged between headteachers and teachers (Hoyle, 1981) is most relevant to micropolitics. Hoyle (1982) classifies the categories of 'goods' available to the headteacher which include material resources, promotion, esteem, autonomy, application of rules, which can be exchanged for esteem, support, conformity, reputation to be rendered by teachers. The exchange process as part of the implicit bargaining between the headteacher and the teachers shapes the power relation between the two. His view is that notwithstanding that formal structure and procedures confer considerable power on the headteacher, the teachers also have 'goods to trade' which give them power. Hoyle believes that when exchange is formalised and made explicit, it is related more closely to the formal employer-union bargaining; bargaining becomes more micropolitical when it is 'implicit rather than explicit, outside rather than inside formal structures and procedures and draws on informal resources of influence' (1986: 129). Employer-union bargaining may be the focus of micropolitical analyses, but such an approach tends not to focus on the formal institutions of industrial relations with their procedures for collective bargaining. Rather, the focus is on

the informal exchanges between unions and school management, and which themselves often take place outside formal union structures (Stevenson, 2005). In many contexts, such union organisation is completely absent and micro-political analyses are on much more informal groupings within the organisation.

Hoyle (1986) draws on Bacharach and Lawler's (1980) analysis of the formal and informal aspects of power: authority and influence in his discussion on the configuration of power between the headteacher and the teachers. In his view, the headteacher has a high degree of authority but his/her administrative control depends on the exercise of latent power and on influence, rather than formal power.

Hoyle (1986) suggests that teachers have professional authority based on their expertise which enables them to exercise autonomy in teaching, curriculum design and pedagogy. The professional authority however cannot usurp the positional authority of the headteacher as Hoyle (1986:83) points out: 'at the end of the line, authority prevails over influence' and the headteacher is also a professional who will 'provide a school with professional educational leadership.' Teachers however also have access to influence which has various sources and can be 'embedded in the actual relationship between groups... is variable and operates through bargaining, manipulation, exchange, and so forth.' (Hoyle, 1982:90) The headteacher's exercise of authority is increasingly modified by teachers' use of influence, which involves the headteacher in a greater degree of exchange and bargaining behaviour (Hoyle, 1982).

In contrast to Hoyle's (1986) emphasis on strategies as an essential feature of micropolitics, Ball (1987) identifies the key concepts related to micropolitics as power, goal diversity, ideological disputation, conflict, interests, political activity and control. Ball contends that the 'structural looseness' of schools allows for dissensus and goal diversity which is based on different interests pursued by organisational members, and differences in ideologies and values held by different groups and sub-units in the organisation that give rise to possible sources of conflict. Ball's (1987) work is characterised by a strong focus on the conflict perspective. Conflict between competing groups can be revealed when there is threat of change.

In his key work *The Micropolitics of the School* (1987), Ball focuses on three major areas. First, the interests of actors; second, the maintenance of organisational control; and third,

the conflict over policy and the making and implementation of policy. He argues that the key role of headship is to maintain control over the second and third areas as both can provoke conflict and opposition from members especially when resources are reduced or reallocated. Ball emphasises that the headteacher achieves organisational control through domination and the commitment of teachers, which correspond to the two key leadership functions: task function which is concerned with task accomplishment, instituting the structure and system for completing tasks; and the human function which is to maintain morale, generate enthusiasm and cooperation of teachers. Ball believes that the headteacher is the focus of micro-political activity and as leader of the organisation, his/her key concern is to maintain control through his leadership style. The headteacher 'strives to establish the right, and the responsibility, of "the final say"' (Ball, 1987:120). Ball elaborates four leadership styles: authoritarian, personal, managerial and adversarial that the headteacher may adopt as his/her predominant mode of social interaction with his/her followers within the 'everyday social reality of the school' (1987:85). Each leadership style will show how the leader asserts his/her right to decision-making and how he/she deals with opposition/dissent to policy-making and resource allocation issues, using different 'strategies of control' providing the associated 'form of participation' for the teachers (Ball, 1987:124). The different leadership styles are the means to attaining 'political stability within the organization' (Ball, 1987:120) and are therefore control-oriented. The notion of power is discussed in terms of the control over the organisation, the headteacher over the teachers, one group of teachers over another. Staff participation in decision-making is not a right; the form and frequency of participation will be dependent on the headteacher's leadership style. The authoritarian headteacher tends not to allow participation; the managerial headteacher will channel opposition through formal committees where the agenda and content of the discussion at meetings can be controlled; the interpersonal headteacher can exercise persuasion in private, through informal channels; the adversarial will use public debate as the forum to handle grievances and opinions.

Ball argues the headteacher uses autonomy and participation to achieve the human function of headship, which is to gain the teachers' support and commitment to the organisation. Ball (1987:121-122) suggests that autonomy is a privilege granted by the Head 'on certain terms and conditions' which helps the headteacher to achieve 'integration of the individuals into the organisation by fostering a sense of personal efficacy'. It allows teachers to influence the curricular and classroom issues but exclude them from 'participation in school decision-making' (1987:123). Ball contends that in each of the four leadership styles,

participation can be reduced to the appearance of participation without access to ‘actual’ decision-making (1987:125). The headteachers believe that consultation can be used to give teachers a sense of involvement in the process of decision-making but is not binding on the decision-making. To the staff, consultation can generate strong feelings of non-participation - ‘being unable to exercise control over decisions which directly affect conditions of work’ (Ball, 1987:127).

From the above summary it is clear that Hoyle and Ball discuss micropolitics in education in similar ways, but with a different focus and emphases. Hoyle (1986: 127, 139) believes that the domain of management and micropolitics are ‘coterminous’ and organisational behaviour is sometimes determined by the formal structure and procedures and sometimes by micropolitics which often operate in the informal processes of the organisation and organisational members use ‘a network of exchange relationship’ to further their personal and professional interests. Much of Hoyle’s discussion on micropolitics focuses on the strategies headteachers employ to resolve management issues rather than interests which ‘constitute the content of micropolitics’ (Hoyle, 1982:89). He stresses the use of strategies to exercise authority and influence by the leaders vis-à-vis the teachers in the sphere of decision-making. The management function, capabilities and political acumen of the leader are emphasised and micro-political strategies provide the effective means for problem-solving or conflict resolution. It is my view that Hoyle’s strong emphasis on strategies can best be used to answer the ‘how to’ questions in educational management, focusing on resolving the conflicting interests between leaders and teachers. Hoyle (1986) focuses mainly on the management dimension of the interactions between the leader and the teachers on issues occurring within the school boundary, rather than on the organisational members’ management of changes initiated externally. Hoyle (1982, 1999) notes that at the behavioural level, it is very difficult conceptually and empirically to distinguish between micropolitics and management and he believes that many practitioners ‘see micropolitics as a legitimate part of the management process’ (Hoyle, 1999:216) while other scholars such as Pfeffer (1981) and Ball (1987) believe that micropolitics should be a distinct field of study. Hoyle later points out that the reform movement in education created a harsher environment for the headteacher to do his job and introduced a ‘key function of school leadership’ which is ‘mobilising teachers to deliver the externally determined policies’ (1999:220). This latter point is contestable since there are arguments suggesting that the leader and teachers of the institution can also be the shapers of policies set by the external policy maker especially in the course of implementation (Bell and Stevenson, 2006).

Hoyle's work contains little discussion of how external factors may impact on the micro-political activities in schools. This gap was filled by the studies of Ball (1987) and Blase and Anderson (1995).

In contrast, Ball (1987) contends that schools are micropolitical in nature because the organisation consists of members (interest groups) whose goals and interests are different and may lead to potential conflict. Teachers are often engaged in actions in pursuit of their own personal and group vested interests or in relation to their ideological commitments. Most of these conflicts remain subterranean in a stable and predictable operating environment. However, when particular events or issues threaten the status quo, conflicts would be brought into full view (Lacey, 1977). The content of decision-making has strong ideological underpinning. When policies are agreed or decisions taken, there are implications on resources, career prospects and vested interests which can generate reaction or opposition. 'Change frequently involves disruption to the established pattern of advantage and preferment; and challenge to routinized practice in both teaching and organization ... some members of the organization will see their interests threatened' (Ball, 1987:146-7). The existing patterns of organisational control and policy will be subject to challenge by individuals and groups in the organisation whose interests are at stake. As Bennett and Wilkie (1973) point out, there is a close connection between political dispute and resource allocation, between philosophy and material interests. Ball's focus on the interests of the individuals and groups, which were shaped by the values, beliefs and goals held by the individuals who form themselves into groups, is most suitable in addressing the 'why' questions about conflict and disagreement between groups of members. He gives an explicit recognition of interests as prime motivators for action and the conflict between individuals and groups. In analysing organisations, he suggests that value controversies, forging of alliances and coalitions should be taken into account. Ball (1987:237) contends that decision-making is 'a micro-political process which embraces a whole set of formal and informal arenas of interaction, confrontation and negotiation.' In his view, while committees represent an arena which formally signify participation and is a formal manifestation of 'power and control', it is the 'private arena' (Ball, 1987:237) where support of individuals is enlisted by striking individual bargains, exerting influence, engaging in mediation, where compromise is reached. 'Micro-politics does not finish at the end of the agenda... it is an on-going dynamic process ... It is about relationships, not structures, knowledge rather than information, talk rather than paper' (Ball, 1987:245). Ball (1987) contends that the major styles of the British headteachers are essentially control-

oriented since the ultimate goal of principal-teacher relationship is to achieve control over the organisation and the compliance of teachers. The headteacher allows different degrees of participation or pseudo-participation for the purpose of maintaining control and integration, rather than a belief in the right of members to share decision-making power.

Blase and Anderson's (1995) work, in similarity to Ball, gives considerable attention to the importance of leadership in relation to micropolitics. They examine how the micro-political leadership impacts on the worklife of teachers and how they respond to the strategies used by leaders in their interaction with each other. They propose a typology of micro-political leadership which can be practised by leaders and teachers in their day-to-day decision-making and interaction with the various constituencies such as students and parents. They examine the combination of two dimensions of leadership: a) the open/closed style of a leader which indicates the leader's willingness to share power and b) the transactional/transformational approach of leadership which generates three types of leader-follower power relations: 'power-over', 'power-through' and 'power-with' (Blase and Anderson, 1995:13). They represent a typology of leadership development with increasing democratic participation by members in decision-making. 'Power over' which is associated with a hierarchical approach and authoritarian leadership is similar to Ball's authoritarian leader. 'Power-through' enables the leaders to motivate individuals and groups to achieve organisational goals set at higher levels of the educational hierarchy rather than by the teachers themselves; which is still control-oriented. The 'power-with' model seeks to empower subordinates and other stakeholders to expect democratic participation as a right. This 'power-with' relation contrasts sharply with Ball's four leadership styles with different patterns of participation, which are control-oriented. In Ball's analysis, 'power-with' is not part of the philosophy or act of leadership.

Blase and Anderson's democratic leadership is distinctive in that they argue that this leadership represents a change of emphasis from 'leadership as management' to 'leadership as a form of empowerment' (1995:21) and involves teachers in community empowerment. With this type of leadership, power is shared among all stakeholders; the leader collaborates with, rather than controls, other members of the school. He however, admits that few schools can be found to have moved to that stage of shared governance as in his example of Central Park East (Meier, 1987) where democratically minded teachers participate in all decision-making. Hoyle (1986) also cites Swindler's (1979) studies of two schools in California where decisions were taken democratically by the teachers which

resulted in considerable strains on teachers and a high turnover of staff.

Their discussion of the closed leaders' strategies of control were similar to those used by Ball's (1987) authoritarian leader who uses insulation, concealment and secrecy to disable or ignore teachers and suppress dialogue; managerial leaders exercise position-oriented control and Ball's adversarial leader who relies on public performances of persuasion is not evidenced in Blase and Anderson's study. Ball (1987) classifies the responses of teachers to the strategies of control-oriented headteachers into three broad categories: satisfaction for those content with the political realities, fatalism for those who are without influence and unwilling to do anything to change, and frustration for those who hold 'intense preference' (Ball, 1987:130) and press for changes; without too much elaboration of strategies adopted by the teachers. In contrast, Blase and Anderson's (1995) examine more fully the rationale and strategies adopted by the teachers responding to the headteacher's exercise of his strategies of control. They point out that teachers' strategies were shaped by 'exchange dynamics to obtain valued outcomes' (1995:95) or minimise costs to achieve protective goals, reflecting the exchange relationship between headteachers and teachers which was also mentioned by Hoyle (1986). Blase and Anderson (1995) studied in detail the teachers' strategies used in response to the work style and strategies of the headteachers enriched the literature which tended to focus mainly on the strategies used by the headteacher. However, it should be noted that the teachers in their work seemed to operate individually, rather than to act as a group.

In contrast to Ball's emphasis on the conflict perspective, Blase and Anderson (1995) point out that more attention should be paid to the cooperative relationship between organisational members. They suggest that if the principal adopts more open leadership style and a positive political orientation and interpersonal strategies providing trust, support and accessibility can lead to positive outcomes and cooperative relationships, earning respect and support from teachers.

The cooperative element in micropolitics is often found in the formation of groups and coalitions since organisation members are willing to collaborate in joint action if they are united by common goals and interests. It is understandable that cooperative relationships will not feature significantly when the groups are in conflict and when one group tries to exert control over the other especially on matters of policy and resource allocation, the latter being scarce and finite, both of which are often the subject matter for dispute. On the

other hand, the conflictive factors cannot be overemphasised. Even Ball (1987) acknowledges that the day-to-day life in schools is centred on the routine running of the organisation when it is functioning within an agreed order.

These authors study and examine extensively the relationship between the leader and the teachers, as the two major categories of actors, and analyse the leader's actions and behaviour in terms of the leadership style and political orientation he/she adopted in managing the organisation and how micro-political strategies are used by the headteacher vis-à-vis the teachers. The political strategies discussed are mainly those of the headteacher in terms of exercising control, dealing with opposition and structuring the channel for participation which can control the pattern of interaction. On the other hand, the strategies used by the teachers are not examined as closely, especially how coalitions and alliances emerge and behave, rather than individual teachers. There should be merit in analysing more deeply the actions of the groups since they are the major collective bodies through which power is exercised vis-à-vis each other. The headteacher, although in a leadership position, is not without constraints especially when he/she is the chief agent responsible for mediating and communicating with the external environment and dealing with demands and pressure from outside. Ball's (1987) examination of the context in which the headteacher and the institution operates shows the difficulties placed on the headteacher, in particular when he is expected to introduce changes or lead the internal audience in giving a response. The external factors which often form a backdrop and can set parameters which affect the actions and activities of the participants and their impact on the educational organisation will be discussed in this study more extensively in a later section.

#### **2.4 Micropolitics – a critique**

Although micro-political analyses have gained increasing currency in recent years there are a number of criticisms of the approach taken. One major criticism of the micro-political perspective of life in educational organisations is that it is too descriptive and not normative (Ball, 1987; Blase and Anderson, 1995; Bush, 2003). It is acknowledged there is a strong grounding in the day-to-day realities of school life and this can help improve understanding of how education institutions operate. It is however not prescriptive enough; it does not concentrate on how decisions ought to be made but describes how they are made (Hoyle, 1982). It does not offer clear recommendations for management practice. As Hoyle (1999:216) suggests 'practitioners gain little guidance at the present time from

micropolitical theorists’.

The language used in studies of micropolitics may also give an impression that there are always conflicts, struggles for power, manipulation, winners and losers and the relationships between different groups, especially between school leaders and teachers are often conflictual. The emphasis on the cynical and defensive aspects of members’ actions can ‘reduce the scope of genuine openness and collaboration’ (Morgan, 1997:212). In many situations, staff may engage in genuine debate in finding the best outcome for the school rather than evaluating every issue in terms of personal and group advantage. Studies such as Marshall’s (1991) and Greenfield’s (1991) work show that cooperative relationships can and do exist in the political life in schools. However, whether these can continue to exist during times of crisis, is perhaps a moot point, and one that is the focus of this study.

Bolman and Deal (1991) point out the micro-political perspective may understate the strength of the authority structure or the significance of the formal decision-making processes. There is a neglect of the standard aspects of the organisation which contribute to the efficient operation of the organisation via routine procedures. Baldrige et al. (1978) acknowledge that the institutional structure can shape and channel political efforts and the outcomes of bargaining and negotiation have to be endorsed within the formal authority structure and decision process before they can be effected.

There are also methodological and conceptual problems for researchers of micro-political studies because of the informal and covert aspects of the processes and activities undertaken by individuals or groups in their pursuance of their interests. For example, how does one research ‘nonevents’ when opposition was not expressed (Crenson, 1971). It is also difficult to distinguish between professional and personal interests (Hoyle, 1986). Campbell and Southworth’s (1993) work suggest that it is not easy to interpret group processes as either ‘collegial’ or ‘political’.

There is also a critique of micropolitics within the Marxist tradition which argues that micro-political analyses overstate ‘agency’ – the capacity of people to change things of their own volition, rather than be shaped by events or structure. Bowles and Gintis’s (1976) marxist account of the role of schooling suggests that the hierarchical structure of schooling and its tendency to mirror the top-down structure of the labour market will help to reproduce social inequality. Schools essentially act as agents in regeneration of the existing

political, social and economic arrangements by preparing students for pre-determined roles in the labour force. There is little room for the efforts of teachers in changing the system, and therefore there is little scope for genuine 'micropolitics'.

Woods points out that the micro-political approach focuses predominantly on the intra unit issues and internal dynamics relating to conflicts, practices and activities within the institution and can lead to 'macro-blindness' (1983:271). This can understate the role of external factors, for example, views of parents, employers, values in the community, structural influences and external constraints.

The Marxist view is contested because the structural looseness of the school which is widely recognised, gives relative autonomy to the teachers, especially in the classroom where actual teaching and learning takes place. Fullan (1993) emphasises that teachers are key agents in educational change to create educated persons who can improve their lives in a dynamic and complex society. The power of teachers is also based on their knowledge, expertise, opportunity and contacts they have. Influence can be exercised by lobbying significant others outside the school structure and the media. According to Hoyle (1986), teachers have access to influence which can be as potent as formal power vested in the structure and they also have access to trade union power.

Micro-political studies include both internal dynamics within the organisation and responses to pressure and demand from outside the institution. Some of the key contributors point out the importance of macro-political factors in shaping the internal dynamics notably in the case of how legislation impacts on the value and orientation of the internal members in dealing with the problems (Ball and Bowe, 1991). In the case under study, the macro-political factor of government change in the AD funding policy created the problem for University Central to solve. The micro-political activities of the organisational members were also targeted at changing the new government policy and the actors appealed to the students, parents, legislators and community for support.

## **2.5 A micro-political perspective: presenting a micro-political toolkit**

The previous section discussed the work of scholars who have made a significant contribution to the conceptual development of a micro-political approach to researching educational institutions. Whilst there are important differences of approach and substance

between these scholars it is possible to discern a focus on what may be considered as a number of ‘core concepts’ in micro-political analysis. Whilst there are inevitably issues for discussion as to what these core concepts are, and indeed, what they might mean, I would argue that the literature reviewed previously does point to a set of ‘core concepts’, and when taken together, these might form the basis of a ‘micro-political toolkit’, which can be used to better understand the organisational world of educational institutions. The basis for selection of these core concepts is first their frequency of appearance in the literature – these are concepts that feature prominently and repeatedly across all the work reviewed. Second, my own judgement about ‘essentialism’. This is an assessment of relative importance, and a belief, based on an analysis of the literature, that it is not possible to adopt a micro-political perspective without drawing on these core concepts:

- interests
- conflict
- groups and coalitions
- power
- bargaining

These five core concepts are closely interconnected and when taken together can explain the behaviour of organisational members who would mobilise resources of power to advance or protect their interests in the event of conflict. They constitute the essential elements of micropolitical analysis which reveal what the story was about, why it happened the way it did, how it happened and developed. Interests ‘constitute the content of micropolitics’ (Hoyle, 1982: 89) and are what the organisational members are promoting. When their interests clash with one another, this may lead to conflict. How do people support their interests? They do so by forming groups which help them to more effectively protect their interests and through forming coalitions to mobilise power to enhance their power position vis-à-vis the competing group. Subsumed under ‘power’ are the notions of authority and influence, each having different bases of power, the exercise of which can have an impact on the outcome of decision-making. The relative power of the participants is acted out in the process of bargaining through which the conflict is resolved.

In the following sections I seek to elaborate on each of these concepts, by drawing on work already discussed, and making use of additional sources to provide further detail. In so doing I present the micro-political toolkit I intend to use to support my own case study research.

## *Interests*

Morgan explains that:

In talking about 'interests', we are talking about pre-dispositions embracing goals, values, desires ... that lead a person to act in one way rather than another. In everyday life, we tend to think of interests in a spatial way: as areas of concern ... or as positions that we wish to protect or achieve...

(1997:161)

Hoyle (1986) and Gronn (1986) identified two main types of interests: a) professional interests which focus on the commitment to curriculum, pedagogy, teaching methods and practice; and b) personal interests which relate to status, promotion, career development and working conditions. Marland's (1982) example of a teacher's resistance to an innovation suggests that it is sometimes difficult to distinguish professional from personal interests since the teacher may argue in professional terms to resist the innovation to conceal the teacher's personal interest to avoid acquiring new skills.

Ball (1987) identifies three types of teachers' interests which are closely interrelated: vested interests, ideological interests and self interests. Vested interests are the material concerns relating to working conditions such as rewards for work, career and promotion, allowances, et al. Vested interests will be a matter of concern between individuals and between groups especially when resources are scarce and promotion prospects limited. Ideological interests are related to value and philosophical commitment, for example, the views of practice and organisation that are advanced in discussion. Self-interests refer to the satisfactions associated with the sense of self in carrying out certain types of work or work with a particular group of students.

In studies of micropolitics in education, most highlight the interests pursued by the school leader as distinct from those of the teachers; and different groups of teachers pursuing different interests and goals. Divergent interests give rise to potential conflict.

## *Conflict*

The micro-political view emphasises that conflict is a prevalent feature of organisations. Within an organisation, individual persons act consciously in a variety of ways to meet what they perceive as their own interests (Giddens, 1984) and they may pursue their interests in groups. When the interests of members of different groups clash, conflict can occur. Morgan (1997:167) argues ‘conflict will always be present in organisations... its source rests in some perceived or real divergence of interests’. Hoyle (1986: 171) points out that schools are prone to micro-political activity because of their ‘loosely-coupled’ structure consisting of sub-units with relative autonomy and peopled with individuals and groups who advance different interests within the same institution. Micro-political strategies were deployed in ‘the conflict of interests between teachers and ... between school leaders and teachers’ (Hoyle, 1999: 214). Ball (1987: 11, 19) contends that this structural looseness allows groups to establish goals and interests independent and different from each other and creates ‘dissensus and goal diversity’ and schools are ‘arenas of struggle... riven with actual or potential conflict between members’. Hoyle (1986: 58) further suggests that ‘Goals may be inherently in conflict and ... these conflicts will become manifest when the goals are given a specific form in terms of pedagogy or curriculum’. Goals and interests pursued by one group may be in sharp contrast with those pursued by another group. Conflict occurs when goals are contested and disputed. Bell (1980) points out that even if the goals are expressed in very general terms related to the facilitation of learning, ‘different educational and political ideologies may lead teachers to approach their tasks in a number of ways’ (Bell, 1980: 188). This supports Ball’s (1987) view that ideological diversity between members in departments and sub-units always exist and they present the potential for conflict. These differences and conflicts are often submerged as routine organisational life is set within the ‘negotiated order’ (Strauss, 1978). In stable times, the interest groups can live with differences with each other according to the established pattern of interactions and operations. At times of crisis or change, the ‘negotiated order’ is disrupted and when the goals and interests of a particular group are challenged or threatened, conflicts take place. Groups contest for establishing their goals and interests until they are supported by the policy-maker.

Baldrige (1971) adopts a conflict perspective in his study of education organisations which emphasises the fragmentation of organisations into interest groups which cluster around divergent values and each has its own particular goals. The interaction between

groups often generates conflict by which one group tries to gain advantage over another. This approach takes the view that there are differences between organisational members on the goals, interests, ideologies they hold and these may result in conflict or struggle for control in policy and decision-making.

Mawhinney (1999:167-8) points out that 'Micropolitics is about conflict, and how people compete to get what they want in the face of scarce resources'. Ball (1987) comments that conflict among organisational members is frequently centred on two major issues: resource allocation and influence over policy, which he (1987:221) refers to as 'baronial politics' similar to disputes over wealth and power in the middle ages. The struggles for control over policies are frequently the disputes over goals pursued by different groups.

Bolman and Deal (1991: 190) point out that organisational goals are not established by those in authority, they are 'set through negotiation among the members of coalitions. Different individuals and groups have different objectives and resources, and attempts to bargain with other members or coalitions to influence goals and decision-making process.' The conflict over goals is to be settled through bargaining and negotiation among the contesting groups and coalitions.

### *Groups and Coalitions*

Micropolitics focuses on group activity within an institution. Arendt (1970) suggests that individual power is actually manifested in the actions of the group to which he belongs. Margach (1981) considers that power springs up whenever a group of people get together and act in concert. Groups can be formal or informal (West, 1999), temporary, to address a particular issue, or of a more permanent nature.

Bacharach and Lawler (1980: 8) emphasise that the work groups, interest groups and coalitions are important units for a political analysis of organisations. A work group is based on the work activity of a department. Interest groups are 'groups of actors who are aware of the commonality of their goals, ... beyond simply their interdependence with regard to the conduct of work'. Coalition is a grouping of 'interest groups which are committed to achieving a common goal'. Coalitions are socially constructed groupings and not created by the organisation's formal structure. They are a product of the informal influence processes. Bacharach and Lawler further provide theories for interest groups to

decide whether or not to join hands with other interest groups to form a coalition. Coalitions are also strategic devices to improve the power position of component interest groups vis-à-vis others with regard to certain issues. The fluidity or stability of coalition structure is affected by the constituent representative relations within a coalition. At the heart of the concept of groups and coalitions is the notion that they coalesce around some sense of shared interests, but that the interests may not be consonant. Where this is the case there is the capacity for conflict.

### *Power*

Morgan (1986:148) argues that 'conflicts, visible and invisible... are resolved or perpetuated by various kinds of power play'. The decision making process is resolved according to the relative power of the participants. There is no one single definition of 'power'. Most definitions, however, focus on its ability to change the behaviour of others. Blau (1964: 117) states that 'Power is the ability of persons or groups to impose their will on others despite resistance ...' Kaplan (1964) suggests that power is the ability of one person or group of persons to influence the behaviour of others. According to Bacharach and Lawler (1980), there are two dimensions of power: authority and influence, each have different sources which explain the key distinctions between the two as summarised below.

*Authority* is the form of power which stems from the legal right to make decisions governing others. It resides in the structural and formal aspect of power in organisations, in a person's office or structural position. The legitimacy is clearly delimited. Authority also implies involuntary submission by subordinates. *Influence* is the form of power which stems from the capacity to shape decisions by informal or non-authoritative means. It is the dynamic and informal aspect of power not sanctioned by the organisation and is not a matter of organisational rights. It is multidirectional and can flow upward, downward or horizontally. The source of influence can be personal characteristics, expertise, or opportunity. The domain, scope and legitimacy of influence are typically ambiguous.

Hoyle (1982) suggests that 'influence' is variable and operates through bargaining, manipulation, exchange and so on. Influence is the fuel which drives the micro-political process. Ball points out that influence is another source of political activity and is 'a mechanism for intervening in the decision-making process' (1987:131). Influence is a social and personal relationship of power or exchange exercised in private, backstage and

not observed.

The configuration of power relationships in schools depends on the interplay of the authority and influence of the headteacher and the influence of teachers. The headteacher's power is derived from both authority and influence. He/she provides professional (educational) leadership and carries out the administrative responsibilities of managing the entire institution and gives direction to the school. The headteacher has access to most information, serves as the important link to the outside world and performs a mediational function with the external environment (Busher et al, 2001). Teachers derive their power from their professional knowledge and therefore the curriculum and the classroom is the traditional arena of exercising authority (Hoyle, 1986). Teachers, however, can also have access to power which is available to them as a group, for example, trade union power (Ball, 1987). They can also resort to other sources of influence by appealing to other groups inside or outside the organisation, such as students, parents and the media.

Drawing on the work of Etzioni (1961) and French and Raven (1959), Bacharach and Lawler (1980) identify four types of power (control) that a party can exercise, or the possession of which, can affect the behaviour of others: coercive which relates to the control of punishment, remunerative which relates to the control of rewards, normative which relates to the control of symbols and knowledge which relates to the control of information.

Dahl (1961) limits the consideration of the exercise of power to formal, observable behaviour such as when A gets B to do what B would not otherwise do. Bacharach and Baratz (1962) point out that power can be exercised by 'non-selection' of issues for decision-making. In other words, conflicts may simply be eliminated by backstage manoeuvring even before they can be organised into some form of demand. Lukes argues that power is exercised overtly or covertly by individuals and may not be observable: 'in shaping their perceptions, cognitions and preferences in such a way that they accept their roles in the existing order of things' (1974:24). Foucault (1977) stresses that power is 'structured into' the activities, events and social relations of organisations.

It is clear from the above work that power is not simply a characteristic of the structure or a position. Bacharach and Lawler emphasise the interactional aspect of power: the actor(s) 'take each other into account, that one actor tries to direct the other, and that they are

operating in a common situation' (1980:17). When the interactional dynamics of the power relationships of organisational members are examined, it is a question of 'how key actors or groups, such as organisational elites interact with other subgroups within the organisation' (1980:18). Within the micro-political toolkit I present in this work I would want to particularly emphasise the distinction between authority and influence, and how these reflect the manifestation of power.

### *Bargaining*

When organisational members interact in pursuance of their interests, they may use various strategies. The basic micro-political strategies described by Hoyle (1986) enable the individual actors to respond to each other in a specific situation to protect their own interests. Blase and Anderson's (1995) analysis of the headteacher's strategies is based on the latter's role as a leader who has to exercise control and teachers have to use strategies to respond and cope with the headteacher's action or demand in the work place.

To resolve conflicts, the actors involved have to exercise power through micro-political processes and strategies. Bacharach and Lawler (1980) suggest that when two parties, individuals or groups, have conflicting interests and wish to resolve the conflict because it would be mutually beneficial to do so, they will engage in a process of bargaining. Decision-making and policy making 'emerge from an ongoing process of bargaining and negotiation', according to Bolman and Deal (1991:186) and this is a multi-stage process as described in Baldrige's (1971) political model of the policy process which offers multiple opportunities for interest groups to exert influence on the process. The process starts with the social structure which provides the setting for the emergence of divergent interest groups. The interest groups articulate and promote their interests, trying to exert their influence over other groups, negotiating in formal and informal avenues. Through committees or meetings, compromises are forged and conflicts resolved. Then the policy can be formulated through the legislative stage and the decision is binding and will commit the organisation to a negotiated set of goals, values and possible actions for execution. At each of the stages, if the proposal or execution fails, the opposing interests will seek to substitute their own plans and influence the policy process. When the policy is executed, new tensions can be generated and new vested interests emerge which may lead to a new cycle of conflict. Bolman and Deal (1991) suggest that bargaining and negotiation are used by groups (sub-groups) or coalitions to assert their influence over others and to establish

their goals as the preferred goals at the expense of others.

Bacharach and Lawler (1980:108) define bargaining as the 'action component of conflict' and is the 'give-and-take' that occurs 'when two parties experience a conflict of interest'. They take the view that bargaining is the process of making tactical moves and counter-moves for the parties involved to achieve the dual objectives of resolving the conflict, 'but to do it in a way that is advantageous to their own interests'. The tactics may include bluffing, argumentation, toughness, concessions, threats and strikes. Because of the mixed motive to cooperate and compete, bargaining relationships are inherently unstable. Bargaining is the major means of 'keeping the conflict within acceptable bounds' (Bacharach and Lawler, 1980:107). Three parameters of bargaining are: nature of bargaining relationship, tactical actions and the constituent-representative relations within each coalition.

Bacharach and Lawler (1980) examine the integrative or distributive nature of the bargaining relationship according to the work of Walton and McKersie (1965); and the explicit or tacit mode of bargaining based on the work of Schelling (1960). With integrative bargaining, the parties work to maximise the benefits for all and avoid developing conflict further to the detriment of all concerned. In distributive bargaining, the outcome of the parties are negatively correlated: 'Given finite resources, an increase in benefit to one party necessarily means a decrease in that benefit to the other party' (Bacharach and Lawler, 1980:109). Intercoalition bargaining is to deal with conflict between two or more coalitions and it may be more likely to have distributive elements. The tacit or explicit bargaining is concerned with the communication aspect of bargaining. The literature on bargaining emphasises the formal, explicit, or conscious manifestation of the exchange of offers and counter-offers and is what most collective bargaining would involve. There is little literature on the explicit bargaining relationship outside the domain of union-management relations. A high degree of explicit bargaining is considered the most effective way to reduce or keep the conflict within manageable bounds. Tacit bargaining implies that the parties do not publicly acknowledge the bargaining relationship.

When dealing with intraorganisational relations, there may be more subtle forms of negotiation and tacit bargaining. Bacharach and Lawler (1980) suggest certain conditions can transform tacit bargaining into explicit bargaining which can contribute to conflict resolution. These conditions include open lines of communication with conciliatory use;

potential for compromise with intermediate positions for the parties to negotiate and ameliorate moving into a complete win/lose situation; and mutual acknowledgement of the bargaining relationship and the possibility of making concessions.

The distributive nature of the relationship can inhibit conflict resolution and explicit and formal bargaining relationship may facilitate conflict resolution. The structural conditions which can be set by the organisation can change the two dimensions and can impact on conflict resolution between coalitions in an organisation. For example, the organisation can formalise a bargaining relationship and make clear the lines of communication.

The tactical issue faced by the parties of a bargaining relationship is uncertainty and incomplete information. From the information exchange and its manipulation, they have to gauge each other's intention, aspirations and goals. Bargaining can be construed as a game of information exchange and manipulation. Therefore the more open and better the lines of communication, the better the information obtained which can lead to more effective conflict resolution. Bacharach and Lawler (1980) further point out that in bargaining, there can be a constituent-representative relationship which further elaborates the intra-organisational bargaining of Walton and McKersie (1965). Constituents are members of a coalition, and representatives are persons selected to represent the coalition in the bargaining. It can have an effect on the conflict resolution depending on the degree of constituents' involvement in planning the bargaining, the accountability of representatives to the constituents, the formalisation of the constituent-representative relationships and the loyalty or commitment of representatives to the coalition and its goals.

The case study relates to an externally imposed funding cut affecting a specific group of teaching programmes and the associated staff. The initial decision of the management to handle the funding reduction by closing down the programmes and the College had significant impact on the interests, both personal and professional, of the staff. The study examines the actions of the staff in forming interest groups to oppose the decision, in the course of resolving the conflicts, how they exercised power, forged coalitions/alliances and bargained for a more acceptable solution to the problem.

## **2.6 Higher education institutions as sites of micro-political activity**

Micropolitics focuses on the activities and power relations within the institution. Thus far I

have argued that scholarly literature that is focused on the micropolitics of educational institutions is overwhelmingly based on research undertaken in the school sector, both primary and secondary (Ball, 1987; Blase and Anderson, 1995; Lin, 2003; Chen, 2005). There is very little work that focuses on higher education institutions (HEIs), and, given the nature of the work presented in this thesis, it is important to provide some contextual information about universities as organisations, and therefore as potential sites of micro-political activity. In providing this overview it is also important to link macro-policy and sectoral issues, to the micro-political issues within individual institutions. The aim of this section therefore is to identify some key macro-political developments in university education, and then to link these issues to their micro-political considerations.

In very many parts of the world, universities are going through a process of transformation, described by Trow (1970) as a move from elite higher education, through mass higher education towards universal access to higher education. It is no coincidence that this trajectory can be witnessed in many countries, and indeed may be considered a key feature of globalisation (Rizvi and Lingard, 2010). The drive to expand higher education is inextricably bound up with current thinking about the importance of knowledge as a source of competitive advantage in the global economy. This analysis sees 'knowledge' as a new factor of production (alongside land, labour and capital), and therefore identifies investment in knowledge as the key to economic success (Becker, 2006). Universities are central to this mission for two reasons. Firstly, they have a key role in providing education and training, and therefore producing workers with appropriate skills to function in a knowledge economy. Secondly, universities are sites of knowledge production, in which knowledge workers, produce new knowledge, itself a source of competitive advantage. For these reasons, the expansion of higher education has become a global phenomenon. However, this development also generates a contradiction – success in a global economy requires expansion of the university sector, to train new workers and to generate the production of new knowledge (both sources of competitive advantage). However, if this expansion is financed by public spending it requires funding through taxation, which in a global economy with high levels of capital mobility is a source of competitive *disadvantage*. Hence, there appears to be a need to expand higher education, whilst simultaneously seeking to control costs. This is in part achieved by two mechanisms, both of which have significant consequences for how HEIs are organised. First, there is pressure to increase 'output' and 'productivity'. This can be discerned in terms of a pressure to intensify the work output of academic staff (producing more research, more publications

and/or teaching more students in larger classes). Second, there is a trend towards displacing the costs of university education from the public sector to the private sector, either to corporate bodies, or to individual 'consumers'. An example of the former is the drive to secure more income from the private sponsorship of research, or the sale of consultancy services to business. An example of the latter is the trend towards increasing tuition fees. The corollary of all these developments is that universities, which effectively function in a global market, have to behave as if they were businesses. Traditional notions of a 'good' university as a place of learning and scholarship are increasingly replaced by the concept of the 'entrepreneurial university' (Shattock, 2009: 2) in which success is couched in terms of 'income generation' and 'market share'. The concern is that in time

... commercially oriented activities will come to overshadow other intellectual values and that university programs will be judged primarily by the money they bring in, and not by their intrinsic intellectual quality.

(Bok, 2003:16)

Slaughter and Leslie's (1997) authoritative study of higher education in the USA, Canada, the UK and Australia refer to this process as *academic capitalism*, by which they describe a trend in which academic staff are placed under ever more intense pressure to 'perform' – securing research grants, marketing consultancy services, and promoting courses, often to students in a global market. Their argument highlights that:

... the structure of academic work is changing in response to the emergence of global markets ... Increased global competition interacted with national and state/provincial spending priorities so that less money was available from government, when measured as a share of higher education revenue or in constant dollars per student. This precipitated campus reactions of a resource dependent nature ... with the result that faculty and institutions began to compete or increased their competition for external funds.

(Slaughter and Leslie, 1997:209)

What is perhaps most significant about these developments is the impact they have on the experiences of those who work and study in universities. The transition necessitates a value shift in the organisation since a system predicated on welfarist values (Gewirtz, 2002), is increasingly driven by what has value in a market. Hence values of universal provision, equity and social purpose are replaced by those that link the value of education to its

economic value in a market economy. This presents universities with a major challenge as a cultural shift is engineered within institutions as they are transformed from a public service ethos, to one underpinned by market entrepreneurialism.

This shift in organisational culture and ethos has been largely secured through changes in management practices, and the emergence in the public sector of management approaches more commonly associated with commercial organisations. This is illustrated by an increase in managerial authority (at the expense of collegiality) and an increased emphasis on achieving specified, measureable and benchmarked performance targets. Clarke and Newman (1997: 21) identify this as a 'New Public Management', and the term 'managerialism' is frequently used to describe this overall development. Deem et al's (2007) study of UK university management found that managerialism had become well established in the new performance driven universities, although they distinguish between several different forms of managerialism. For example, neoliberal managerialism is used to describe a management ideology in which free market entrepreneurialism is privileged, with a corresponding emphasis on the market as a disciplinary mechanism. In contrast, neo-technocratic managerialism refers to a management approach underpinned by a relentless focus on targets (not all market generated) and a raft of control mechanisms (performance pay, appraisal, audit) to secure the achievement of organisational objectives.

Deem et al's (2007) study is useful and interesting because of its comprehensive evidence base from within universities. There can be a tendency to associate the emergence of new public managerialism as if it applies to a homogenous public sector in which market pressures, and associated management strategies, are applied in similar ways. Whilst it is legitimate to argue that the transition from welfarism to post-welfarism (Tomlinson, 2005) has involved many common themes, it is important to recognise the importance of context, and that these tendencies can play out very differently in different sectors. At this point it is important to note the specificities of the higher education sector. Kogan et al's (2000) international study highlighted the autonomous nature of universities in many countries. Universities are public sector bodies, and subject to public policy constraints, but they also enjoy a degree of institutional independence different from that of, for example, public schools or socialised health care systems. Bleiklie and Kogan (2000) highlight the tension between formal public forms of governance, and those more nebulous forms of governance associated with academic identities.

There are thus two policy- and decision-making systems, that have no formal connection, but which affect and generate energy between each other. Their action can be likened to that of tectonic plates which shifting under the surface of the earth generate energy between them.

(Bleiklie and Kogan, 2000: 21)

Bleiklie and Kogan's work highlights the complexity of universities as institutions, and as places where traditional notions of managerialism may not apply so readily. Whilst it is clear that macro-policy developments have major implications for the future development of universities, it is not always clear how universities will respond. Universities function within a macro-policy environment, and as the recipients of large amounts of public funding, it is inevitable there is considerable interest in their activities. It is likely that macro-policy pressures to increase output, and contain costs, will generate tensions, and that a more assertive form of managerialism may be required to drive through change. However, the complex nature of universities, and the existence of strong, independent academic identities means that simple 'command and control' managerialism may be ineffective. Rather, as reform raises fundamental questions about the nature and trajectory of each institution, then disputes and conflicts may well emerge in the form of increased micro-political activity.

### **2.6.1 Development of higher education in Hong Kong**

Hong Kong 'lagged behind' in the massification of higher education (HE) which was accomplished increasingly in recent years in Europe and elsewhere by shifting the costs from the state to the individuals through neo-liberalisation (Lynch, 2006), resulting in increasing number of HEIs offering what has values in the market. Notwithstanding, the local social, economic and political factors and the historical development of HE in Hong Kong influenced significantly the manner with which the massification process was undertaken.

In the move from elite to mass higher education the landscape was determined largely by the Government. It provided a well-protected environment for the HEIs in widening access to full-time undergraduate education by a major injection of government funding to HEIs, which increased the participation rate from 2% in 1970s to 18% for first degree programmes in 1994-95 (UPGC, 1993). This was succeeded, from 1995-98 triennium

onwards, by a period of consolidation (Lee and Gopinathan, 2003) with the undergraduate numbers set at 14,500, which to date remain unchanged. The HEIs in Hong Kong enjoyed several decades of stable and predictable public funding; and the concept of performance-based funding and major changes in funding policy were not introduced until 2003 (UGC, 2004).

Since public funding constituted over 80% of HE funding (UGC, 1996), the need for accountability was constantly emphasised but it had no direct bearing on funding allocation decisions. The student numbers distributed by the UGC were the key determinant of funding to be allocated to individual UGC-funded HEIs based on their roles as defined by the UGC. The funding to HEIs remained relatively stable and there were little variation of the student numbers among institutions. Prior to 2003, there had not been strong pressure for the HEIs to adopt managerial practices prevalent in the private sector for running the academic enterprise as a business concern and be responsive to the market. The HEIs had little experience nor the motivation to learn the 'skill' (UGC, 1996: 117) acquired by HEIs elsewhere, for example, to remove programmes with insufficient demand and they had little experience of a competitive market environment where cost control is a key concern. Institutional autonomy in governance, management and quality assurance has protected the HEIs against external interference in the way they operate, only subject to periodic review by UGC. Market demand had no influence on the expansion or contraction of certain programmes or disciplines within an institution since student numbers were given on the basis of Government manpower projections (UGC, 1996). Individual HEIs had flexibility and choices in the way they developed their own academic profile within the defined role. A peculiar feature which further protected the HEIs and their employees was that the Government adjusted funding to provide for inflation with respect to salaries since the HEI's pay structure for employees was linked to the Civil Service until 2003.

Sutherland (2002) recommended to the UGC to separate the HE sector from the post-secondary sector which would consist of sub-degree level work with AD providers being key players operating essentially on a self-funding basis. It also called for the sectors to diversify sources of funding. The HE sector is not homogeneous as to the level of their programmes since two of the UGC-funded HEIs, including the case institution, offered a large proportion of sub-degree work when they were first established. This reflected the individual institution's origins and the diversity of mission and practice among the HEIs as endorsed by the UGC. The UGC painted a radically different landscape for HEIs in the

move to universal access to higher education (from 18% to 60% in 10 years' time as mentioned in Chapter 1), off-loading costs to the private sector by creating a market for the bulk of ADs and taught postgraduate study to operate.

The UGC-funded HEIs had been operating with substantial government funding and freedom since 'that money comes with very few strings attached.' (Sutherland, 2002: 11); none had faced any significant financial challenge in the past. The wider HE context historically encouraged the maintenance of existing activities and growth rather than requiring the Institutions to prune any weak areas. By providing adequate funding, it also insulated the HEIs from any market forces. Scott (2001: 192) comments that HEIs' 'mentalities are slower to change than structures'. The President of University Central (2002) objected to the UGC's view that the 'expanded' post-secondary sector should operate predominantly on private funding, arguing that public funds should be available to support the sector. The Government's 'policy text' was read by the institutions with reference to their own history and value sets by their individual institutional context (Ball, 1994). University Central was therefore caught by surprise in 2003 by the impact of the government's policy change in funding the AD work. Since HEIs are autonomous body, each institution will inevitably respond to changes in their own ways and according to how the organisation members perceive the challenge presented to them. As an organisation is made up by individuals and groups and is not a reified entity with all members seeing the change as the same reality (Greenfield, 1973), different members will have different interpretations of the impact of the macro-policy change. In reacting to the challenge of change, the management used the procedures and mechanisms it had developed over a long period of stable operation, and made an apparently rational and consensus-based decision. The approach failed and the conflict of opposing values (Greenfield, 1986) caused an eruption of political activities by the staff most affected by the change. The adoption of a micro-political perspective to study the case is therefore of considerable value in understanding how the different groups of organisation members perceived the change, how it might affect their interests and how they finally managed the change.

The micro-political dynamics among the organisation members within an institution are shaped by changes or pressures from the external environment. In the next section, the linkage between macro and micro politics for an organisation is discussed.

## **2.7 Macro-policy environment and micropolitics**

Micro-political analyses make a virtue of focusing on the institutional level, with a corresponding emphasis on the informal exercise of power. However, it is important not to disconnect micro-political activity from the wider macro-political context since to separate the two strips micro-political analysis of many of the key influences that frame action. The macro-policy environment is a key contextual issue for this thesis because the micro-political case study was driven by developments in the broader macro-policy environment. The following explains the interrelationship between the policy context and the educational institutions operating within it.

The politics of education includes macropolitics, the external forces which significantly influence the micropolitics of the school (Blase and Anderson, 1995). Sergiovanni (1984:6) explains the interactivity between the educational institution and external groups: ‘the political perspective is concerned with the interplay of the organisation with forces in its external environment. Schools and universities, are... integral parts of a larger environment’. In many places, the government plays a key role in the provision and regulation of educational services and formulates and changes educational policy with regard to the wider socio-political context and global trends. Policies, legislation, funding and changes made by the national and local state can circumscribe the autonomy and educational priorities of educational institutions (Dale, 1979; Bullock and Thomas, 1997) and demand greater accountability.

### ***2.7.1 Impact of macro-policy on individual institutions***

The scope of this study does not cover the government’s formulation and development of educational policy. However, once a government introduces a new or revised educational policy, there will be consequence on the institutions. Bell and Stevenson (2006:7) believe that ‘educational leadership is shaped by its wider environment, and by the power relations therein. ... that within education, ... the policy context impacts decisively on shaping the institutional environment’. The response of an institution to outside pressure and changes will depend on how the leaders and people working in the institution perceive and interpret these changes. Boyd (1991, vii) points out that ‘those actually implementing policy in schools turned out to be the final policy makers, as evidence mounted that they could reshape or resist the intentions of policies adopted at higher levels’. Policy texts are open to

differing interpretation by practitioners and depending on the particular conditions in each institution, the implementation will vary resulting in 'policy refraction' (Taylor et al, 1997: 119). Bell and Stevenson (2006) contend that implementation of policy at the local level by an institution is a multistage process and continuous since the educational leaders will need to interpret, modify and refine the policy and not simply implement the policy mechanically. Similarly other members of the educational institutions will perceive and interpret the changes or innovation differently from their own stance/position. Ball contends that (1994) there is scope for the 'actors' to exert their influence on the policy development processes which are 'creative social action, not robotic reactivity' (1994:19).

Organisation members in senior leadership positions have a difficult task since they represent the interface between the organisation and the external policy environment (Blase and Anderson, 1995). The translation of policy developed by the government into practice in the institution is considered a complex process; often a contest or struggle involving different and sometimes conflicting values held by the internal community and those espoused in the government policy (Ball, 1987). The headteacher of the institution is under pressure to implement the policies decided by the educational authorities whilst these changes may be resisted by the staff. The leader plays an important mediating role to 'reconcile both external and internal pressures for, or in opposition to, change' (Bell and Stevenson, 2006:19).

### ***2.7.2 Macro-policy environment shaping the context of the case***

The macro-political environment defines the policy context of the institution in which it operates. For the case institution, the government's systemic change in funding AD work seemingly presented a new market environment for the operators without prescribing how institutions affected should respond to this change. The institutions were autonomous and free to formulate their own response. This change in the financial parameters of the existing AD operation would have a different impact on different institutions since the amount of funding withdrawal was institution-specific. The people working in the institution had to make sense of the 'new policy' for themselves and the subjective meaning (Fullan, 2001) of the externally initiated change. The attribution of meaning is a prime component of micro-political activity (Ball, 1987). In responding to the new policy, different groups have different diagnoses and interpretations of what the policy means to them and how they should deal with the change. The externally initiated funding change unveils significant

ideological issues about the definition of university education between different interest groups who held competing views on the value of AD work and therefore disagreed with the response to this policy change. The key components of micropolitics: interests, conflict, groups and coalitions, power and bargaining will be used to analyse the problem of change which ‘challenges existing practices and assumptions of people in and around the organisations implicated’ (Hoyle and Wallace, 2005:23) and the complex process of resolving the conflict resulting from divergent interests.

## **2.8 Conclusion and the development of research questions**

Based on the literature I have presented a ‘micro-political toolkit’ consisting of the core concepts of micro-political analysis: interests, conflict, groups and coalitions, power and bargaining. I have also emphasised the importance of the macro-policy in shaping the institutional context. My argument is that traditional mainstream sources of change management are inadequate when explaining the reality of complex change in a large institution. Rather there is a need to recognise that change is not rational, and indeed often chaotic. This recognition underpins the approaches summarised in this literature review. Micro-political analyses seek to understand the processes of change by deploying a range of conceptual tools that can help explain not only what happens in an organisation (descriptive analysis) but *why* (explanatory analysis). Blase and Anderson (1995: 3) refer to ‘the use of formal and informal power by individuals and groups to achieve their goals in organisations’ and in many senses this crystallises the focus of my work. There is a concern with power – what form it takes, how it is exercised and by whom. However, there is also a recognition that an organisation is more than a collection of individuals, but that individuals coalesce as groups. For this reason the need to understand how alliances and coalitions form (Bacharach and Lawler, 1980) is also crucial to understanding change in organisations. All of these dynamic movements are for a purpose, and therefore there is a key need to understand the centrality of goals and objectives. Ball’s (1987) work emphasises how conflicts emerge when goals diverge, and that goal diversity ought to be considered the norm, not the exception (as is the case with mainstream change management literature where dissent is treated as irrational and aberrant).

Within the literature review I have sought to show how the changing nature of higher education in a globalised economy is raising increasingly complex issues for universities to deal with. Pressures to raise ‘output’ whilst containing costs are resulting in universities

adopting a much more ‘business-like’ model of operation (Slaughter and Leslie, 1997). In so doing there is a divergence of not only goals, but values, as the values of ‘business’ and ‘academia’ are brought into a tension (Deem et al, 2007). In such circumstances conflict is almost inevitable. Often this will play out at a local level, in the form of some grievance in an individual department. However, in turbulent times the conflict will erupt on a larger stage, and one such instance is the focus of this research.

Within this literature review I have sought to identify a set of core micro-political concepts, and to use these to develop a tool-kit with which to analyse the case. The intention within this thesis is not to use the toolkit to ‘test’ a micro-political theory and its ability to explain how the case institution should handle educational management issues. Rather the research is to seek a better understanding, from the micro-political perspective by using the toolkit consisting of key micro-political concepts to analyse why the organisational members behaved in the way they did in the case and how they eventually tackled the externally imposed policy change. The key micro-political concepts therefore have been used to inform the research questions. It is hoped in turn that the collection and analysis of data may lead to a further development and refinement of the concepts within the micro-political toolkit.

The main research question:

*How did the University manage a change in AD funding policy initiated by the government between May 2003 to January 2004?*

is further fractured into the following five specific research questions (SRQ) to obtain the relevant data for the study.

SRQ 1: *How did the University Management (management) initially come to its recommendation to the Council on its response to the Government’s new AD funding policy announced in May 2003 and what was the rationale for its response?*

SRQ1 initiated the research study with the beginning of the case in May 2003 which marked the government’s new AD funding policy. This change in the macro-policy environment threatened the status quo for University Central. Bell and Stevenson (2006: 22)

argue that change ‘undermines the status quo’ and challenges existing practices, assumptions and values. Under the ‘loosely-coupled’ organisational structure, the external policy posed a serious threat to the interests of a particular group of organisational members, namely, the College staff. The MB’s response to this policy change in turn presented a major change to the extant education mission of the institution. In examining the case using the micro-political perspective which emphasises the concepts of ‘interests’ and ‘conflict’ among organisational members, the two changes: the external policy change and the MB response were the ‘issues or events of particular significance’ (Ball, 1987: 20) that revealed the latent conflict of interests, values and goals between the management and the College staff. The question will examine what were the implications of the MB’s recommendation in terms of whose interests were protected or threatened and will also investigate how the management sought to redefine the education mission of the Institution. It is drawn from a recognition in the literature that micro-political action is often driven by a wider macro-political context, and that the need to establish where formal authority lies in the institution is important.

*SRQ 2: How, and by whom, was opposition to the management’s recommendation articulated? How did oppositional groups seek to influence the management’s recommended change in University policy?*

The initial management response created an ‘unintended consequence’ (Hoyle and Wallace, 2005: 7) which provoked objections from other organisational members. The MB decision presented to the College staff a major change which clearly threatened both their professional and personal interests, challenging their values, work practice, career prospect and would generate reaction or opposition from them (Ball, 1987; Bell and Stevenson, 2006). The question therefore examines how the groups affected by the MB decision clustered around values and interests and how they organised their opposition to the change and how they protected their interests by seeking to influence the decision of those in authority (Bacharach and Lawler, 1980). Micro-political analyses stress the significance of groups and coalitions in mobilising resources of power to further the interests of the organisational members and influence decision-making. This question investigates how the affected staff organised their opposition; what strategies they used in articulating and protecting their interests and whether or not, with whom and how they forged coalitions and alliances to improving their power position vis-à-vis the decision maker. In the conflict between school leaders and teachers, teachers often resort to influence which resides in

various sources (Hoyle, 1986). It is therefore important to examine which sources of power the subordinates in the case resorted to since the micro-political approach focuses on the use of influence which resides outside the formal structure and position.

*SRQ 3: How were institutional structures adapted to manage the change process? What was the rationale provided for such changes?*

Bacharach and Lawler (1980) suggest that in resolving conflict, the organisation may set out some structural conditions to help facilitate conflict resolution. The study will look into the creation, within the formal structure, of a 'special' group: the Working Group on AD Programmes by the University Council and consider its role in resolving the conflict between the management and the College staff. The composition of the Working Group will be examined as to how effective it provided a vehicle for the three sub-groups, namely, the Council, the management and the College staff, all of whom had a stake in resolving the issue, to come together to work out a solution through a process of bargaining and negotiation. How did the Working Group conduct its business? How did it approach the problem? The structure, procedures, processes and strategies, of the Working Group are examined to understand how the problem of the change was managed. It will examine the interactions and relationship among members of the Working Group, the leadership/political style of the Chairman of the Working Group in relation to how they impacted on the process of bargaining and whether they contributed to the effectiveness of resolving the conflict.

*SRQ 4: What were the Working Group's recommendations presented to the Council? How did the Working Group come to its recommendations and what was the rationale for those recommendations?*

This question arises directly from the micro-political concept of bargaining which is one way of resolving conflicts between parties with conflicting interests. It will examine the processes, deliberations and decisions made in the Working Group in arriving at its recommendations and how the bargaining and negotiations between the parties were carried out and managed. Bacharach and Lawler (1980:108) define bargaining as the 'action component of conflict' and as the 'give-and-take' that occurs 'when two parties experience a conflict of interest'. In this case there was a third party involved, namely the Council members, and the impact of this on the process will be considered. The study will

look for information regarding the process issues including the interaction, communication, actions and strategies the Working Group and the sub-groups within the Working Group used in exercising their power and influence and how they brought their influence to bear on each other in achieving their goals and advancing their interests. In particular, the concept of groups and coalitions, bargaining, and the intracoalition bargaining relationship will be studied in detail together with the role of the Action Group in influencing the bargaining through both formal and informal links. The study aims to yield data on the negotiating parties' starting position, changes in positions and how the debate changed in the process of bargaining, what were the offers and counter-offers and what compromise was made to reach an agreement.

SRQ 5: *To what extent can the situation be considered to have been resolved 'satisfactorily'?*

Depending on whether the nature of the bargaining relationship is distributive or integrative, and whether trade-offs were made and how compromises were struck and agreement was reached, the bargaining parties might describe the outcome as a win-lose or a win-win outcome. The final solution accepted by the Council will be evaluated in terms of its acceptance by the various parties involved and whether the resolution reached by Working Group could be described as an optimum, a win-lose, a win-win solution or simply as a pragmatic solution which settled the dispute at that point in time. The research makes no claim to evaluate the efficacy of the final solution adopted – there is no attempt to claim that this outcome was right or wrong or better or worse than any other. However, it will seek to assess the outcome against the claimed and perceived objectives of those involved in the process. Conflict may appear to come to an end when the new policy is set, a new agreed order established and the disagreement is officially over. However, it is not clear whether the conflict is submerged only to surface again when new conflicts bring new tensions and new vested interests, and 'losers' in the current conflict will seek opportunities to articulate their interests again.

### **3. METHODOLOGY**

#### **3.1 Introduction**

This thesis presents a qualitative case study to investigate, from a micro-political perspective, how University Central managed the problem brought about by the Government policy change in AD funding and which impacted dramatically on AD provision at the University. The qualitative case study is located within the interpretive paradigm, which is considered to be the most appropriate in addressing the research questions presented. This chapter explains the research design that underpins this study. It begins with a discussion of the interpretive paradigm within which this work is located and then the role of the researcher and insider researcher issues, following a discussion of case study as a research strategy, examines the methods employed in data collection and analysis of the qualitative data. The trustworthiness of findings, ethical considerations and limitation of the study are also discussed.

#### **3.2 Research design within an interpretive paradigm**

The thesis title is 'Managing complex change in a Hong Kong Higher Education institution: a micro-political perspective'. The change in government funding policy and its effect on University Central has been outlined in Chapter 1. The disagreement between the University management and the College staff responsible for teaching the AD programmes regarding the possible solutions to the funding problem created a crisis that required resolution. To conduct an inquiry into this intricate issue on which various groups at different levels of the organisational hierarchy worked, it is important to locate the research within what is referred to as the interpretive paradigm which can provide a strong framework for conceptualising and construing the issue and ultimately help with understanding the action and behaviour of the people involved in managing the crisis.

Within the interpretive paradigm, the nature of social reality is based on the subjective reality of the individual, as opposed to the positivist tradition of having a reality 'out there' to be uncovered as 'facts' (Bassey, 1990). The descriptions of human actions are based on social meanings, people living together interpret the meanings of each other and these meanings change through social intercourse. Each individual can create and modify his/her subjective world (Cohen and Manion, 1994). Individuals' views will also be affected by the

(social) group to which they belong in the organisation. The link between qualitative research and the subjective reality is evident in Cohen and Manion's view that qualitative research 'stresses the importance of the subjective experience of individuals in the creation of the social world' (1994:8). Interpretivists are concerned with 'alternative conceptions of social knowledge, of meaning, reality... The basic subject matter is no longer objective data to be quantified, but meaning relations to be interpreted' (Kvale, 1996:11). The research aims to understand 'behavior from the subject's own frame of reference' and 'how people ... think ... and how they came to develop the perspectives they hold' and in the 'hopes of finding some intersection in perspectives' (Bogdan and Biklen, 1992: 2, 30). The phenomenon being examined in the case study exists in a real-life context and the people, events, actions and situations involved are specific to that particular situation. The context in which these people were connected also kept changing which in turn shaped the 'changing consciousness of those who are part of that reality' (Pring, 2004:119). It is necessary to view the life in the education institution as a 'moving process in which participants are defining and interpreting each other's acts' (Blumer, 1976:16).

The research seeks to explore and understand how different participants in the process perceived the developments that led to the issue in question being resolved. The specific research questions (SRQ 1-5) which guided the research to obtaining relevant data are re-stated below:

SRQ 1: *How did the University Management (management) initially come to its recommendation to the Council on its response to the Government's new AD funding policy announced in May 2003 and what was the rationale for its response?*

SRQ 2: *How, and by whom, was opposition to the management's recommendation articulated? How did oppositional groups seek to influence the management's recommended change in University policy?*

SRQ 3: *How were institutional structures adapted to manage the change process? What was the rationale provided for such changes?*

SRQ 4: *What were the Working Group's recommendations presented to the Council? How did the Working Group come to its recommendations and what was the rationale*

*for those recommendations?*

SRQ 5: *To what extent can the situation be considered to have been resolved 'satisfactorily'?*

The questions seek the views of participants from each of the three major groups: the University management, the College staff and the Council who were involved in resolving the problem. As these people are positioned at different levels of the organisation, their perceptions, interpretations, interests and responses to the same funding problem are different. In schools and colleges, individual teachers, support staff, and students have different values and aspirations and, according to their own background, assumptions and motivations, the same event can mean different things to different people. Bolman and Deal (1991:244) suggest: 'What is most important about an event is not what happened but what it means ... the same events can have different meanings for different people because of differences in the schema that they use to interpret their experience'. This is precisely the focus of this thesis – seeking to understand the developments within the case study, from the different perspectives of participants. People's perception and interpretation will change as they interact and 'negotiate' with one another. Hence the situation in which they operate was constantly redefined and new issues and approaches emerged during interaction and through the process of decision-making and bargaining. This shows the variability of social reality which is constructed and changed by the actor's understanding of the reality of which they are a part (Pring, 2004). The actions taken by each group and the responses to each other's actions were considered in the same order that the specific research questions were examined. The interaction among the groups showed that people were constantly interpreting meaning from each others' actions and formulating their responses in ways they felt appropriate in advancing their interests and concerns.

The research questions seek to obtain data based on 'the views, expected meanings and interpretation of the social actors involved' who were the 'basic constituents of the organization' (Ball, 1987:26-27). The researcher has to understand the meaning of the human actions and situation as defined by the 'actors' (Schwandt, 2000). Through the actor's interaction with one another, social reality is constructed and modified. Actor's accounts of their reality are themselves constructions of reality, rather than reality itself (Anderson and Jones, 2000). Although the Working Group consisted of three distinct 'interest' groups, they were, at the same time, members of the wider 'society' in which

‘certain understandings and culture prevail’ (Pring, 2004:119). The existence and recognition of the competing world views held by the different interest groups and by the Working Group itself and their interactions shaped and reshaped the realities in which they lived. The purpose of this study therefore is not to find the truth, or even a truth. There is no claim made for a universal truth, or that the findings presented ‘prove’ anything. However, what they do provide is a deeper understanding of a complex process by bringing together participants’ own perspectives with a conceptual toolkit which allows us to make sense of the events that took place. As the researcher was personally involved in the case being studied, her role is examined below.

### ***3.2.1 Researcher’s role in the case***

As an employee of the University, I was conducting insider research. More specifically, I served as the secretary of the Working Group which provided a solution to the problem. Being an insider researcher has challenges and advantages with regard to access, intrusiveness, familiarity and rapport (Mercer, 2007). The insider researcher knows the ‘environment well, ... what can be done ... what the power structures are’ (Hannabus, 2000:103). This knowledge helps with identifying data sources and gives greater flexibility in organising access to interviewees. My role as the secretary of the Working Group and my position as an administrator in support of Council’s work however did not help with negotiating access to participants, and had implications for the research process and methods used.

As secretary, I was responsible for writing the minutes of meetings and keeping a formal record of the work of the Working Group. Members understood my role as a scribe and my presence should not have inhibited their discussion one way or the other. My position in the Working Group was apolitical since I had to distance myself from the problem to be solved and record faithfully the discussion at the meeting. I was aware of the informal reality such as nuance of the discussion, the verbal and non-verbal exchanges expressed in the meetings. In short, I gained a better understanding of the complex social reality whereas a ‘normal’ insider researcher can often only rely on the documents written by others and the accounts given by interviewees. This insider knowledge of the processes undertaken required me to be more sensitive and tactful in negotiating access to informants and the need to remain neutral especially during interviews.

My work as secretary in the Working Group was carried out some years ago which precluded me from using participant observation as a data collection method. At the time, I had not contemplated conducting this research. The participants of the meetings and myself could not possibly anticipate that I could be an 'insider' observing the meeting for the purpose of a thesis. Participant observation was not possible since I could not have obtained the informed consent of the participants and could not negotiate access (Bell, 2005).

### ***3.2.2 Familiarity and rapport for insider researcher***

As an administrator supporting the Council's work, I have to maintain a distance from my colleagues professionally in order to retain a neutral stance in matters which required the decision of the Council. This stance can at times be perceived as unhelpful. Liaison with College staff in 2003 had been difficult since the funding problem had generated among them negative feelings towards the University authorities. Because of my role in the Working Group and my formal position, the College staff may have been suspicious of my motive in conducting the research. I am also unsure whether being an insider researcher can help in gaining rapport with the respondents since they all know me, they might have formed some preconceptions about me, my work and my research (Hockey, 1993). Furthermore, the respondents may not share certain information with an insider for fear of being judged (Shah, 2004).

It is difficult to say how much their perception of me affected the information they were willing to share and in what ways. The insider researcher is not a man (sic) without a history (Schutz, 1971). Hence, there is the potential for providing a distorted image or less candid account of the interviewee's opinion than might be the case where the interviewer is an outsider. In the circumstance, the interviewer took great care to maintain 'neutrality' (Holstein and Gubrium, 2003:13) and not to reveal her own thoughts on the issue in order not to contribute to a jointly negotiated interactive text with the interviewees (Fontana and Frey, 2000). To maintain neutrality is not an easy task and is related to the notion of reflexivity which is discussed below.

### ***3.2.3 Reflexivity***

Mason (2002:7) points out that researchers cannot be detached 'from the knowledge and

evidence they are generating'. Qualitative research should involve active reflexivity, the researcher should constantly examine their own assumptions, values, knowledge and role in the research. The fact that the researcher was interested in examining the phenomenon from the micro-political perspective already showed her standpoint that she believed that a rational perspective could not explain adequately how the problem of change was managed. Mason (2002) argues that in the research process, choices have to be made by the researcher which builds subjectivity into the data collection and analysis. To help counter undue subjectivity, the decision and interpretation at each stage of analysis should be grounded in the raw data.

The researcher made a critical self-inspection on her values, beliefs, opinions and position in the social context of the case through active self-questioning. For example, as an administrator supporting the Council, the researcher believed that it was the Council through its own Working Group that eventually resolved the issue. This assumption was questioned repeatedly by the researcher in drafting the interview questions since it could be challenged by the staff respondents who were also the key actors in the conflict resolution. Another example was the general assumption that staff's opposition could be articulated more effectively through the trade union. Interview questions were set to find out the respondents' tactical and political considerations in forming a coalition. The researcher also needs to be sensitive to 'the changing context and situations in which the research takes place' (Mason, 2002:7). Since the College staff sought to reopen the employment issue with the University Council in late 2006, it was decided that the College staff be approached for interviews after the employment issue was settled. The reflective notes made after each interview were useful in uncovering the assumptions and predisposition the researcher held in preparing for subsequent interviews. For example, several respondents pointed out that the senior management was aware of the possible funding withdrawal some time before the actual government decision in 2003. Their perception and reaction to the management's response was influenced by their understanding of the management's earlier positioning. This was surprising to the researcher who could only observe their reactions to the MB decision in May 2003. This pointed out the 'emic' perspective of the respondents as different from the 'etic' perspective of the interviewer/researcher who initially focused only on the MB's response in May 2003. This recognition of the emic/etic perspective highlighted the importance of the contextual factors in shaping the case.

### **3.3 Qualitative case study: the research strategy**

This research uses case study as the research strategy. Stake (1995: xi) defines case study as ‘the study of the particularity and complexity of a single case’ which is a bounded system. The case study is chosen as a research strategy for researchers with a qualitative approach who are interested in insights, discovery and interpretation. Merriam (1998:29) adds that case study allows researchers to concentrate ‘on a single phenomenon or entity (the case), from which the researcher uncovers the interaction of significant factors characteristic of the phenomenon. The case study focuses on holistic description and explanation’.

This case study explored in detail the particulars of the funding issue through a micro-political perspective which concentrates on understanding the thoughts, behaviour and actions of people gathered together in groups, the competing goals held by the respective groups and the way they perceived and interpreted each other’s actions in the organisation. Using the qualitative case study approach can help find answers to the what, how and why questions of the case to achieve a better understanding of the phenomenon studied by providing a descriptive and explanatory account (Yin, 1993). The approach can generate a rich and ‘thick description’ (Geertz, 1973) of the management of the complex change on the issue. Finally, the analysis of the case should generate an understanding and explanation of why the story unfolded in the way it did. The micro-political perspective can help readers understand how members of an education institution behaved and managed the change which was based on the goals, interests, experiences, interpretation and views of the participants involved, rather than on some prescriptive model.

#### ***3.3.1 Selection of the case***

The study is a single case which offers a unique opportunity to learn how the case institution managed the crisis of an externally enforced change and the impact of macro-political factors on the micropolitics of the institution. As explained in Chapter 1, the contextual factors were unique to University Central since it was the only institution that lost 75% of government funding of its AD student places and all the affected staff was in a single teaching unit solely responsible for teaching ADs.

### 3.3.2 *Scoping the case*

As a single researcher, it is necessary to realistically ‘bound’ the case with regard to time, people and critical incidents. The researcher chose the ‘boundary’ on the case to enable the study to focus on the behaviour of the actors and the interactions among various groups responding to the externally initiated change. The key boundaries involved decisions about timeframes and participants as set out below.

The Government’s change in its AD funding policy was communicated by the UGC’s letter of early May 2003 and in January 2004 the University reached an apparently agreed response. The case study is therefore bounded by these dates, that is, from the point of the government decision on funding withdrawal to the acceptance of the Working Group solution by the Council. However, in setting these dates it is important to recognise how difficult it is to find a clear beginning and ending of a case. For example, as indicated, the government decision announced in May 2003 had been anticipated before then and so May 2003 was not the beginning of the story. Similarly the issue was reopened by some of the actors in late 2006 and was ‘eventually’ resolved in late 2007, so January 2004 was not the end of the story. The environmental factors change with time and may bring in new elements which affect the institutional context in which people operate and generate new demands and changes. Any decision to set a beginning or end to a case study is inevitably somewhat arbitrary. However for practical reasons, I needed to set justifiable boundaries and given events in this case, the dates May 2003 to January 2004 seem reasonable.

Three major groups were involved in the process of finding an acceptable solution to the problem caused by the funding withdrawal: the management, the College staff and the Council. Since the management and the College staff were at an impasse, the Council intervened and set up a Working Group comprising representatives of these three sub-groups and which ultimately delivered the final solution. The interactions among the three sub-groups, and between the formal and informal groups and members within the Working Group are studied to gain a better understanding of the processes whereby the final decisions of the Working Group were formulated and agreed upon. The issue also spilled outside the University as a result of staff lobbying legislators and involving the press. The views outside the University community and other external factors are examined in the light of the strategies used by the groups in their interaction with one another. However, for

the purpose of this study attention is focused on the activities and perspectives of the key participants represented in the Working Group.

### **3.4 Data collection**

The present study used interviewing as the major method of data collection, supported by documentary analysis which was used as a means of triangulation to increase the trustworthiness of the data and findings.

#### ***3.4.1 Interviewing***

Interviewing as a specific research tool, is used to obtain the participants' 'experience and the meanings given by them to that experience' (Cortazzi, 2002:200). In-depth interviewing 'allows the evaluator to enter another person's world to understand that person's perspective. Interviews add an inner perspective to outward behaviors. In this way interviews are a source of meaning' and 'we (the researchers) learn about things that we cannot directly observe' (Patton, 2002:340-1). In this case a qualitative, semi-structured interview on a one-on-one, face to face basis was conducted with each of the ten interviewees.

#### ***3.4.2 Sampling issues: selection of interviewees***

There were a large number of potential interviewees from the three sub-groups: the management, the College staff and the Council; the criteria and problems in selecting the sample are examined below.

The sample 'will be chosen to be appropriate for the purposes of the study' (Simpson and Tuson, 1995:27). This research did not use random sampling since it did not aim at collecting representative data or to claim that the findings were generalisable. The study aimed to understand, how the problem of change and the conflict between the various groups was managed from the perspective of key participants. Purposive, criterion sampling (Gall, Borg and Gall, 1996) was used to identify the potential interviewees ensuring that they were persons who were closely involved in the process of arriving at the solution and could provide answers to the specific research questions. To interview a random sample of the three sub-groups could not yield in-depth or relevant data since the

majority of group members were not involved in the process. For example, of the 150 College staff affected, only about 12 played an active role in seeking to change the management's initial recommendation.

The researcher approached members from the following target groups who matched the selection criteria for purposive sampling.

a) Council's Working Group

The 7-member Working Group consisted of key informants for the study since it comprised representatives of the three sub-groups: 3 lay members of the Council (one was appointed as Chairman); 2 elected College staff, 2 representatives from management. Of the 7 members, four were interviewed: they were the Chairman of the Working Group, another lay Council member, one management representative and one staff representative. One lay Council member left the Council in 2005, one staff representative resigned also in 2005 and one management representative declined to be interviewed.

b) Staff groups : Action Group and Divisional Representatives

Other organisational members who were actively involved in the issue were staff representatives who formed themselves into the Action Group and the Divisional Representatives. The Action Group was an informal group whereas the Divisional Representatives was a formal group comprising members elected by the Divisions. There was no published membership list of the Action Group which consisted of around 10 staff members, 7 of them were also Divisional Representatives. Both groups were invited to participate in the interview. Again access to them was difficult since four staff members had already left the Institution and two declined. These rejections to participate perhaps point to the sensitivity of the issues being discussed. The following staff members were interviewed: the convenor of Action Group who was also the staff representative on the Working Group; the deputy convenor of the Action Group who was also a Divisional Representative; and three Divisional Representatives.

c) Division heads

The four Division heads responsible for running the Divisions were also potential

interviewees. Getting their views on how they would cope with the change was important to the study. Group interviewing was inappropriate because of the requirement to maintain anonymity and confidentiality. Also on this sensitive issue of diminishing resources, it would be difficult for the individual to speak freely and critically among peers especially when the funding withdrawal affected each Division differently. Of the four Division heads, one had resigned. Of the three heads interviewed, one was also the staff representative on the Working Group and the convenor of Action Group; one head was also a Divisional Representative; and one had no other capacities.

#### d) The College Head

The then College Head oversaw the operation of the entire College and had a wider perspective on the issue than the Division heads. He was also a member of MB. The College Head was able, to a degree, to detach himself emotionally from the issue and provide a more independent view. An interview with him could help gain more insight because of his unique managerial position and experience at two different levels of the organisation hierarchy: at the unit level and as a member of University management. Furthermore, he had worked at the institution since its inception and had witnessed the development and growth of the institution over the years. The key capacities of the respondents are described in Table 3.1.

| <i>Interviewee</i> | <i>Member of ad-hoc groups</i>                                  | <i>Position in the institution</i>       |
|--------------------|---|--|
| R1                 | Member of Action Group; divisional representative               | Administrative staff in College          |
| R2                 | Deputy convenor of Action Group; divisional representative      | Academic staff in College                |
| R3                 | Convenor of Action Group; staff representative on Working Group | Academic staff in College; division head |
| R4                 | Member of Action Group; divisional representative               | Administrative staff in College          |
| R5                 | Member of Working Group   | Lay council member                       |
| R6                 | Chairman of Working Group                                       | Lay council member                       |
| R7                 | Management representative on Working Group                      | Member of management board               |
| R8                 | ---   | Academic staff in College; division head |
| R9                 | ---   | Member of management board; College Head |
| R10                | Divisional Representative                                       | Academic staff in College; division head |

Table 3.1 Information about respondents

The 10 individuals interviewed were 10 out of 11 target interviewees who could be and had been contacted. Given the emotive elements of the issue, the problem of accessing potential interviewees who left the Institution and refusals to participate, it was difficult to secure further interviewees. A diverse range of views could emerge from the individual's multiple membership of various groups. The researcher interviewed two of the three lay Council members of the Working Group. It was important to interview the chairman of the Working Group whose leadership and approach was crucial in determining how the negotiation and decision-making was undertaken. The management representative interviewed was also a member of the MB and was party to the initial MB recommendation. This provided a valuable opportunity to probe deeper into the thinking behind the MB's recommendation. To help fill the information gap of the Working Group members not accessible for interview, the minutes of meetings of the Working Group were reviewed albeit the personal perspective of the individual could not be gauged. The College Head who was also party to the MB recommendation was also interviewed. The staff representative on the Working Group interviewed was also a Division head, and convenor of the Action Group. He was the major link with the informal staff group, and provided views reflecting these two other capacities. One Divisional Representative interviewed was also a Division head who

provided input from both the staff's perspective and from that of an academic manager. Two Divisional Representatives interviewed represented the 50 odd support staff affected providing another perspective on the problem.

### ***3.4.3 Instrument design and administration***

The purpose of using qualitative interviews was to obtain personalised information and get the interviewee to talk about his/her own experience, opinion and feelings. The interview was semi-structured since some degree of structure can ensure that common topics are addressed and 'comparable data across subjects' (Bogdan and Biklen, 1992:97) be obtained. The semi-structure format provided flexibility and freedom for the interviewer to establish rapport and helped the interviewee to feel at ease. The researcher used mainly open-ended questions because they enabled 'the respondents to say what they think and to do so with greater richness and spontaneity' (Oppenheim, 1992:81). A more conversational and open approach was adopted and to increase rapport, some digression, reordering and rewording of questions was made during the interview. It is believed that this yielded more extensive and rich data (Smith, 1995). In designing the interview schedule (Appendix 1), the five SRQs were the basis for deriving the interview questions. A basic set of questions for all the interviewees was first developed. And to help ensure that the research questions direct the interview questions to draw out the relevant data, each interview question was mapped to a specific research question as shown in Appendix 1. The basic set of questions was further developed by considering the interviewee's individual identity as a member of the sub-groups and for additional interview questions to be 'tailor-made' since each individual had his/her roles in the issue based on his/her participation in various groups. For example, the elected staff representative serving on the Working Group was, the convenor of the Action Group and also a Division head; with roles in the formal and informal interest groups, and also had managerial experience. Consequently, the Action Group convenor and deputy convenor were asked specifically about their views on their relationship with the Working Group and the Action Group's contribution to the final outcome.

The interview questions were piloted with two colleagues separately who were not the interviewees. The pilot interviews helped to refine the individual questions, and expanded the preliminary schedule from 7 to over 15 questions to cover pertinent areas. The pilot experience also helped to familiarise the researcher with the interview procedures and gave practice for improving her interview skills in probing and prompting.

The interview schedule (Appendix 1) included questions which asked respondents to:

- describe their understanding of the rationale for the management's initial recommendation of phasing-out the AD programmes
- describe and explain the reactions of the affected staff to the management's decision
- describe the activities generated by the management's decision and how the affected staff articulated their interests and voiced their opinions
- discuss the groups involved, the mechanisms, structures and processes used to resolve the conflict
- comment on the role of the various groups involved in the issue
- discuss the process of negotiation and the compromises made in reaching the final agreement
- comment on the contributions made by various groups in arriving at the final solution
- comment on the outcome of the conflict resolution

It was recognised that the language used for the interviews could be an issue. Since the questions aimed to elicit the opinions, feelings, experiences from the interviewees, it was rather natural for the interviewees to prefer to speak in their mother-tongue (Cantonese). Translation is problematic since the translator can introduce another level of interpretation which may not be a true reflection of the meaning of the respondent's utterances. However, since all interviewees were proficient in English, to avoid possible misinterpretation caused by translation, all interviewees chose to speak in English. A few expressions in Cantonese were translated into English as agreed by the interviewees.

The researcher also had to decide what to tell the interviewees before and after they participated in the research. Researchers may contaminate their study 'by informing subjects too specifically about the research questions to be studied' (Silverman, 2000:200). I approached all interviewees in person and explained in general terms my research was to study how an institution managed the change in the government's AD funding policy, using a case study approach. To encourage voluntary participation, I was careful not to generate any negative feeling or create any misconception on the purpose of my research. I had assured the interviewees that I would adhere to the ethical protocols for conducting research to maintain confidentiality, anonymity and privacy. All participants gave their consent in the Interview Consent Form (Appendix 2) and they were informed of their right to withdraw at any point in the interview, thus 'countering potential undue influence and

coercion' (Kvale, 1996:112).

The interviews ranged from a minimum of one hour to two hours. Process and reflective notes were made after each interview which helped inform subsequent interviews and highlighted interesting aspects which created further questions to be clarified with some of the interviewees. Consequently, follow-up interviews were arranged with three interviewees, who in the initial interviews brought up certain issues or views which were inconsistent or further elaboration was felt necessary. It was anticipated that further probing might bring out more information from the same interviewee or could be verified with another interviewee. One of the follow-up interviews was also necessitated partly because the interviewee gave a very detailed account of the happenings and not all questions were covered in the scheduled time. This revealed that the interviewee was so deeply engaged in the events that he gave a vivid description of the actions they had taken and how other groups/people were involved. In recounting his experience, he was still tampered with emotion and the interviewer listened patiently and only interrupted to clarify certain points. A subsequent interview was therefore needed to cover the remaining questions on the interview schedule.

I chose to be more circumspect in reporting my findings. Edwards and Furlong (1985:33) believe that 'To be valid, an account must have convergence with the experience of the researched'. Drever (1995:64) however argues that the informants are liable to want to expand their answers, thereby 'introducing their own subjective bias into the interview record'. Silverman (2000) adds that validation does not verify data; it merely increases data. To improve the trustworthiness of the research, interview transcripts were sent to the respondents for confirmation and clarification. Findings were sent back to the respondents if they had indicated this wish in the consent form. If respondent's and researcher's views disagreed, this was noted. The findings are inevitably the researcher's interpretation of the respondent's account and their understanding of reality. Provided the subjectivity of the researcher had not influenced the interviewee's original account, the researcher's interpretation was respected.

#### **3.4.4 Document analysis**

Documentary analysis was used as a subsidiary method to provide triangulation. Marshall and Rossman (1989) argue that document and archival record collection provide a rich data source without disrupting the site. Substantial written data was available for analysis, including formal documents such as committee papers, minutes of meeting and reports. There were also press reports covering the actions and views expressed by the College staff. The research relied predominantly on the formal documents since newspaper reports, intended for consumption by the general public, could be subject to bias by the motives and views of the reporters.

The documents examined were the formal records of the work of the Working Group which included the minutes of its 12 formal meetings; notes of eight consultation sessions with various staff and student groups; an open forum; the Working Group's three monthly progress reports; a Draft Report issued for consultation and the Final Report to the Council. These are all primary sources of written data that exist independently of the researcher. It is important to consider the discourse perspective in analysing written documents since there are writers and readers who both have expectations. The text has to be studied beyond the mere meaning of the words and Hammersley and Atkinson (1995) suggest that the focus should be on how are the documents written, for what purposes, what is said, how it is said and what that means, and what is omitted. Attention was paid to the text in relation to the reality the text creates. The Working Group minutes are records of discussion made among representatives of the sub-groups. Once agreed, they are taken as true and will create a 'documentary reality' (Cortazzi, 2002:202) and other people's actions or reactions will be made according to the reality so created.

### **3.5 Data analysis**

The qualitative data collected was organised and analysed to give meaning to the study. The researcher broadly followed Miles and Huberman's (1994) framework for data analysis which consist of data reduction, data displays and drawing conclusions. Data reduction and display which can reduce the data to a smaller number of concepts, themes and patterns for further analysis are operationalised through coding and memoing.

### **3.5.1 Coding**

The purpose of coding is to identify and/or summarise segments of data by giving a descriptive label to the data item which can be a word, a phrase, a sentence or a paragraph. Advanced coding can be made by attaching pattern codes, which are more inferential, to the data and organises the data into concepts, categories and themes.

The researcher created an initial set of codes, which were subsequently modified and consolidated into a final set of codes mapped to each of the five SRQs (Appendix 3) to help identify the following major issues revealed by the interview data:

#### **SRQ1**

- a) What was the MB decision, why it was made, what was the process for the decision-making. The perception of staff and the perception of the Council of the MB decision. What were the interests and values the MB decision revealed, the tension between the University and the College in terms of values, power to make decision, the hierarchical (and authority) structure in the institution.

#### **SRQ2**

- b) The reaction to the MB recommendations from various stakeholders: the College staff and students. What were the interest groups formed in opposition? Staff, students, trade union: the role and demands of these groups; how these groups articulated their interests? What coalitions were formed and the choice of allies? Strategies used to exert influence and to change the decision made by the MB, informal group and formal group, which was more effective?

#### **SRQ3**

- c) New structure created – the Working Group and the processes undertaken in resolving the conflict. Why and how was the new group formed? What were its objectives? How did it conduct its business? What was its style? The process and strategies used in the negotiation and decision-making by the new group. The relationship between the 3 sub-groups in the new structure, the actions, interactions and the exercise of power by various parties in the new group.

SRQ4

- d) What was the final decision of the Working Group? What was the starting position of each sub-group, how did their position and the debate change? How difficult or easy for members to reach agreement? What was the base position, compromise, sacrifice?

SRQ 5

- e) The relevant parties' views on whether the new solution provided was an optimal, win-win, short-term or final solution.

In coding the transcripts, the set of codes was applied consistently across the whole set of interview data. All the labeled segments of data identified by the same code were extracted from the transcripts and placed into an excel spreadsheet. For example, the code 'ACG-FN' which means 'function of the Action Group' extracted the following data from a number of respondents:

Extract of Coded segments for code: ACG-FN

|      |  |
|------|--|
| R2:  | <i>It's the action group who was leading the staff to fight this battle...the action group. We participated in the whole negotiation process through the action group. When we did the lobbying work, W and I were representatives of the action group. We utilised the action group as a platform to lobby. We also presented our views at the LegCo Education Panel meeting.</i> |
| R9:  | <i>Oh, because I mean, I think they want to keep the pressure on the working group.</i>  |
| R10: | <i>It put pressure on the University and the Council...the 2 elected staff representatives needed to have a platform to hear views of staff...the action group was fighting for the outcome</i>  |

Table 3.2 Extract of coded segments for code: ACG-FN

By collating all the relevant data labeled with the same code in the same table, data was displayed to facilitate the process of comparing and contrasting the data. Data displays 'organise, compress and assemble information' (Punch, 1998:203). The tabulated data enabled the researcher to search for significant patterns, display similar or conflicting perceptions/opinions on an issue among the respondents. In this way, the process of coding and tabulation of the 'data segments' from the transcripts reduced the assembled data to generate a higher level of meaning which provided the basis for further abstracting and

conceptualising.

A further level of ‘coding’ was applied by linking the codes with the five concepts comprising the ‘micro-political toolkit’. The ‘mapping’ is also indicated in Appendix 3. This exercise was very useful as it illustrated more clearly the interconnectivity between the concepts and how the concepts explained the behaviour of the sub-groups. For example, the Action Group’s objectives are related to the interests they advanced. This grouping defined as a coalition explained that the strategies they used were aimed at increasing their power in the bargaining process. The processes and interactions in the Working Group when linked to the concept of bargaining suggested that they could be further analysed into the four sub-processes of bargaining. This ‘higher’ level of mapping to link the data with the micro-political concepts help considerably in the conceptualisation and crystallising of concepts and ideas which emerged from the data.

### **3.5.2 *Memoing***

Memoing is the ‘theorizing write-up of ideas about codes and their relationships as they strike the analyst while coding’ (Glaser, 1978:83-4). As Miles and Huberman point out, memoing is a very important procedure in analysing and reducing data since it can ‘tie together different pieces of data into a recognizable cluster, often to show that those data are instances of a general concept’ (1994:72).

Memoing is an on-going activity. Relevant ideas and concepts about the data and the research process that emerged during or after the interviews, or while coding, were captured by memos. The following two memos (Tables 3.3 and 3.4) captured the insights and thoughts generated when several respondents’ transcripts were coded and reviewed.

*Memo of 4 September 08: Influence -A distinct form of power, used informally*  
(after interview with R2)

R2 emphasised the need to use influence, outside the meetings and committees, saying explicitly that the staff (action group) need to exercise influence (power) outside the formal structure. This distinct form of power, as opposed to authority, offers the possibility for subordinates “to shape the decisions of those more senior in the hierarchy.” (p. 21, Bell and Stevenson, 2006). “The context of influence need not be superior-subordinate relations; in fact, influence is the mechanism through which divergent subgroups without authority over one another may compete for power within an organisation.” (B & L , 1980: 30)

R2 was upfront about his view on power and politics: they persuade people by views, opinions, feelings rather than by facts. This might be related to his political interests outside the organization.

Table 3.3      Memo of 4 September 08: Influence - a distinct form of power

*Memo of 7 September 08: Influence - Exercised through others : students, legislators and media*

(after interview with R10)

R10 mentioned about the need to resort to outside resources of power since the staff did not have enough bargaining power in the meetings, for example, the staff were unable to challenge or refute the financial information provided by management since they didn't understand how the numbers or costing were derived. R10 believed that information was a source of power and they did not have that source of power in the meeting. "... if you could not have a good discussion at the conference table, you have to turn to these external resources." "The students, graduates, LegCo members were our major weapons."

R3, R4 and R10 all mentioned that students were involved. R10 explained that the students were also angry with the MB decision because they didn't want to see their school being closed down and they needed to speak out. In the follow-up interview, she mentioned that the staff's strategies were to involve students in order to gain sympathy from the public and put pressure on the management. "The staff mobilized students and graduates to join ... They deliberately aroused students' concern and helped students to organize this alliance." She was candid in admitting that they instigated and coached the students. This contrasted with R3 who insisted that the students participated on their own accord. This might be due to the accusation of them using the students to advance their own cause.

The role of the students in the staff's opposition seems an interesting point to explore.

Table 3.4 Memo of 7 September 08: Influence – exercised through others:  
students, legislators and media

Analysis took place at the same time as data was organised and reduced. As coding progressed and memos were written during the process of data collection, reduction and analysis, the following major ideas and strands emerged from the data: the definition and interpretation of educational mission by the management and the College staff, the interests and conflict of the three sub-groups, the conception of power: authority and influence, the exercise of power through strategies, the relationship between the groups: opponents, alliances, partners, bargaining and constituent–representative relationships. These concepts

and themes revealed in the data will be discussed further in Chapter 4.

### ***3.5.3 Analysis of documents***

The formal documents examined were written for purposes unconnected with the research study and were shaped by the context in which they were written and also the bias or specific intentions of the writers (Cohen and Manion, 1994). I was the writer of the minutes of the Working Group meetings and the progress reports, and have to analyse my own writing. These records were written with the purpose of giving a clear and unambiguous record of the discussions and decisions made at each meeting, any changes to them were agreed by the members. The Draft Report and the Final Report were authored by another administrator who also attended all the Working Group meetings. The draft version of the Draft Report was examined at a particular meeting section by section, paragraph by paragraph. Words were carefully chosen, changes were made in the meeting with the full knowledge of all participants. The meeting carefully considered the tone, choice of words, clarity and the level of detail to be included to project a positive attitude of the Working Group to resolve the issue; explicit statements were made to indicate that the staff's sentiment and concerns were carefully considered and addressed by the Working Group in its recommendations.

The formal records of the Working Group provided a chain of evidence on the process undertaken, the approach adopted, views advanced, negotiations, proposals and counter-proposals, and the give-and-take made in the meetings among the three sub-groups. This textual evidence provided potential answers to the research questions, in particular, SRQ 3 and 4, which seek to understand the work of the Working Group and the interactions and debates which culminated in the final solution. The documentation of the process of communication and the information being communicated provided evidence about what consultation process and strategies were used by the Working Group in tackling the issue. The documentary evidence was also analysed with a view to validate and expand upon the interview data; identify convergence and divergence of views expressed by the interviewees and the gaps in their perceived reality, and the 'documentary reality' (Cortazzi, 2002:202). Contradiction and inconsistency of data was examined which give further insight into the complexity of the case.

Excerpts of minutes and notes were paraphrased and analysed to draw out the major issues

discussed, the nuance of debate and changing positions in the course of negotiation. Content analysis of the formal documents identified key words such as ‘reduced remuneration package’, ‘salary cut’, ‘staffing costs’, ‘physical resources’, ‘job security’ to obtain patterns, themes and concepts which were related to the micro-political factors, and concepts of interests, conflict, groups and coalitions, power and bargaining which constitute the ‘micro-political toolkit’.

### **3.6 Trustworthiness of findings**

With qualitative research within the interpretive paradigm, applying the tests for validity and reliability is often contested since these two notions of assessing the quality of research are considered more appropriate for positivist research (Brock-Utne, 1996; Denzin and Lincoln, 1998; Easterby-Smith et al, 1994). Reliability refers to the extent to which repeating a research procedure or method would produce identical or similar results (Bell, 1987; Yin, 2003). Sapsford and Evans (1984) believe that reliability also applies to the research instruments which can include human beings such as the interviewer. With interviewing, if the research procedure is to be reliable, a tightly structured interview schedule should be followed and all interviewees should be asked the same questions in the same way (Fowler, 1993). Cohen and Manion (1994) suggest that to enhance reliability through tightly structured interview, validity can be compromised. Validity is the extent to which the research is an accurate description of the phenomenon which it purports to describe and external validity refers to the extent to which research findings can be generalised (Brock-Utne, 1996; Denzin and Lincoln, 1998). This research used in-depth qualitative interviewing which was open-ended and semi-structured. The interview design and administration was driven by the need to obtain the participant’s personal opinion and feelings. There was no fixed ordering of interview questions and the interview was punctuated with probings and promptings to encourage the respondent to talk more freely. Semi-structured interviews allow ‘each person to respond in his (sic) unique way’ (Nisbet and Watt, 1984: 82) which helps with improving validity but lowers reliability. This study also does not aim to achieve generalisation which can be attained by external validity. The need for improving the confidence in the research findings is well recognised. Rather than using the terms of validity and reliability which have implications on the research methods and procedures chosen, Lincoln and Guba (1985) suggest the alternative concept of trustworthiness to assess the quality of research which can be operationalised by improving the credibility and dependability (the equivalent concepts of validity and reliability) of

findings and interpretations.

Lincoln and Guba (1985) emphasise that credibility can be improved by techniques such as prolonged engagement, triangulation and member checking. The researcher had been working in the case institution before the College was established in 1991 and is familiar with the social setting and culture of the organisation. Her role in providing administrative support to the Working Group was understood by the key participants. She was able to build trust and rapport with the respondents who felt comfortable in talking to her about their experience.

Triangulation is an important procedure which ‘helps to eliminate biases that might result from relying on any one data-collection method, source, analysis, or theory’ (Gall, Borg and Gall, 1996: 574). Two types of triangulation were used: a) interviewing was the primary data collection method and document analysis was used to triangulate the interview data and b) respondents were asked the same basic set of questions to ensure that the interview covered all aspects of the research questions with all the participants.

‘Member checks’ (Lincoln and Guba, 1985:316) were performed since all the respondents were sent a copy of the interview transcript and were asked to verify the record as an accurate reflection of the conversations in the interview.

Lincoln and Guba (1985) suggest that dependability can be enhanced by using inquiry audit and the audit trail which states the research steps and materials assembled for each stage of the inquiry as specified by Halpern (1983). The researcher because of limited time and resources cannot afford to commission an independent audit. An audit trail was kept to provide a ‘chain of evidence’ (Yin, 2003) of materials handled in the research process including interview schedules, audio recording, transcripts; data reduction products such as coding, write-up of field notes, theoretical notes/memos. This trail of material allows an independent party to examine the findings and trace, for example, a datum back to its original sources in interviews, documents, et al and demonstrates the trustworthiness of the findings.

According to Lincoln and Guba (1985:324), confirmability refers to ‘the extent to which the data and interpretations of the study are grounded in events rather than the inquirer’s personal construction’. Confirmability can be addressed through audit trails and keeping a

reflexive journal. Recognising the need to minimise her personal preconceptions, which might influence the respondent the researcher refrained from responding to comments made by the interviewee and when prompting carefully avoided introducing her subjectivity into the conversation.

### **3.7 Ethical considerations**

With this qualitative case study, the researcher alone was responsible for designing and administering the interviews, and analysing the documentary evidence. In the analysis and reporting stages of the interview process, which involved interpretation of perceptions and situations, there was clear room for researcher bias. Interviewer bias may include phrasing interview questions in a way which may lead respondents to express views which are in line with what the researcher has in mind (Wragg, 2002). To avoid or minimise bias in the research process, the interview schedule was piloted with two colleagues separately to ensure that open-ended, rather than biased questions, were asked. I also reminded myself to remain as objective and as independent as possible and to refrain from giving my own views on the issue.

In conducting research, Glen (2000) suggests that the researcher has a duty of care to avoid harm to persons involved caused by the conclusion of the research or the dissemination of the research findings. The researcher should maintain anonymity, respect for privacy and confidentiality of the persons who provide the data. Before commencing this study, permission was obtained from the University authority in 2005 to conduct the research and to access the relevant committee minutes and papers. Informed consent (Cohen et al, 2000; Punch, 1998) was given by each individual interviewed (Appendix 2) who also agreed to the use of pseudonyms and anonymous quotes in the findings. All respondents but one agreed to the interview being voice-recorded. The one exception refused the digital audio-recording for fear of the interview data being leaked inadvertently. This highlighted the sensitivity of the topic being discussed and the interviewee's concern for maintaining confidentiality and anonymity. The interviewees were assured that confidentiality and anonymity would be maintained and the researcher would abide by the ethical standards stipulated in the code of conduct for researchers (British Educational Research Association, 2004). To avoid revealing the identity of individuals, pseudonyms were used and gender was concealed. It is very difficult to conceal the identity of the case institution since it was the only institution that was faced with the problem on this scale and staff's reactions were

widely reported in the press. To better preserve privacy and confidentiality in these circumstances, the researcher has used the facility in the EdD programme to keep the case study internal to the EdD panel and not to publish it for three years (School of Education of University of Leicester, 2003).

### **3.8 Limitation of the study**

The study is on a single case and is not intended to be suitable for generalising the findings to a wider population. As explained, the institution was faced with a unique challenge with a magnitude and rapidity never experienced in the history of the institution itself nor shared by any other institutions in the local higher education scene. Also, the researcher is not aware there is any educational institutions elsewhere which was faced with a similar situation. The case study aims to generate a thick and rich description of the phenomenon which should enable the readers to achieve a fair understanding of the phenomenon and to draw their own conclusions.

Lincoln and Guba (1985) stress that the researchers would establish transferability rather than make statements about external validity. The qualitative researcher can provide 'working hypotheses together with a description of time and context in which they were found to hold' (Lincoln and Guba, 1985:316) and provide 'thick descriptions' to enable someone interested in making a transfer to reach a conclusion about whether transfer can be considered a possibility. The researcher can provide the database that makes transferability judgments possible on the part of potential appliers. Stake (2000) argues that readers will go through the learning process through which they acquire concepts and information and steadily generalise them to other situations as they learn more.

Thoughts had been given as to whether the case of another institution which also faced the funding cut from AD work should be included in the study. Since the impact of the funding cut was far less severe than University Central and the histories of the two institutions were very different, the researcher decided that only a single case study should be carried out. The micro-political activities and responses are also context bound. The single case study is therefore felt to be suitable for the purpose of this research which is to achieve a better understanding of how University Central managed a complex change from a micro-political perspective.

## **4. FINDINGS**

### **4.1 Introduction**

This chapter presents the data obtained from the in-depth interviews conducted with 10 interviewees drawn from the three sub-groups: the management, the College staff and the Council, who were closely involved in the case. The interview data was supplemented by documentary evidence consisting of formal documents identified in Chapter 3 which can provide potential answers to the Specific Research Questions, particularly SRQs 3, 4, and 5 which related to the work and processes of the Working Group. This chapter also seeks to link, clarify, compare and contrast the data from the interviewees, on the events and processes they experienced and observed. The documents are also used to check against the interview data to identify areas of convergence and the gaps between the interviewees' perceived reality and the documentary reality (Cortazzi, 2002) to give insight into the complexity of the case. The data is organised under each of the five specific research questions which form the main sections of the chapter. At the end of each section, the findings are summarised to identify key themes or concepts which emerge from the data. Where necessary, the interviewer's words are indicated in parenthesis to clarify the context of the interviewee's responses. Reference to documentary evidence such as minutes or notes of meeting of the Working Group, and views expressed therein is indicated in italics within brackets in the text.

To aid readability, Figure 4.1 shows the distribution of the interviewees amongst the three sub-groups and those who served on the Working Group (the shaded circle).

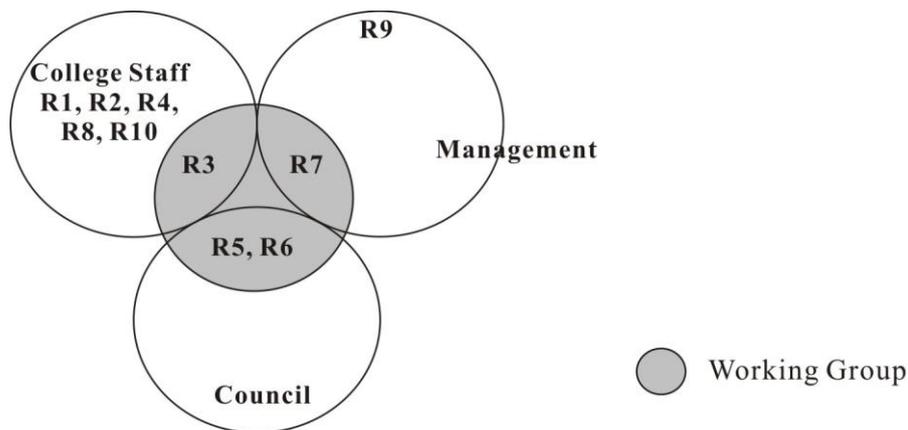


Figure 4.1 relationship of respondents who were members of the sub-groups represented in the Working Group.

The five specific research questions follow broadly the chronological sequence of the development of the case which took place between May 2003 and January 2004.

**4.2 SRQ 1: How did the University Management (management) initially come to its recommendation to the Council on its response to the Government’s new AD funding policy announced in May 2003 and what was the rationale for its response?**

The Management Board (MB)’s response to the new government policy of removing funding from the ADs of University Central was to recommend to the Council the phasing-out of the affected AD programmes according to the government’s schedule for funding withdrawal, as given in the President’s email (and press) announcement issued on 16 May 2003, which stated that around 150 College staff would be made redundant over four years starting from September 2004. University Central would seek assistance from Government for a compensation package for the affected staff.

The MB explained that it had tried unsuccessfully to appeal to the Government to retain AD funding, or for a slower withdrawal timetable to minimise its impact, and had also failed to secure a separate site from Government for a new campus for the provision of self-financing ADs. It concluded that to continue ‘to run these (AD) programmes on a self-financing basis, ...would not be financially viable’ (President’s office email, 16 May 2003).

The following presents the different perspectives of the respondents on how and why the

management reached its initial recommendation.

Two respondents, R7 and R9, who were members of the MB and were privy to the decision of phasing-out the ADs gave their view on why the MB made the decision. R7 was one of the two management representatives on the Working Group and R9 was the then College Head.

R7 commented that: ‘it (the AD operation)’s always financially viable if the staff are willing to take a cut’. He added that the MB did not set up a task group to consider reducing staffing costs because he believed that if they did so,

it would be back to the first working group (in 2001 which failed to re-organise the College) because the staff are not going to compromise. They will demand to be a part of the university, everything ... “I as a staff member will not be paid less than my counterpart”.

(R7)

In his view this was not a rash decision as it appeared to be. The AD funding removal was an opportunity for

the university to emerge with a more identifiable image as a full-blown university and not be lumbered with some sub-degree work ... the leadership at that time was to make the university ... gain world recognition. And the sub-degree teaching is not consistent with that strategic goal ... The university was looking for, at some point, to shed that burden ...

(R7)

R7 used terms such as ‘lumbered’ and ‘burden’ in referring to the AD work which reflected management’s true position that AD work should not be offered by the University.

The former College Head (R9) pointed out that the management’s position was that it had tried its best to respond positively to a difficult situation imposed by the Government and the management believed that the logical conclusion was to run-down the College. He opined that the management had no motivation to reduce the high staffing costs which would be necessary:

if you want to continue, the only way was to have a different financial model. The crucial element of that was we would reduce the remuneration package for the staff, by the order of 50%. And I think that prospect of doing that, and still retaining the staff flagged up all the problems with the management.

(R9)

He further commented that the MB members and also the faculty held the view that:

the university would have been better without that work (AD programmes) ... That's what really drove the management. When the College was first established in 1991 there were members of the senior management said – when we get the College formed, ... we get all the sub-degree work in one place, then it's easier to get rid of it ... that was the culture.

(R9)

R9's remarks confirmed R7's view that the University had been looking for ways to remove the AD from its portfolio. Both agreed that the change in the government funding policy created a financial challenge which prohibited continuation of the high-cost operation with the same pay packages. The assumption was that the College staff would not be willing to accept a severe reduction in remuneration to facilitate the switch to a self-financing mode. This provided the opportunity for University Central to discard the sub-degree work since in their view, the management could legitimately say that it was financially not viable, and refocus on work at degree level and above. The long embedded wish of senior leadership to 'discard the AD' (R7) in its move towards establishing itself as a reputable university was suggested as the subterranean reason for the MB decision.

All staff respondents said that the staff reacted strongly to the MB decision which they regarded as drastic. One administrative staff, who was also an Action Group member and a divisional representative said that they were 'shocked' (R1); one division head said: 'we could not accept the decision ... staff were frustrated and didn't know what to do' (R8). Another administrative staff remarked that 'the management owed an explanation to the staff face-to-face because the decision having such a serious impact on the livelihood of staff could not just be announced through an email' (R4). The convenor of the Action Group remarked:

We as heads of division had never been consulted, never been asked about the operational costs, about student numbers or survival prospects for the programmes. Since obviously he (the President) had not obtained relevant information from us, I couldn't understand how he could come to a conclusion that the programmes could not survive.

(R3)

R10, a Division Head and a Divisional Representative, commented that the staff were 'angry' because the decision 'meant not recognising all the work done in the past years and the contribution of sub-degree work to the university, lack of respect, lack of channel for participation'.

None of the respondents believed that it was a rash decision and were not convinced of the 'official reasons' given in the announcement. They felt that the management had not fought hard enough for the retention of funding and applying for a separate site (R1, R3). Four staff respondents contended that the management considered the AD work to be of a lower level that did not benefit the status of a reputable university. R3 explained:

The funding cut was the last straw which triggered off the decision to close the College. Ever since the former President took office, there had been ... the rumour of hiving off the College. Simply because the provision of sub-degree seem to go against his ideal of a research university ... the quality of staff teaching on sub-degree programme he considered an obstacle to the achievement of his goal because the College staff are not research oriented. I think he got wind about a funding cut in late 2002, ... ruminating about the best way to react to the government decision and what's the most opportune time to cut off the sub-degree arm once and for all so that the university will become clean in its range of programmes.

(R3)

R10 remarked that 'the MB was not happy with AD work in the university; it's a second class thing. The professors in the Faculties didn't like academic staff who didn't do research ... The unfriendly relationship with the staff in the Faculties was deep-rooted'.

All staff respondents commented that they were angry and frustrated by the absence of

consultation on the decision. In their view, there could be other alternatives such as cutting costs, increasing class size and workload, to make the programmes financially viable. The MB decision meant ‘loss of jobs’ directly affecting the livelihood of the staff concerned and also their families. It was an affront to their self-esteem and values since they believed their work had been meeting the education needs of society; which was part of the remit of the University. The College staff felt strongly that the University management and the Faculties detested the existence of sub-degree work as it hindered their move to achieving higher international ranking. They considered that the government’s change in AD funding policy was used as an excuse to remove the AD from the academic profile of the institution.

The lay Council members not being involved in the daily life of the institution could only observe the events that unfolded in May 2003. Two lay members serving on the Working Group had strong reservations about the MB’s decision being announced publicly without Council’s approval. The Chairman of the Working Group commented: ‘the Council was not aware of such a decision ... the decision itself was not carefully considered before it was announced and taken’ (R6). Both he and another lay Council member (R5) asserted that the Council was the legitimate authority to make any decision on the establishment or disestablishment of such a major academic unit since it was responsible for setting the mission and strategic direction of the University.

#### ***4.2.1 Summary and highlights***

The ‘official’ rationale for the phase-out decision that the ADs were not financially viable, was not considered by the majority of respondents to be the ‘real’ reason. The problem of funding change unveiled the extant conflicting views held by the College staff, the management and staff in the Faculties on the meaning of university education. Most staff and management respondents (6 out of 8) believed that the decision stemmed from what they perceived as the management’s long held view that the university’s portfolio should not include ADs which was inconsistent with the leadership’s goal of developing the institution into a high ranking university. The divergent interests between the College staff and the rest of the University was ‘institutionalised’ when the College was established separately in 1991 as the institution moved towards attaining university status from that of a polytechnic. The tension between these two parts of the University grew with rapid expansion in degree places and research funding in the 1990s (R9). The AD work became the minority business of the University. From the micro-political perspective, the MB

decision was an attempt to re-focus the University's mission, leading to a clash in values and goals between these two groups of organisational members. The change in the government's AD funding policy was challenged by the wider community and was unpopular. It however coalesced with the interest of the management and offered an opportunity to redefine its education mission.

Staff complained that they had not participated in the decision which affected them most severely. The authority structure at the institutional level did not provide an avenue for staff to participate directly in the decision-making process. The MB was the highest authority within the management structure to make decisions on policy and resourcing issues. The power structure was configured to include the senior managers at the level of Deans and above through their membership of the MB. The College's interests were represented by the College Head who sat on the MB alongside three Deans from the Faculties and the Vice-Presidents; hence the College Head was in the minority. In this decision-making body, the views of 'the manager' rather than 'the managed' took precedence. The University Ordinance vested in the University Council, the legal authority and responsibility to decide on the mission and strategic direction of the University. There was a clear breakdown between the Council and the management with the latter publicly announcing a decision which was the prerogative of the Council.

#### **4.3 SRQ 2: How, and by whom, was opposition to the management's recommendation articulated? How did oppositional groups seek to influence the management's recommended change in University policy?**

##### ***4.3.1 Staff's reaction and emergence of the Action Group***

The management was aware that the College staff's reaction would be negative; however, they had underestimated the intensity of their opposition (R7 and R9). According to R9 and R3, the five Division Heads were told by the then College Head on the day following the MB meeting (14<sup>th</sup> May 2003) about the decision, against which they could not appeal. The Division Heads then told other staff in the Divisions. In the afternoon of the same day, the President met with the College Executive Group which included the five Division Heads. The group decided that they would remain silent in the meeting to protest against the decision, and to forestall him from claiming that he had consulted with the staff. The meeting ended with 'a lot of hostility' (R3). In another meeting with the President the

following day, R3 told him that the staff's reaction would be dramatic - 'when they were pushed to a corner, they have nothing to lose, they'll take to the street' (R3). According to R3, who considered himself to be the 'mastermind' behind the staff's opposition, on Friday the 16<sup>th</sup> he consulted a legislator on how to fight against the decision. In the evening of the same day, after staff had gone home, the formal announcement of the MB decision was emailed to staff and the press. Some staff only learnt about the decision from the newspapers published on Saturday, 17<sup>th</sup> May. A few staff members including R3, prepared a press release denouncing the decision which was sent to the press on Sunday evening (18<sup>th</sup>) to be published in the Monday newspaper. The staff's opposition was widely publicised in most Chinese newspapers. The staff called a mass meeting of all College staff on the 19<sup>th</sup> and immediately formed the Action Group to fight against the decision. They elected the convenor on the spot, together with a treasurer and a secretary. Very soon, the core group was expanded to include more staff elected from the various Divisions to make the group more representative (R1 and R3). The newspapers reported that the staff criticised the unilateral decision of the MB and they formed the Action Group to fight for retaining the AD programmes (Lu, 2003).

Within a week, the College staff organised themselves to form the Action Group which consisted of representatives elected by the work groups (Divisions) in the College. The Divisions' common interests were to change the MB decision which threatened their vested interests and continued employment. As Bell and Stevenson (2006:22) point out: 'Coalitions emerge, develop and potentially fade in response to shifts in the local context' and this aptly describes the fluid structure of the Action Group. One Division, which would continue to receive government funding, 'withdrew' from the Action Group in July 2003.

The Action Group consisted of some 12 staff elected by the staff in the affected Divisions. The staff also formed a group of Divisional Representatives which had a more formal status in representing the views of the staff. The deputy convenor of the Action Group who was also a Divisional Representative explained: 'The group of Divisional Representatives was formed ... to work on the issue. So, that was the Action Group... I can say that it was only a strategy – well, by wearing different hats, we claim to represent more people' (R2).

The Action Group being the informal group could engage in more drastic actions such as using the press, staging demonstrations and lobbying the legislators. The group of Divisional Representatives presented itself as more moderate and used the formal channels

within the University to express staff's opinions (R1). Most staff did not differentiate between the two groups (R1 and R4).

Institutional documents revealed that in April the College staff had formed a Concerned Group under the trade union (union) which approached management on how to handle the upcoming AD funding reduction. None of the staff interviewed expressed the need for support from the union. The deputy convenor of the Action Group elaborated:

initially we thought we could have the full backup of the whole union and we might have a better chance to win. After one or two months... they sent us some message that they're willing to fight for us for a better dismissal arrangement.

(R2)

Both R3 and R10 mentioned the issue of distrust of the union leader who was suspected to have entered into a private deal with the management. R10 added that the union might not be able nor willing to help since it had to balance the interests of all its members including the Faculty members who outnumbered the College members. The College staff should 'take the matter into their own hands' (R10) and form a group that had 'a much stronger willingness to fight for the programmes' (R2). The union was therefore sidelined in the College staff's campaign.

#### ***4.3.2 Professional/personal interests – the strategy***

All staff respondents clearly interpreted the MB decision as 'loss of jobs' (R2 and R4). By demanding that the programmes be saved and the College be kept, staff believed that they could keep their jobs (R2, R4 and R8). In articulating their interests and demands, the staff also followed the advice of an experienced legislator: 'He reminded us that we should not focus on staff matters, nor on the compensation issue. It would reflect on us very badly. Our main concern should be how the University decision would affect the students and education rather than on the staff who would be laid off' (R3).

The staff's stance was to criticise the MB decision as a move that threatened students' opportunities to study quality AD programmes, attacking both the Government and the management, downplaying the obvious reason that their vested interests were at stake. R2 revealed that 'it's not appealing to the public if we just asked to keep our job' which would

be considered simply as a labour dispute between employers and employees of an organisation which would not gain sympathy. To gain support from the public, they presented their case as protecting their professional interests of keeping the quality programmes which provided valuable education opportunities to students. They put the issue in the public domain thus putting pressure on the management, for example, by drawing media attention, such as joining in phone-in radio programmes, informing reporters of demonstrations to be held.

To pursue their objective, the Action Group used strategies and influence and sought assistance from various people: the media, the Council Chairman, students, alumni, government officials and legislators.

Staff understood that the authority structure stipulated that the decision to change the institution's role should be made by the Council. They appealed to the Council Chairman on the basis that the MB decision was *ultra-vires*. R2 argued that 'It should not be decided by the MB only. It was a major change to the running of a tertiary institution ... a matter that should be decided by the Council'.

The staff also brought the issue out into the public arena to exert influence. They considered that the MB's press release on its decision was a means of coercing the staff to accept the situation and making it clear that they would not negotiate with staff any further. The staff 'immediately utilised the media to counter the action on the President's side' (R2). Within the authority structure, subordinates do not possess the same degree of formal power as their superiors. The Action Group's strategy was to enhance their power position by using the media, staging demonstrations, lobbying various stakeholders and legislators, and drawing the attention of the public to the situation. There was wide press coverage of the dispute throughout the last two weeks of May. They also lobbied successfully the legislators which resulted in the Legislative Council (LegCo)'s Panel on Education calling the management and the Council to explain their treatment of the AD issue in its three meetings held between June and November 2003.

R2 explained:

We did lots of lobbying work, contacted them one by one and sought their support for our position and to our demand ... We were not sure about the position of the

Council. ... So at that time the main strategy was to lobby them (Council members) and not to threaten them. By making known the issue to the public, we were pressing them to make a good decision.

(R2)

They (R2, 3, 4, 10) believed that their action had brought the MB back to the negotiating table when the Council established the Working Group in June 2003 which included two College staff representatives as members enabling them to participate in the decision-making process from which they were previously excluded. The two staff representatives were elected by all College staff and had the legitimacy and credibility to represent the collective views of their constituents. One of them was the convenor of the Action Group - R3, who played a crucial role in the staff's strategies of advancing and protecting their interests. Although the Action Group was not recognised by the Working Group, the latter had to take into account the views/proposals generated by this informal group which were advanced by its convenor serving as a full member.

The use of influence, an informal form of power, by staff continued throughout the whole process. R2 emphasised the need to exercise influence outside the formal structure: 'Lobbying's most effective when it's outside the meetings, when it's informal ...we were trying to influence them before they made the decision. So our term is politics'. R2 also opined that 'the management side got all the information, data and other support. Technically speaking they could have much more influence on the Working Group, especially to lay Council members. We have to do something ... to have the other members know the staff's views'. They had to influence people with decision-making power with the views and concerns of the staff rather than by facts and information which were already provided by the management.

R10 explained that a group of staff from his Division crafted the strategy of the Action Group:

This group thought about the strategy, PR approach, drafted statements for the convenor, planned the activities and manoeuvring, such as when to organise a demonstration, when to involve students, when to yell out their slogans ... what situation to use staff, what situation to use students.

(R10)

R10 admitted that the Action Group deliberately aroused students' concern and helped students and alumni to organise the Student Alliance. He commented that:

if the AD programmes were closed down, it would be very difficult for them to explain their qualifications to employers. The community might not remember that this institution once had AD programmes. Some students were even worried about the teachers losing their jobs. The sentiment was like "they won't see any more students following their footsteps". It's that kind of emotions that motivated them to speak out. But (they were) mobilised by staff.

(R10)

All staff respondents recognised the effectiveness of using the students and alumni in the staff's campaign. R10 elaborated:

If the staff want to get their views heard or get a response from the management, getting students involved could be very effective. For example, if you deliver a petition to the President, if it were only staff, the President need not receive the letter. But if there were students, the President had to receive it. Students and alumni contributed a lot . . . .

(R10)

### ***4.3.3 Summary and highlights***

The Action Group was the major body which led the College staff protest. It consisted of 'activists' who were elected by the staff in the affected Divisions as representatives to participate through both formal and informal channels, internally and externally, using both authority and influence, in seeking to change the University policy.

The Action Group articulated their opposition to the MB which they defined as threatening their professional interests of providing the students with educational opportunities; de-emphasising its impact on their vested interests. In micro-political studies, it is often difficult to differentiate between professional interests and personal interests (Marland, 1982). Strategically, the staff needed to justify their cause as protecting their professional interests in order to gain public sympathy and support.

From the staff's point of view, the MB decision meant unemployment which was a drastic threat to the status quo. Most staff recognised that they needed to accept some changes in order to keep the programmes and the College which ultimately could help to retain their employment. They wanted to be able to participate in the negotiation and change the MB decision.

The Action Group chose to work independently of the union which presents an interesting point. It is generally assumed that staff's opposition can be more effectively articulated through the union. Notwithstanding the unions in Hong Kong did not have a strong tradition in 'job-based unionism' (Snape and Chan, 1999 :255), the union in the case institution should have been able to provide a formal channel for staff to voice their opinions on the employment relationship and a mechanism for resolving conflict and releasing pressure generated by management-staff issues. The union's 'lack of action' however was perceived by the College staff as pro-management and not working wholeheartedly in protecting their interests which could be competing with other members of the union; the majority coming from the Faculties who might support the MB's view. The union it seemed replicated the tensions between the University and College, and was itself weakened by its inability to unify these interests. This left the College staff exposed. They were also suspicious of the possibly compromised position of the union leader, who, it was alleged, had promised management to help contain staff's reaction. This would neutralise the power of the union in advancing their cause. The initial Concerned Group therefore evolved to become the Action Group comprising solely of College staff who could better promote their own interests. Although the conflict was not publicly articulated by the College staff as a union-management issue, the Action Group, in practice, adopted strategies that were typical of union strategies (R10) which were to embarrass the employers in public if management did not come up with a better response to their demands. The Action Group therefore functioned as a quasi union and because it was informal and not incorporated, its actions could be more spontaneous and radical.

The concept of coalition and alliances emerged strongly from the data. The Action Group was a coalition formed from the work (or interest) groups in the College. Coalition building is highly dynamic and a coalition forms alliances to increase its influence (Bacharach and Lawler, 1980). As demonstrated in the case, the Action Group made strategic choices in seeking alliances: it did not partner with the union; instead, they involved the

students/alumni and the legislators, appealing to their interests in the issue.

The involvement of the legislators was more easily understood since the staff wished to put pressure on the University and the government through political manoeuvring. Staff appealed to the emotions and attachment of students and the alumni to the College and their teachers. The staff believed that the students contributed a lot to the shaping of their movement and the outcome. The role of the students as a group used by staff to generate influence will be discussed further in the next chapter.

Staff exercised both formal and informal aspects of power. They first worked through the formal authority structure by appealing to the Council which had the constitutional power to retain or to close the College. Their appeal and lobbying resulted in the Council setting up a working group in which staff could participate in the decision-making. This was an important step for staff but not enough since the two staff were in the minority in the Working Group. The staff augmented their effort in influencing the Working Group by presenting themselves as a group of elected Divisional Representatives, giving them legitimacy and formal status for representing staff's views in a formal dialogue with the Working Group. In fact the Divisional Representatives and the Action Group were one of the same. The formal power of the staff was limited and they had to continue their 'fight' through the informal Action Group. Working outside the authority structure enabled them to exert influence, an informal form of power, which could be generated from various sources (Bacharach and Lawler, 1980; Hoyle, 1982). In this case, the students/alumni and legislators were the sources of influence which staff could leverage and seek to change the University decision which they had little or no formal power to do.

#### **4.4 SRQ 3: How were institutional structures adapted to manage the change process? What was the rationale provided for such changes?**

The MB decision generated distrust of management (R1, R3, R5, R6, R10), 'bitterness' and 'animosity' among the College staff. Consequently any group formed under the normal management structure would find it difficult to resolve the problem. The Council as the ultimate authority to decide on the mission of the institution had to intervene and set within the institution the conditions (Bacharach and Lawler, 1980) for resolving the conflict. The Council approved the formation of the Working Group and its membership in June 2003 which provided the structural conditions and mechanism to work out a solution.

The Working Group chairman said: 'it's really the Council's responsibility to step in and assess the situation ... to make a recommendation that would be in the interest of the students, the College, and also the university as a whole' (R6).

Another lay Council member on the Working Group opined: 'That's why we needed the Council when it comes to strategic direction of the institution. You need a more balanced view' (R5).

The composition of the Working Group comprising the management, the College staff and the Council was important for the conflict resolution. The Working Group chairman stressed that the Working Group was 'well-balanced' with equal numbers of representatives from the staff side and the management. 'There were three lay members of the Council, who really were there to take care of the overall interest of the university, and not the management' (R6).

The management representative serving on the Working Group, also commented that the Council members were like 'arbitrators' and 'they were looking for a final outcome that was really the best for both parties. I think the Council members have no reason to favour anyone' (R7). R9 pointed out that the staff representatives 'had a very direct vested interest, had very firm views on what the management had done ... and had a lot of pressure coming pushing from behind them' whereas the Council members were 'independent in the sense that they won't be affected directly at all by the issue, and that independence made them sort of, step back a bit, and understand the extent of the problem, and then try to see if there was a way of working'.

From the staff's perspective, they considered that they were the weaker side since they believed that the Council members leaned towards management. R3 criticised the lay Council members as simply looking at the bottom line and viewing the College as a business rather than an educational organisation and they therefore considered the staff as troublemakers. R10 also suggested that the lay members in making decisions were not unbiased since all the financial information was provided by the management, in whom the staff had no trust and believed the information and figures might have been manipulated to the disfavour of the College. Since the staff did not understand how the costing figures and analysis were derived, they were not able to challenge the information.

The Working Group's term of reference was: 'to examine the financial viability of offering self-financing Associate Degree programmes'; according to R6, he considered this an open brief which did not presuppose a conclusion and the Working Group had to decide for itself how to examine the issue and shape its own recommendations. The documentary evidence supported that this was the case.

The Working Group as a new group provided a forum within which management and staff could form a new relationship and have a dialogue. It approached its task with due care and proper procedures. This point was recognised by staff respondents R8 and R10.

#### ***4.4.1 Working Group's open approach and communication with stakeholders***

The Working Group chairman's management style and political orientation was important in determining conditions which could either contribute or impair conflict resolution (Bacharach and Lawler, 1980). From the documentary evidence and interview data, R6 maintained an open line of communication from the beginning and set out a clear work plan for the Working Group, for consultation and communication with relevant stakeholders. This included issuing monthly progress reports to keep the University community informed; inviting written submissions from everyone in the university; meeting with various staff and student groups (in 8 face-to-face consultation sessions and one open forum with all staff); publishing a Draft Report in mid-October and gathering feedback on the draft before completing the Final Report. The Chairman led the group in carrying out all these planned activities according to the set timetable.

R6 operated with an open style: 'We started the work with no pre-conceived idea' and 'hoped everybody can base our recommendations on the actual status of the College'. He emphasised that at the meetings and work of the Working Group:

The staff know exactly what are the issues, what the perspective we use in considering the whole case. ... So everybody knows how we are doing in terms of the quality of the programmes, and also the financial performance. We also try to find out what the market salary is for comparable positions ... what sort of cost we can live with. So, I hope to let the numbers speak for themselves, and we try to consider all the concerns of the staff as far as possible, and we allow them to make any

comments, clarify any numbers, any operation details.

(R6)

Another key strategy adopted by the chairman was not to rely solely on the two staff representatives but to consult with various groups. He remarked:

we listened to views from different groups ... the draft recommendation was also presented to all staff for consultation (via an open forum) and their views were actually listened and considered and if necessary, we modified our recommendation to the Council. ... they had adequate channels to relate any views they had to the Working Group.

(R6)

The other Council member concurred that they needed to meet with staff at large to avoid miscommunication (R5). The Working Group met three times with the group of Divisional Representatives, twice with the union, once with Faculty members, the Students' Union and the Student Alliance.

#### ***4.4.2 The emergence of negotiating positions***

The setting up of the Working Group offered the potential for compromise and reaching agreement among the three parties concerned in an atmosphere which was not as confrontational as before. The management representative explained, 'the mood of the University become more conciliatory... The complete shut-down solution was ruled out... after a few meetings, I went in with the idea of trying to find a solution...It requires sacrifices and willingness to compromise on both sides' (R7).

The Working Group chairman stated: 'I personally would support that we should continue with the AD programmes as far as possible, but I really hoped that we can do it in a financially sustainable manner. So that was the only bottom line' (R6).

R3, R8 and R10 all stated that the staff's bottom line was the College must survive and the programmes have to continue.

Since each of the sub-group represented in the Working Group shared the same 'bottom-line positions' (Kochan and Lipsky, 2003:16) to work out a solution to make the AD

financially viable, the ‘resistance points’ (Walton and McKersie, 1965) of the negotiating parties overlapped and a positive contract zone existed. However, as their target points were different, they needed to engage in on-going negotiation until they could agree on the ways to achieve their common goal. How this was achieved is examined in the section regarding SRQ4.

#### ***4.4.3 Working Group processes to achieve resolution***

The lay members of the Working Group needed to ensure that while addressing the respective concerns of the management and the staff, each side had to make concessions and sacrifices to come to an agreed solution.

The chairman took a pragmatic and rational approach and led the Working Group to envisage the long-term situation to put in place a framework and structure to enable the AD operation to become financially viable and sustainable. This included examining the parameters, including the minimum number of students needed to generate sufficient income and the staffing levels that would enable it to function. Given these parameters, how could they move to the self-financing status with the existing College staff? What would be the interim problems? How much would the university subsidise over that period? And what is a reasonable reduction that staff can accept in their income? He asked management to provide information on these major parameters. The Working Group’s critical deliberation on the new financial parameters was based largely on data as the chairman wanted to ‘let the numbers speak for themselves’ (R6). He was also sensitive to the staff’s concern about how much their remuneration package would be reduced and, early in the deliberations (at the second meeting of the Working Group), he asked the staff representatives to ascertain the level of salary reduction acceptable to the staff. He was willing to listen to the staff’s views and concerns and insisted that there should be as many channels for consultation with staff as possible. The management contributed in terms of the actual arithmetic and funding model, and also agreed to provide financial resources to reduce the cut in the College staff’s remuneration package. To work out a remuneration package and terms and conditions of service acceptable to staff was a very difficult task which is examined in the section addressing SRQ 4.

#### *4.4.4 Summary and highlights*

The impasse between the management and the College staff could not be handled within the existing management structure. The Council, as the ultimate authority at the institution created the Working Group as the necessary mechanism to bring the issue back into the organisational structure to resolve the dispute (Bacharach and Lawler, 1980). This new group provided the staff with a formal channel to participate in changing University policy.

The composition of the Working Group, in particular, with the appointment of three lay Council members, was important in ensuring that consideration was given to the overall interests of the institution. In contrast to the MB, the Working Group adopted an open and communicative approach under the leadership of the chairman and conducted its task in an 'open and transparent manner' (R6), consulting widely with various stakeholders before finalising its recommendations. The meeting minutes and reports provided the paper trail which documented clearly the process of communication and consultation undertaken. The style, approach and strategy taken by the chairman and his strong steer were key to reaching an agreement between the two sides.

From the micro-political perspective, the Working Group, although constituted to include staff participation, did not have the effect of neutralising the Action Group. Staff claimed that the Action Group was the main player that pushed for the establishment of the Working Group, reversed the MB decision and contributed actively to the final outcome (R2, R3, R4, R10). The Action Group had to keep the pressure on the Working Group to ensure that it would not just consider the benefits of the University. 'Before a favourable outcome came up, the staff could not dissolve the Action Group which was fighting for the outcome', R10 explained.

The staff perceived that the balance of power within the Working Group made it difficult to rely solely on the two staff representatives to protect their interests. As R2 said, 'it's politics. They did a good job but not enough because there were only two of them. We needed to expand our influence' (R2), which is a political activity that intervenes in the decision-making (Ball, 1987). The Action Group needed to continue its work separately outside the Working Group and since it was an informal group, it could operate in the spaces of the formal structure (Hoyle, 1986) using the students/ alumni and legislators as their 'weapons' (R10) to expand their influence.

**4.5 SRQ 4: What were the Working Group's recommendations presented to the Council? How did the Working Group come to its recommendations and what was the rationale for those recommendations?**

The Working Group's recommendations approved by the Council in January 2004 were to convert the existing AD programmes, for which government funding would cease, into a self-financing operation over 4 years from July 2004 to June 2008 with the following (*Final Report December 2003*):

- a) The setting up of a College as a separate legal entity in July 2004, with a new academic and governance structure for running self-financed AD programmes. The College would have delegated academic authority from the University Senate to offer the AD as University awards. The College should have its own management body responsible for its own financial, personnel, contractual matters and overall viability of its operations.
- b) The College and its programmes should be housed in a purpose-built building on a separate site. Before the building was available, the programmes would continue to be run on the campus during July 2004 to June 2008 but the student number should be capped.
- c) New staff recruited to the new College should follow a new staffing structure, and be appointed on a fixed-term contract with pay packages consistent with the prevailing market rate.
- d) For existing College staff, the transitional staffing arrangement (*Section 8, Final Report December 2003*) would be as follows:

For staff on superannuable terms, their employment with the University on existing terms with fringe benefits would be retained until June 2008. From July 2004, there would be a 20% salary reduction inclusive of the sector-wide 6% cut administered in two consecutive years in 2004 and 2005. In the run up to June 2008, if revenue for the College fall significantly, further salary reduction or redundancy would be considered. After June 2008, staff may be employed by the new College on terms decided by the College. For staff on fixed-term contracts, they will be subject to the same 20% salary

reduction. Staff who did not wish to accept this arrangement may leave the University in 2004 with an ex-gratia severance package as determined by the University.

The Working Group's recommendations represented a significant change to the philosophy of the operation, working practices, organisational structure and vested interests of the College staff who were used to working in a fully-funded and stable working environment.

#### ***4.5.1 The starting position in the process of bargaining***

The Working Group started its work by assessing the value of continuing with the ADs and very quickly (*2<sup>nd</sup> meeting on 15 July 2003*) came to the view that the ADs made a valuable contribution in meeting the educational needs of society and that the University should try its best to provide this level of programmes if they could be made self-financing. It studied thoroughly the problem of funding withdrawal which prescribed the following new parameters for a self-financing operation: a) student source and fee level; b) campus site for a building and transitional accommodation arrangement; c) costing structure including staffing, teaching support and accommodation costs; d) staffing structure, remuneration package, terms and conditions of service and e) organisation structure and relationship with the University.

The Working Group chairman was very focused on trying to find a workable solution. R5 added: 'We looked at all the costs, the university charges, staff costs and challenged the university charges. As far as student number and tuition fees are concerned, the top line is very simple. Every party has to come up with something acceptable to all'. They were locked in an interdependent bargaining relationship.

In the 3<sup>rd</sup> to 5<sup>th</sup> meetings (*held on 30 July, 6 August, 13 August*), the Working Group concentrated on the necessary parameters a) to e) which formed the basis for setting up a new self-financing operation and examined the 'should-be' scenario. Discussion focused on the various financial analyses prepared by the management and consideration of alternative figures presented by the staff. Deliberation on changes to the pay and conditions of service of existing staff which were envisaged to generate lengthy debate was discussed at subsequent meetings.

#### ***4.5.2 New entity structure agreed and transitional staffing arrangement debated***

At its 6<sup>th</sup> meeting (27 August 2003), the Working Group agreed on recommendations a) to c) mentioned above (*minute paragraphs 5 to 23*). The following sets out the discussion and how agreement was reached on these three areas.

All members agreed that the quality of the programmes and the freedom to introduce and modify programmes quickly in response to changing needs should be maintained. The new academic structure allowed the College high autonomy provided they subscribed to the University Senate's quality assurance mechanism. The Senate had the authority to stop the College offering programmes which failed to comply with this requirement. This recommendation was proposed by the management to retain ultimate control on the quality of programmes bearing the University's name and it was accepted by the staff who were keen to retain the University's name on its awards, which they considered crucial for student recruitment. The College was happy to follow the academic quality framework set by the University Senate since it avoided the need to apply for programme validation through an external body which would be costly and time-consuming (*minute paragraphs 6(i, ii) and 9*). One key measure of teaching quality was the student-staff ratio (SSR) of 25:1 (*minute paragraph 14 of meeting on 6 August*), which surprisingly, was set by the lay Council members, rather than the College staff, as the acceptable figure.

Setting up the College as a separate legal entity generated some concern and unease since it presented a clear deviation from existing practice. The pros and cons were debated at two Working Group meetings but it was eventually agreed that a separate legal entity could protect the liabilities of the University, enable the new College to enter into contracts and allow more efficient management avoiding elaborate rules and procedures of the University. In discussing the new staffing and pay structure and the terms and conditions of service of new recruits of the new College, existing staff had no objection since these were not their concerns.

The evidence presented indicated that it was relatively easy for the Working Group to agree on the academic, management and the staffing structures of the new College. It was however very difficult to get agreement from staff on the proposed changes which affected their vested interests. The only outstanding issue at that meeting was the transitional staffing arrangement during the 4-year period and after June 2008 when the new College

should become fully self-financing. It was the most controversial part of the recommendations which was intensely debated over four months, in 6 other meetings of the Working Group, and was only finally settled in December 2003. The transitional staffing arrangement related to major changes in two key aspects of the staff's vested interests: a) the monetary reward embodied in the remuneration package: salary and fringe benefits including housing allowance; b) the type of employment: whether the appointment was on superannuable terms or on fixed-term contract.

To deal with the financial constraints, the Working Group had to contain costs within the resources available which were some 50% of those enjoyed under government funding. The Working Group chairman remarked 'I mean it's a fact of life that we need to reduce all these costs ... It's really a decision of the entire committee – how we should actually deal with this significant reduction in revenue for the College' (R6).

The Working Group pointed out at its 2<sup>nd</sup> meeting (15 July 2003) that to reduce staff salaries to the comparable market rate would require a 50% reduction (*minute paragraph 4*) and asked staff to indicate their 'acceptance level'. The staff responded in general terms, saying that they were willing to consider a reduced remuneration package together with a redundancy package (*paragraph 4*). The same estimate of salary reduction was mentioned in the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> meeting and staff were well aware of the likely scale of salary reduction but only indicated their preferred figure in the 7<sup>th</sup> meeting on 25 September. Staff attempts to minimise the scale of salary reduction included pressing for lowering other costs such as the University charges for administrative services and accommodation costs (also mentioned by R1). They also proposed a SSR of 57:1 which was rejected as unacceptable (*minute paragraph 14, 5<sup>th</sup> meeting on 6 August 2003*).

It was at the 6<sup>th</sup> meeting (27 August) that three different proposals for staffing arrangements for the new College were formally advanced.

- a) The Working Group's 'ideal' proposal was to switch to the new pay structure as soon as possible and all existing staff should be terminated with some compensation. The new College should start its recruitment afresh, giving priority to rehire as many existing staff as possible (*minute paragraphs 37 and 38*).
- b) Management's proposal was to administer a salary cut of 36% as a 2-step exercise:

First time salary cut of 22 % in July 2004 with fringe benefits retained; and staff's superannuable terms of employment changed to a 4-year contract. A new contract and/or further salary reduction of 20% in July 2008 for staff if they were appointed by the new College. For those who do not accept this arrangement, they can take a compensation package and leave the University in 2004.

- c) The staff representatives' counter proposal was a "big-bang" redundancy in 2006, compensation provided, guaranteed re-employment in new College with new terms and conditions of service' (*minute paragraph 27(iv)*).

#### ***4.5.3 The crux of the problem: bargaining on the staff's vested interest***

The staff's objectives were to minimise changes to the terms and conditions of service and secure continued employment. As R3 pointed out:

the staff's position was that they would accept a percentage cut in salary; all other terms and conditions of service should remain unchanged. If they needed to leave the employ of the University they should receive a compensation package on the basis of being made redundant; and all staff should be guaranteed appointment to the new College on new terms.

(R3)

The staff representatives argued intensively on the percentage of salary cut and whether it should be a one-time or a progressive reduction over 4 years. The argument for the management's proposal to administer the salary cut (22%) ab initio was to avoid 'a more drastic cut at any time during the four-year transition period and the choice for the staff to stay with the College is made much earlier' (*minute paragraph 7(i to iii) of meeting on 25 September*) which could create a relatively stable operating environment. This would also avoid the disruptive situation of an annual negotiation of salary reduction. The staff representatives objected to the 22% cut in 2004 when only 10% of the funding would be removed. They then advanced the counter proposal of a 14.8% salary cut to start in 2005 (*minute paragraph 12*). Then in the meeting on 2 October, they suggested a 19.5% salary reduction which was close to the 22% proposed by management. The staff representatives finally accepted the one-time salary reduction of 20% in July 2004 (*minute paragraph 21 of meeting on 2 October*).

R3 maintained in the interview that it was a hefty salary cut made too early and a milder cut of 10% starting in 2006 would be adequate. This was a major compromise by the staff (R3, R10) and R6 also opined that ‘without it, the Working Group could not recommend to the Council that the AD could be financially viable and sustainable’. The deputy convenor of the Action Group believed that such a compromise was acceptable since in his view, that was part of the ‘give-and-take’ (R2).

The staff contested strongly the switch from the superannuable terms to a 4-year contract which would end their existing employment relationship with the University which they believed was a permanent employment - until their retirement age. The Working Group with the exception of the staff representatives believed that this switch was crucial in achieving a self-financing operation as contract employment gave the new College the flexibility in manpower management in responding to market demand. The Working Group’s majority view was that superannuable terms of appointment were not appropriate for a self-financing operation and took a firm stance on this recommendation. Staff representatives then argued for delaying the switch to 2008 but this was rejected. Despite staff’s objection to this point, the Working Group retained this recommendation in its *Draft Report 17 October 2003* which was strongly contested at the open forum (*held on 27 Oct 2003*) with staff. College staff claimed that superannuable terms should be retained since it gave them ‘recognition and status which was more than monetary rewards and security’ (notes of open forum). The switch to a fixed-term contract was too big a change for them as it removed permanent employment (R1, R5, R7, R9, R10) and job security and staff had to face great uncertainty in the future, especially with the negative economic impact of SARS in 2003.

In addition to the ‘sacred’ nature of superannuable terms, the staff representatives raised the point that a contract gratuity was taxable which would add to their financial burden. The Working Group agreed to ‘pay heed to staff sentiment and morale’ and made the compromise (R6) of dropping the requirement for staff to switch to contract terms, and agreed to terminate the superannuable terms for the existing staff in 4 years time; which ‘was an acceptable alternative, although not the best solution’ (*minute paragraph 17 of meeting on 5 November*). The staff representatives promised to ‘sell the revised proposal vigorously outside the meeting room as the best possible option’ (*minute paragraph 19*). The convenor of the Action Group however remarked that he had no alternative but to agree to it:

time was against us... we needed time to rebuild image since we were not doing well in the student recruitment... because I also have the best interest of the College in mind and ... even if you feel that the recommendation is not fair ... sometime you have to accept in order for things to move forward.

(R3)

For the staff, agreeing to the ending of superannuable terms in June 2008 was another major compromise. All the staff respondents (R1, R2, R3, R4, R8 and R10) remarked that about 30% - 40% of the staff did not agree to this compromise. R4 and R10 remarked that views among staff were very divided; some staff blamed them (the staff representatives) for arriving at the compromise. R3 remarked that he was called 'traitor' by colleagues. The intra-coalition tension was so strong that the Action Group had to decide by voting, rather than by consensus, to submit a legal challenge to the Working Group's recommendation of changing the employment relationship (R2). The legal challenge was presented directly by the group of Divisional Representatives, not via the two staff representatives, to the Council.

This act of threatening legal action demonstrated that the staff would try every means to stop the change to their permanent employment (R9) which implied job security - what they considered to be the most important element in their vested interests. R5 opined that 'Their job was an iron rice bowl ... They wanted to hang on as long as possible'.

The Working Group after obtaining legal advice held its last meeting (*17 December 2003*) to discuss the staff's legal challenge. Apart from the staff representatives, the Working Group affirmed that the recommendation would be retained. The demand for ex-gratia payment raised again by the Divisional Representatives was also discussed and was firmly rejected (*minute paragraph 34*). The Working Group believed that the staff's demand for ex-gratia payment was not based on genuine redundancy which had been pointed out in the meeting on 6 October (*minute paragraph 42*).

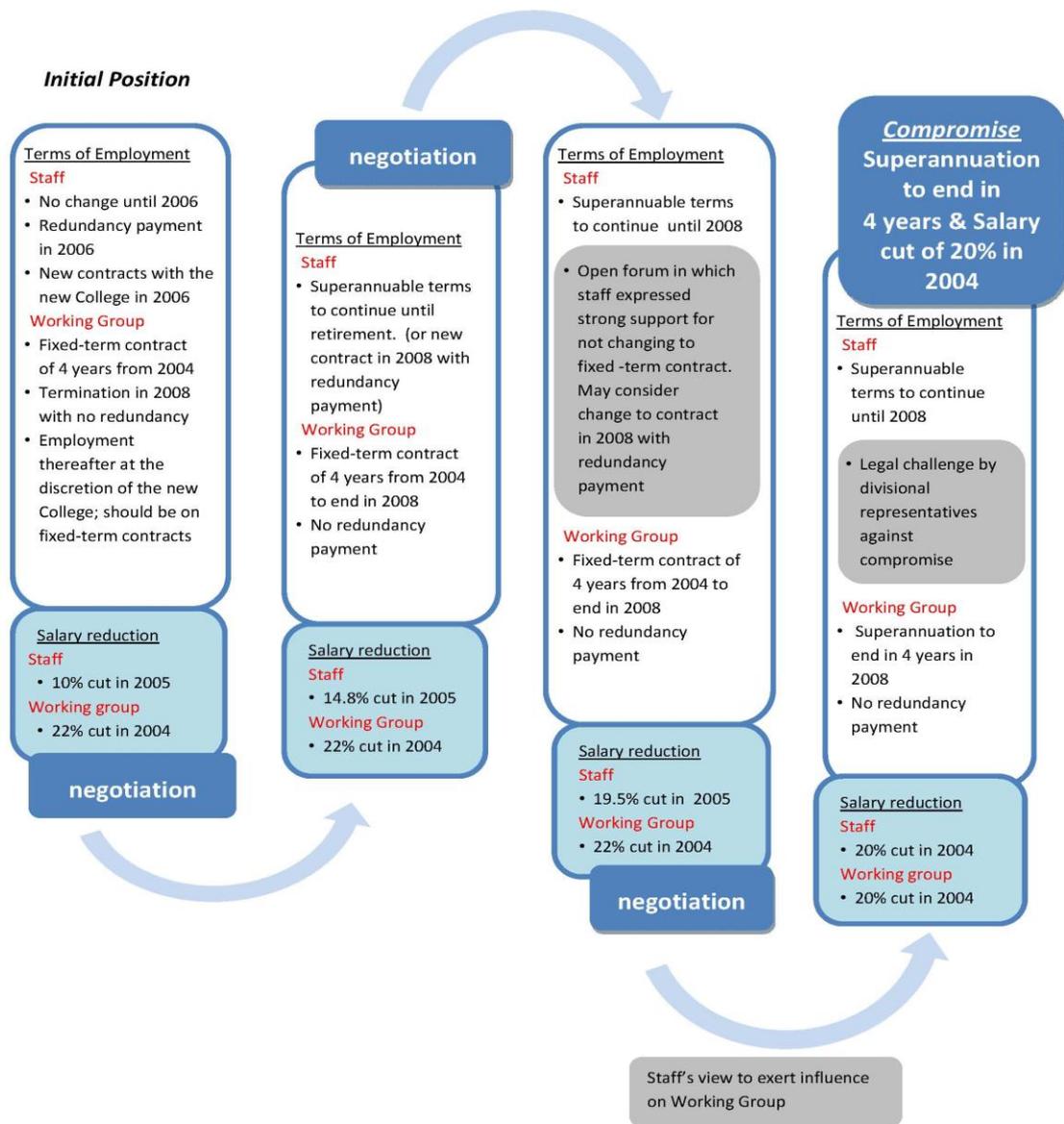


Figure 4.2: Negotiation on terms of employment and salary reduction

Figure 4.2 summarised the process of bargaining, the movement or lack of movement in the negotiations on two major areas affecting the staff’s personal interests.

#### 4.5.4 Summary and highlights

Although all three sub-groups had the common objective of making the AD financially viable, the primary concerns of each party were different and their thinking on the ways to achieve the self-financing operation also differed; consequently compromises had to be made by all parties concerned. The Working Group’s primary interest was to recommend a new structure that could provide quality AD programmes in a new market-driven operating environment. To resolve the conflict between the management and the College staff, the

Working Group needed to find a way of accommodating the existing staff in the new structure. This was very difficult since many College staff were used to teaching in a well-funded environment and there was a big gap between their existing remuneration package, which included generous housing and medical benefits, and those of the market. The focus of staff's negotiation was to maintain job security and minimise changes to the extant remuneration package (R3). The interest of the management was to make sure the financial commitment needed to help establish the self-financing operation would not harm the development of the Faculties.

The Working Group obtained staff's agreement to a 20% pay cut in 2004 - this magnitude of the salary reduction had never been experienced by any staff in the HE sector of Hong Kong before. Changing the terms of employment by specifying a new end-date by the employing institution to over 150 staff en masse had also never been done before. The impact of the Working Group solution brought significant changes to the staff's vested interests, notwithstanding, it provided the necessary framework and structure for ADs to be continued which was what the staff claimed to be fighting for.

Bargaining is the 'give-and-take that occurs' in the interactions and processes undertaken among the parties involved in conflict resolution (Bacharach and Lawler, 1980:108). The literature on bargaining lies mainly in collective bargaining which emphasises explicit exchange of offers and counter-offers and the parties' acknowledging their bargaining relationship. More subtle forms of negotiation occur when coalitions or parties deal with intraorganisational conflicts in other contexts. The Working Group was established to find out whether the government-funded AD programmes could be turned into a self-financing operation; and not to provide a bargaining setting for the union and management (R6) to make offers and counter-offers. Notwithstanding, the processes and interactions of the actors and the Working Group's work carried key features of bargaining and negotiation described by Walton and McKersie (1965) and Bacharach and Lawler (1980). The degree to which the parties treated the relationship as explicit bargaining however varied considerably.

The College staff clearly considered the Working Group as a committee which provided a bargaining setting for them to negotiate with management (R2). The staff representatives in their negotiation were focused on how to give less or gain more: 'We have to keep a firm position... to get the most out of the meetings' (R2). Their goal was to maximise utility on

behalf of their constituents (Kochan and Lipsky, 2003). They saw themselves involved in distributive bargaining over finite resources and had taken a competitive stance and treated the relationship with the management as adversarial.

The Council members did not agree that they were in a bargaining relationship with the College staff. They saw the Working Group as responsible for joint problem solving (Walton and McKersie, 1965) to work out a solution acceptable to all and try to balance out the concessions that needed to be made. It was difficult for them to maximise the benefits for all concerned but they wished to stop any deleterious consequence for all. They sought agreement to the principles that should determine the decisions to be made and sought to understand the other's interests and concerns. The Working Group chairman had taken a problem-solving approach; often adopted in dealing with an integrative bargaining relationship (Rowe, 1993).

Although the management representative said that the Working Group 'was not a bargaining table', he acknowledged that 'Both sides have to share the risks. They need to be able to compromise' (R7). The discussion in the Working Group involved making concessions which was a major bargaining activity. Both the management and the staff adjusted their initial preferred position when the other party would not yield. In order to reach an agreement, the parties involved made concessions and developed some intermediate positions over which they negotiated and eventually reached a compromise. The management agreed to administer a lesser salary reduction: 20% instead of its original 22%. The Working Group agreed to drop the proposed immediate switch to fixed-term contracts and changed to ending the staff's superannuable employment in 4 years. The staff representatives eventually accepted the 20% salary reduction administered in 2004 and the new end-date for their employment.

The actual bargaining process involves the use of tactics by the parties to influence each other to improve their power position. The tactics include impression management, manipulation of information, bluffing, threats and toughness of stance, all of which were practiced by the Action Group as reflected in their interaction with others indicated below.

The College staff had a strong distrust of management (R3, R10) and were suspicious that financial information provided by management was manipulated to the disadvantage of the College. To counter the situation of Council members making decision based solely on the

information provided by management, the staff tried to persuade them 'by power: many colleagues have different kinds of grievances, they have their concern, so to let the (Council) members to know more about what the staff were thinking about' (R2). The staff also threatened legal action to make the Working Group change its recommendation.

Despite the Working Group chairman's wish to assess the situation based on facts and to share all relevant financial information with the whole group, the staff withheld information. They did not disclose outright how much salary reduction they would accept and only responded to the management's proposals with counter-proposals ('counter-offer').

All the staff respondents pointed out that the two staff representatives failed to persuade some of their constituents to accept the compromise made in getting the Working Group to drop the immediate switch to fixed-term contracts and to maintaining their employment relationship with the University for a further four years. Putting a new end-date to their superannuable terms was such a drastic change which brought out their individualistic self-interests and intensified the intra-organisational bargaining (Walton and McKersie, 1965). The two staff representatives were not able to unite the staff's views and the group of Divisional Representatives acted independently in presenting the legal challenge. This highlighted the high degree of the constituents' involvement in planning the negotiations posed difficulty to the staff representatives' task of managing intraorganisational bargaining. The commitment of the representatives to the goals of the group can affect conflict resolution as it implies a 'more contingent and pragmatic approach to bargaining' and 'a somewhat softer bargaining stance' (Bacharach and Lawler, 1980:136-7). R3 emphasised that they agreed to this recommendation because of their commitment to the goals of the Action Group to save the programmes and the College.

The process of bargaining which took place within the Working Group was complex. The very nature of the problem involved a dispute on how the diminished resources were to be redistributed. These included competition for financial and physical resources, and controlling costs threatened the vested interests of the staff including affecting their future employment. The kind of solution which could be reached depended on the ability and willingness of various parties to make sacrifices. which would adversely affect the vested interests of 150 staff. The financial constraints placed on the institution meant that the parties were involved in a bargaining relationship which required compromise, making

concessions and willingness to make sacrifices for the various parties involved to reach an agreement. The staff were mainly motivated to protect their vested interests. The management was seeking to promote its interests and those of the Faculties in pursuing a higher ranking for the University for which resources needed to be protected. The Council represented by the Council members in the Working Group wished to pursue the 'commonwealth interests' (Greenhalgh, 2001:226), which refer to the interests of the organisation as a whole, those rose above the sectoral interests and the exchange relationship between the management and the College staff.

#### **4.6 SRQ 5: To what extent can the situation be considered to have been resolved 'satisfactorily'?**

The problem of managing the AD funding change was 'resolved' in January 2004 when the Council approved the final recommendations of the Working Group. Interviewees' views on how satisfactorily the issue was resolved are presented below.

The respondents were asked specifically whether they considered the recommendations provided an optimal solution. 8 (R1, R2, R4, R5, R6, R8, R9, R10) out of the 10 interviewees believed that the Working Group had achieved an optimal solution. Both the Council members were satisfied that the solution was the best they could achieve in the circumstances. 'The staff accepted that it was the best we could come up then and provided job security' (R5), and 'it was supported by all stakeholders, basically ... the University has continued to be a quality provider of AD programmes to the community' (R6).

All but one staff respondent said that it was optimal. R2's assessment was: 'Yes. That's the most we could get out of the whole battle at that time. We thought that we have to trade off something to secure the programmes and the employment'. R8 concurred that it was optimal because 'it gives four years for staff to work out their own plan, look for jobs and for the management to decide whether they would really change the staff to contract terms four years later. It's a two-step solution to the issue'. R10 opined that 'the job of staff was secured; so, in theory there was no drastic change except the 20% salary reduction. In that sense, it's optimal'. R3 insisted that for the staff, the solution was; 'a one-sided agreement, all to the benefit and interests of the University'. All staff respondents agreed that the Action Group's objective of keeping the programmes and the College was achieved by the recommendations, albeit at a cost.

R7 did not believe it was an optimal solution since it was the only one available which was accepted. No other options were put forward. R9 however agreed that it was an optimal solution at the time, given the uncertainties and the gloomy economic environment which reduced the propensity to take risk in pursuing a more aggressive business plan: 'I think the working group's solution was more pragmatic'.

Respondents were asked whether they considered the solution was a win-win solution. Half of the respondents agreed that it was; half did not. Among the staff respondents, only R2 and R8 agreed that it was a win-win solution: 'At least most of the staff are still staying on. Students have ADs to study. Management can keep the College' (R8).

R10 remarked that the solution was an acceptable one but was neither a long-term nor a win-win solution: 'We couldn't think of a better solution at that time. For the staff, the uncertainties of the future generated much concern and unease. The relationship between the University and the College was not a cordial one'. R3 was of the firm view that the staff were 'hard done by'. R1 and R4 both felt that staff made painful sacrifices in order to reach an agreement but they did not have much bargaining power to make the deal more favourable to them. In their view, management could have done more both in making a less severe salary cut and providing better job security.

Both lay Council members believed that it was a win-win solution because 'It's in the interest of the students, the College staff, the College, and the University' (R6). R5 also pointed out that 'it gave job security for four years, other terms and conditions remain the same. That was a very uncertain time. We could continue to look after the young people in society. The staff also had the choice of not accepting the change and can get compensation instead'.

R7 agreed that it was a win-win solution since the College was kept, the staff could teach on the ADs and the University had established the College to operate independently. However, R9 disagreed:

For the staff, I don't think they would say that it's a win for them. If you are a College staff, the alternative for you is losing your job, then of course that's a win for you. From the university's point of view, I don't know if they would consider it was a win, their view of a win was to close it down, definitely. Given they couldn't, they

probably came out of it as best they could.

(R9)

#### ***4.6.1 Summary and highlights***

There was a majority view among the respondents (8 out of 10) that the Working Group recommendations provided an optimal solution. In contrast views were divided on whether the Working Group solution was a win-win situation for all parties concerned.

The assessment on whether the decision was optimal had to take into account the difficult circumstances facing the University and the staff – the financial parameters for the operation of the AD programmes was changed drastically with some 50% of funding removed (R9). This presented an issue which required the reallocation of resources among the units within the Institution if ADs were to be continued and made financially viability, all parties had to make sacrifices. When resources were finite and, in this case, diminishing, all parties involved understood there were financial constraints imposed externally and it was an inherently ‘zero-sum’ situation which might imply a ‘win-lose’ situation. The led both the staff and management to adopt a competitive approach. Staff realised that they needed to accept some changes to their vested interests but wanted to ‘minimise the damage to be done’ (R3). Management wanted to minimise the draw on the Institution’s resources to help with the transition without adversely affecting the development of the Faculties. However it did not readily lead to a cooperative working relationship since the stakes are high in distributive bargaining, especially for the staff since individual staff member’s economic well-being, job security, status and recognition would be affected. It highlighted the difficulties of obtaining cooperation among distrustful participants. The parties involved were however locked into an interdependent relationship to work out a solution acceptable to all involved. Both the management and the College staff recognised that each had to make concessions, to ameliorate moving into a win-lose situation. The Council members played an important role in moderating and steering the negotiations since their objective was to ensure that the solution should allow the Institution to continue to meet society’s education needs. More respondents agreed that the solution was optimal at the time since the solution did enable AD programmes continued to be offered and the staff continued to be employed to teach ADs, albeit their vested interests were significantly changed.

An optimal solution is not necessarily considered a win-win solution because how the outcome was perceived depended on the expectation each party had before entering the negotiation (Spangler, 2003). For the staff, many held the premise that the ADs could be made self-financing if they agreed to reduce their salary, increase the class-size and raise productivity, without changing other components of their terms and conditions of service. They therefore could not accept the MB decision which would terminate their employment. However, this view was challenged by the financial analysis and what the Council members and management believed to be the right model for operation in a market environment with fixed-term contract appointment. In the negotiations, both sides had debated intensely and changed their positions on the reduction to the monetary value of the remuneration package and the changes to the type of employment. The staff lowered their original demands in each round of negotiation when the opposing side would not yield. To many of the staff, their idea of a win was to have their original demands met. The most important element which they wished to maintain was job security which they believed was 'built-in' the superannuable employment. The firm stance of the Working Group meant that the staff eventually had to accept the alternative of terminating their employment in four years and face the uncertainty of the market. The staff were 'forced' to accept the solution since they were faced with time pressure (R3) which inhibited the maintenance of a tough stance (Bacharach and Lawler, 1980). It was difficult for many staff to reframe or lower their expectations since their individual vested interests were affected whereas the other parties were not personally affected. Win-win outcomes occur when each side of a dispute feels that they have won (Spangler, 2003). In this case, the solution was accepted but did not satisfy their desires and therefore many of the staff felt that the solution was only temporary and they would seek to change as the opportunities arose.

#### **4.7 Conclusion**

The story of the case started with the MB's decision to discontinue offering ADs as the only practical solution in the circumstances because they could not be made self-financing. However, the study has revealed a more powerful subterranean reason for phasing out the ADs which sprung from the clash in views on the role of the institution and value of ADs. The MB decision to remove the ADs threatened the core values, professional and vested interests of the staff employed to support the AD programmes. The speed and intensity with which the staff opposed the MB decision reflected the severity of the clash in values and interests. The staff understood the power differentials between themselves and the

management and sought to enhance their power position by leveraging the influence of students/alumni, legislators and the media. Within the institutional structure they appealed to the Council Chairman who had positional authority and formal power and they subsequently participated in the decision-making process as full members in the Council's Working Group. Outside the structure the Action Group talked to the media, lobbied significant others, staged demonstrations, made representations at LegCo Panel meetings to exert influence in changing the management's decision. In the negotiations and discussion over how to make the AD self-financing, the staff were driven mainly by the need to protect their vested interests in minimising changes to their terms and conditions of service. The management in working out the financial support to help with the transition to a self-financing model, had to ensure that the subsidy did not jeopardise the development of the Faculties. The Council had a community interest to safeguard in resolving the conflict since there continued to be strong demand for ADs from the community. The MB did not have the motivation to address the issue of reducing staffing costs to retain the ADs whereas the Working Group in advancing the community interests succeeded in creating a solution that make the ADs financially viable and not be a burden to the University; and could employ as many existing staff as possible.

## **5. ANALYSIS AND DEVELOPMENT**

### **5.1 Introduction**

In the previous chapter research data was presented in relation to the research questions first presented in Chapter 1. This chapter aims to link more explicitly developments at University Central with core micro-political concepts and to use the data from this study to further develop these concepts. A ‘micro-political toolkit’ developed on the basis of an analysis of the literature was presented in Chapter 2, so-called because it comprised five core concepts within micro-political analysis, which when taken together, could be used to analyse particular cases and contexts, explaining not only what happened, but why it happened. The first of the two aims in this chapter is to evaluate the efficacy of the core concepts in the micro-political toolkit. In particular, I seek to explore how effective the core concepts are when used to explain and analyse the events at University Central. The second aim is to further develop the concepts in the toolkit through a process of connecting them to the data from the case study. The case study material suggests that some of the core concepts can be further developed in new ways, and these ideas are also presented. The key micro-political concepts in the toolkit are:

- Interests
- Conflict
- Groups and coalitions
- Power
- Bargaining

Each of the following five sections consists of two parts. The first part discusses the extent to which the concept can explain the events and behaviour of actors in the case. The second part identifies the development points of each concept which thrash out new ideas generated from the analysis of the case evidence and further develop the concept in a new light. These development points on the five concepts contribute to refining and extending the micro-political toolkit which can be used to achieve a better understanding of how organisational members manage changes.

## 5.2 Interests

Hoyle (1982: 89) suggests that interests ‘constitute the content of micropolitics’. When the interests of individuals or groups compete, conflict may occur. In the case, the MB decision threatened the interests of the College staff who mobilised power in seeking to oppose the decision. The conflict between the two groups was eventually resolved by the Council’s Working Group. Given the centrality of the concept of ‘interests’ this notion was examined to find out what types of interests each party involved in the conflict resolution sought to protect and advance. Hoyle (1986) and Ball (1987) elaborate the types of interests pursued by teachers. Hoyle suggests that teachers promote personal and professional interests and Ball categorises teachers’ interests into ideological, vested and self-interests. Hoyle’s personal interests are generally similar to Ball’s vested interests as these relate to the material concerns of teachers involving pay, conditions of service, promotion and career. Hoyle’s professional interests are also similar to Ball’s ideological interests which relate to the curriculum, pedagogy and practice, often based on ideological and philosophical concerns about the work of educating students. For ease of discussion, Hoyle’s terms of ‘personal interests’ and Ball’s ‘vested interests’; and his ‘professional interests’ and Ball’s ‘ideological interests’ are used interchangeably – given their similarity I would argue that this can be justified.

Hoyle’s terms of personal and professional interests are used for the discussion here. Marland (1982) points out the difficulty of distinguishing ‘professional interests’ from ‘personal interest’ when teachers advocate professional interests in order to resist changes that impact on their personal interests. The case material supported that these two sets of interests were deployed in a way similar to Marland’s (1982) suggestion. The College staff strategically deployed professional interests as their prime argument in public and purposely downplayed their concern for protecting their personal interests in order to gain support for their cause from the students/alumni, legislators and the public. The staff couched their arguments in the words of Hoyle (1986:84) as promoting ‘professionalism’ regarding ‘the ultimate interests of the pupils’. They articulated the basis of their opposition to the MB decision as protecting their professional interests in providing quality AD programmes to meet the needs of the students and the community.

In fact, the prime motivator for the staff’s opposition and ensuing actions against the MB decision was their wish to protect their personal interests. To strengthen their power in

protecting these, they needed allies and students/alumni and legislators were their ideal partners. The staff admitted candidly that 'professional interests' were advanced as an effective tactic in gaining support and sympathy from these two groups. Articulating the need to protect their professional interests persuaded the AD students that their studies were under threat. They also raised the students' concern for their own career prospect after graduation pointing out that if the AD programmes they attended were discontinued, their qualifications may not be recognised by potential employers. Such concerns appealed strongly to the students whose interests were aligned with the professional interests advocated by the staff. They were mobilised to form the Student Alliance, and in support of the staff campaign, joined the lobbying and demonstrations organised by the Action Group.

Under the banner of 'professional interests', the Action Group lobbied those legislators whose interests coincided with the staff. The legislators were notably critical of the Government's education policy and the controversy over the funding withdrawal and discontinuation of AD provided an opportunity to criticise the government and the HE sector helping to increase their personal political stature with the community.

The primary purpose of forging alliances by articulating their professional interests was to secure the principal objective of the staff of retaining the College and the AD programmes. It was essential to obtain a consensus within the Working Group that the AD programmes made a valuable contribution to the community and should be retained. Without such an agreement there would be no context in which to argue for their personal interests. The establishment of the alliances with other interested parties was therefore primarily to generate influence and put pressure from other parties on the Working Group to accept the value of the ADs. This contributed to their gaining the opportunity to participate in the decision-making process in the Working Group which provided an arena for the staff to further their personal interests.

Ball (1987) also highlights that the interests and concerns of the Principal are to maintain control and exercise his/her right to make the final decision in determining policy. The interest advanced by the management in their decision to discontinue the AD programmes was to re-focus resources on degree and research work which, in their view, was the University's core business. This decision to reorient the education policy was considered final by the management, albeit it required the final endorsement of the University Council. The concept of 'interests' of the teachers and those of the leader can explain partly the

behaviour of the organisational members, but it seems inadequate in explaining the behaviour of the Council representatives in the case which has a uniqueness in that the Council, not normally involved in management matters, was directly instrumental in resolving an internal management conflict.

The centrality of the conflict over interests also highlights the conflict over the future trajectory of higher education. The work of Deem et al (2007) highlighted a growing tension between a more business-oriented model, underpinned by neo-liberal imperatives, and that of the traditional university as a place of scholarship. Within the case the interests of management are increasingly driven by the demands of macro-policy – presaging a form of managerialism that is at odds with traditional academic cultures. However, ‘academic interests’ could not be considered as homogenous given the obvious tensions between College staff and traditional research-based staff, and therefore it is important to recognise how the College staff sought to articulate their particular personal and professional interests.

### ***5.2.1 Development point: tension between personal and professional interests***

The case provided new insight into the close interrelationship between professional interests and personal interests since it highlighted the tension between these two sets of interests as the actors’ advancement of the former could undermine the latter and vice-versa. The Action Group in promoting their professional interests, proclaimed that their objectives were to save the College and the AD programmes. By keeping all the AD programmes, they could secure enough teaching positions and hence maintain the jobs for all staff. The staff’s concern in protecting their personal interests outweighed their professional interests evidenced by the fact that the two staff representatives’ focused their negotiation in the Working Group on how to minimise changes to the terms and conditions of their employment, which directly affected their personal interests. Their concern for professional interests was demonstrably relegated. Instead of proposing plans for developing new programmes to better meet societal needs or measures to maintain the quality of the ADs, they advanced an unacceptable level of the Student to Staff Ratio (SSR) - 57:1. Through the large and unrealistic increase in productivity this SSR represented, the reduction in individual staff remuneration could be minimised. Such a large SSR would jeopardise the quality of teaching which highlighted their desire to protect jobs and pay, even at the expense of their professional interests. Tension between the two types of interests is further illustrated by the staff agreeing to the Working Group’s solution of continuing the ADs and

the College which required significant reduction in their remuneration and terms of appointment. Their professional interests of providing AD programmes to students would be protected conditional on their making concessions to their personal interests.

### ***5.2.2 Development point: hierarchy of interests***

Micropolitical studies often focus on the conflicting interests and interaction between ‘teachers’ and ‘leaders’ as the major groups involved in a dispute. However, the case study highlighted there was another group involved, namely, the Council, that had considerable authority and had interests separate from the ‘leaders’. The Council played a key role in the conflict resolution and provided an additional perspective to the interests and values of the various participants. Based on the evidence gathered in this research, it is postulated that there is a ‘hierarchy of interests’ as depicted in Figure 5.1, based on where the actors are positioned and their roles in the organisation and the case points to the need to recognise these different ‘levels of interests’. The ideological/professional interests of the Faculty members which clashed with the ideological interests of the College staff were supported and championed by the management. The management, led by the President, constituted the upper echelon of the organisation whereas the College staff formed the lowest echelon; teaching programmes that were at the lowest level offered by the University and employed on teaching grades of a significantly lower status than those of the Faculty members. The Council was at the apex of the organisation hierarchy. The approach of the three sub-groups in the Working Group, coming from different levels of the organisational hierarchy, revealed the kinds of interests they promoted and sought to protect.

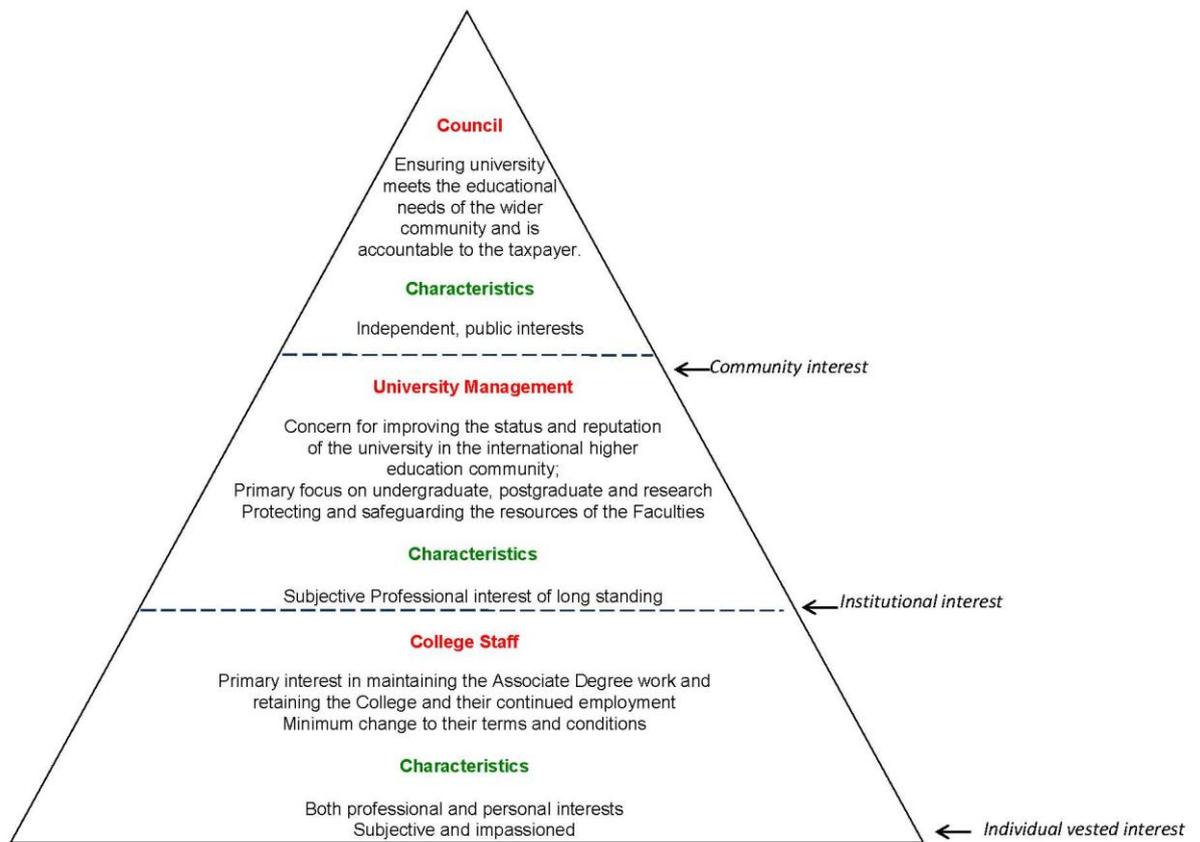


Figure 5.1 Hierarchy of interests

Figure 5.1 shows the hierarchical interests of the three sub-groups; illustrating how the interests move from the community perspective at the apex, through the institutional interest at the mid-point to the personal individual interests of the staff concerned at the base. The pyramid also reflects the different intensities of the reaction of the sub-groups to the issue and as one moves closer to the base of the pyramid, the personal dimension of interests being affected become more prominent. The Council members primarily concerned with safeguarding community interest, were independent of the management and the staff groups. The management were subjectively involved but with no direct personal issues at stake with the College staff having the most to lose and hence passionately fighting for a reversal of the MB decision. The hierarchy depicted in the diagram was derived from the analysis of data presented in the ensuing paragraphs.

The impact of the MB's decision on the College staff's personal interests could not have been greater and the staff reacted with impassioned opposition and quickly committed themselves to use all means to reverse the MB decision.

The management's interests and ambition to raise the international ranking of the Institution related to the status of the organisation rather than to any concern of their personal or individual interests; albeit that an improvement in the status of the University could have an indirect impact on their professional standing in the education community. Furthermore the managers were more established in their careers than other staff and were less concerned with material rewards than how they were judged by their peers and hence their personal status which can be described as the 'ideological interests' identified by Ball (1987) which is based on value and philosophical commitment. The management believed that the complete removal of the College could reshape the Institution's education mission in line with their own value system and advance the status of the Institution.

The situation required the Council to actively assert its right in defining the mission and policy of the University. Lay Council members were neither students nor employees of the Institution. They were independent and had no vested interests other than to ensure that the institution could deliver programmes that met the education needs of the society of Hong Kong. The Council had to deal with the political realities that there was continuing high demand for AD programmes and it could not support the MB decision without itself examining the issue. It was concerned with what Greenhalgh (2001: 226) described as 'commonwealth interests' which is the overall interest of the Institution. They were concerned with higher and broader levels of interest which went beyond academic sectoral interests and were linked more directly to community benefits.

### **5.3 Conflict**

The previous section highlighted the importance of identifying and understanding 'interests' as a means of identifying what it is that might motivate action. However, in order to understand the dynamics of the micro-political process it is important to understand what happens when interests clash. Conflict occurs when the divergent interests of the groups compete with each other and cannot be reconciled (Ball, 1987; Morgan, 1997). Conflicts over interests can be 'lived with' in times of calm but are brought into the open in turbulent times. Funding withdrawal was the catalyst, not the cause. At University Central, the potential conflict of interests and goals between the management and the College staff had remained dormant during the preceding years of stable funding. However, the government's change in AD funding policy challenged the status quo and provided management with the opportunity to discontinue the AD programmes, an area of work

which they had no interest or motivation to retain in times of financial exigency. The MB believed that ADs was a 'minor business', resources should be protected and refocused on other parts of the University's operation, viz. degree and research. Such a view reflected that management valued other work more highly than the ADs. The MB decision of phasing-out the AD however seriously threatened the professional and personal interests of the College staff who reacted with impassioned objection and the clash in interests resulted in an open conflict. What followed in the case was College staff were engaged actively in micro-political activities aiming to protect their interests by working to reverse the MB decision.

In the literature, much attention is paid to the concept of 'interests', and the competing interests of different groups, as the 'content' of conflict and organisational members use power to protect and promote interests. I would argue that there is often insufficient discussion of 'values' as the fundamental reasons for dispute. Ball however recognises that ideological diversity between groups exists in a school which provides the 'potential for conflict' and 'decision-making in the institution' often 'have strong ideological underpinnings' (1987: 15). In my view the linkage and relationship between values and interests has often not been sufficiently explored in the literature reviewed and therefore cannot adequately explain the behaviour of the organisational members who were in conflict.

### ***5.3.1 Development point: relationship between values and interests***

Values did not feature as a core micro-political concept in my toolkit since there had been no extensive discussion of the concept in the literature review. Values are deep-seated and not easily manifested in behaviour or actions. The values upheld by the actors in the case consisted of ideological values, beliefs and individual values. Values become entrenched once they are developed as an individual actor goes through socialisation, professional training and life experiences. In the case, the management's values of establishing the institution as a 'full-blown university' (R7) by were translated into the interests of enhancing the degree and research work. The sub-degree teaching at AD level, in the eyes of management, was inconsistent with their values and goals of establishing the University as an internationally renowned institution of high standing (R7). The externally initiated funding change unveils significant ideological issues about the definition and interpretation of university education between the management and the College staff who held competing

views on the value of AD work and therefore disagreed with the response to the Government's policy change in AD funding. 'Those values are clearly the values of individuals – values are, after all, those beliefs and principles that individuals hold most dear' (Bell and Stevenson, 2006: 23). The College staff sought to uphold their values of providing AD programmes which they believed formed an important part of the University's education mission and translated these values into their professional and personal interests in continuing with the AD which they argued had strong demand.

There is a close relationship between political dispute and resource allocation (Bennett and Wilkie, 1973). Policy decisions are underpinned by values (Ball, 1987), and when policy is made, decisions on resource allocation will follow. The Government's new AD funding policy of off-loading government support to private providers (Sutherland, 2002) was seen as devaluing the work and this interpretation underpinned the MB's decision. The conflict between the management and the College staff was a clash of values; the crux of the problem was not a financial one, although it was convenient to present it as such. The fact that the resource problem was resolved by the Working Group using the new financial model derived from the financial analysis based on information provided by the management, demonstrated that the management could similarly have solved the problem using their expertise and financial information available to them had their value system held the AD provision as an important element of the University's work. Retention of the ADs was a matter of will and desire rather than affordability.

In short, at the heart of the dispute, was a conflict between competing values – on one hand a desire to be an elite, research-driven University based on degree and research work, and on the other a commitment to offer a broader-based mass education by teaching AD programmes. The opposing value sets at work concerned the primary issue of whether the AD provision, which was considered a 'minor' business by the management, should continue to be provided alongside the degree and research work in its quest to attaining high international ranking. The management used the opportunity provided by the government's funding policy change to assert its value of establishing the University as an elite institution by shedding that 'burden' (the AD) (R7). The case study highlighted the importance of conflict as a dynamic that drives micro-political processes in institutions, especially during times of change and turbulence. Much of the literature focuses on conflict over 'interests' as the basis of the antagonisms between different groups. Whilst this is clearly important, my research suggests that it is insufficient and that to understand the real

nature of conflict in organisations it is important to understand how competing values provide the basis for conflicts over interests. It is as though values provide the foundations, on which interests, and the articulation of interests, are the visible manifestations. The conflict over interests, over which the groups could bargain and strike compromises, were the 'outward' manifestation of values. In this case, the disagreement over the financial viability of the ADs was subsequently resolved with concessions made to the financial interests of both the management and the staff. The 'visible' conflict was resolved to the greater or lesser satisfaction of the players involved. The opposing value sets however can remain unchanged under the façade of the re-negotiated order and value controversies may erupt again when future related conflicts occur. All of these themes draw attention to the need to understand how actors' interests form and coalesce around values (Baldrige, 1971), and how compromises over values and interests form the basis of groups and coalitions.

The case illustrates the conflicts that emerge as elements of traditional 'welfarist' systems transition to 'post-welfarist' forms. As Gewirtz (2002) points out these different forms of organisation are differentiated in large part by fundamental differences in values. A shift towards 'academic capitalism' (Slaughter and Leslie, 1997) brings with it a values shift that is capable of generating significant tensions. In this case, the values conflict was highlighted by a dispute between those seeking to consolidate as an elite 'research' institution, and those committed to offering a university experience to a much broader range of students.

#### **5.4 Groups and coalitions**

Groups and coalitions are powerful concepts and entities which emerged in the data. Bacharach and Lawler's (1980) assertion that groups, should be the unit of political analysis of an organisation applies well in the case study. Their definition of work groups, interest groups and coalitions and their view on coalition as a dynamic strategic device in generating influence provide the language and the concepts to analyse the behaviour of the actors in the dispute.

The Divisions in the College formed the individual 'work groups'. Each Division was subject to a different timetable for the removal of funding and if they were to respond as individual work groups there was a danger of fragmentation and hence a weakening of the

overall opposition to the management's decision, providing the latter with the opportunity to use the strategy of 'divide and rule'. Furthermore, any actions on the part of the work groups were constrained as they would have to comply with the established rules, procedures and code of practice. Cutting across the Division boundaries were two interest groups: the teaching staff and the administrative/support staff. Both had significant interests in common but each group was affected differently by the MB decision. These two groups came together to form a coalition which was the Action Group. Bacharach and Lawler (1980) emphasised that coalitions are socially constructed and rarely a product of formal structures. Coalitions can join interest groups from different sectors of the organisation and are a strategic device for improving the power position of the component groups vis-à-vis other groups (Bacharach and Lawler, 1980: 106). The formation of a coalition, viz., the Action Group, by the College staff, through the election of staff representatives from the formal work groups and interest groups consisted of members from different categories and grades. Such a composition made it a very powerful grouping enabling the members to exercise power based on their professional expertise. For instance, the social work teachers were very skilled in organising petitions and demonstrations and some of them had political links outside the organisation which they could exploit to bring influence to bear on the management and the Working Group.

#### ***5.4.1 Development point: workings of a coalition in a specific organisational context***

The theories of coalitions as discussed by Bacharach and Lawler (1980) and theories on mobilisation of interest groups into coalitions were developed in an abstract and idealised model, free of specific organisational context which set the parameters of the real world conflict settings in which coalitions operate. The case addressed this weak empirical basis of the literature as it provided rich contextual details and evidence of how the concept of coalition was operationalised by a staff grouping called the Action Group. The ways with which this coalition operated, its features, capabilities, strategies and activities undertaken provided good empirical evidence on a coalition in action, and how it behaved in advancing the interests of its members.

To generate influence to shape decision-making of those in authorities (Bolman and Deal, 1991; Bush, 2003), a coalition can forge alliances with other interest groups to enhance the subordinates' power position. In the case, the Action Group functioned as a distinctive political unit for the staff which successfully struck alliances with interest groups such as

the Student Alliance and the legislators to increase its influence. Groups coalesce around values and interests (Baldrige, 1971; Milliken, 2001). The coalition advancing the professional interest of keeping AD programmes appealed strongly to the interests of these two groups. The Action Group appealed to the students' own interests by alerting them that their future career prospects could be jeopardised because potential employers might not recognise their qualifications since the College that offered the AD programmes which they studied was closed down. The students were mobilised to provide strong support to the staff's campaign as they participated in the demonstrations, petitions and representation to the LegCo organised by the Action Group. The professional interest articulated by the Action Group also coincided with the interests of the legislators who were critical of Government's education policy and could use this topic to further criticise the government to increase their political stature. The coalition kept them as allies and did not absorb them into their own coalition and leverage their influence to put pressure on the University authorities. Their tactic of appealing to the media was to feed it with their criticism of management which might be newsworthy items and generate public interests or social debate.

This coalition operated on the basis of informality which gave it considerable advantages over formal groups in terms of forming alliances, manoeuvring, lobbying and bargaining with the opposing parties. Being part of the formal structure would subject it to the rules and procedures established for the operation and management of formal groups (West, 1999) and certain standards of behaviour would be expected of the members of these groups. The informal nature of the coalition freed it from these constraints and sanctions should their activities and behaviour infringed those rules and procedures. Had it been 'incorporated' by the institutional apparatus, such as being formally represented in the Working Group, it would have been bound by the house rules and confidentiality pledges which could significantly restrain its actions outside the formal structure where it sought to expand its influence by striking alliances. Similarly, it chose not to access trade union power since the union was part of the established mechanisms which provided formal dialogue with management and union officers would be subject to certain behaviour expected of them and could not commit to radical actions which could attract sanction.

The informality also added to the fluidity of coalition building (Bell and Stevenson, 2006) which allowed the coalition to move in a dynamic fashion in seeking allies or reacting to situations quickly, especially when allegiance or support was shifting quickly. In the case,

one work group quickly withdrew from the coalition once its future was assured by continued government funding, and its members' personal interests and work practice were protected. The Action Group evolved and emerged quickly out of the Concerned Group originally formed under the union when it recognised that staying under its aegis might even jeopardise the College staff's interests. The informality and fluidity with which it operated gave it a seemingly 'loose', but well organised structure which enabled it to take more radical, spontaneous and dynamic actions in mapping out their strategies, forging alliances and expanding their influence to enhance their power position.

The Action Group also skilfully infiltrated the formal bargaining arena through its members who had their own formal status in the process of seeking a resolution of the issue.

The case also identified that in a dispute between the staff and the management, these conflicting parties, in enhancing their respective power positions, would be involved in a competition for support from other groups, such as the students/alumni, legislators and the media. It is easier for staff to mobilise students who have a much closer relationship with teachers with whom they interact in the classrooms whereas the management appeared to be remote and faceless to whom students could hardly relate. The legislators and the media would be in a more 'neutral' position which required different strategies to gain their support in the power struggle.

The case also exposed the inherent instability in a coalition which through the process of intra-organisational bargaining (Walton and McKersie, 1965) seeks to obtain consensus within the coalition. At the beginning of the conflict, when the positions of the staff and the management were polarised the component groups in the coalition showed strong unanimity in their opposition to the management decision. However, as discussion proceeded and concessions were negotiated, views and positions began to change as the counter-proposals affected the interests of each groups and the individuals differently especially over the issue of maintaining superannuable terms of employment which led to the break-up between the Action Group and the two staff representatives and the former acting independently of the latter.

## 5.5 Power

The College staff as subordinates were a seemingly weak group in the authority structure. However, they successfully mobilised influence in seeking to change the decision of those in authority (Bell and Stevenson, 2006) and narrowed the power gap with the superiors (Bacharach and Lawler, 1980).

The staff had a high level of ‘micropolitical literacy’ (Blase and Anderson, 1995: 12-13) and understood how formal power worked in the organisation and hence in seeking to intervene in the policy and decision-making, they had to be able to participate in the decision-making process from which they were previously excluded, and any changes made to the MB decision must be endorsed by the ultimate authority, the Council. As subordinates, the College staff had no formal power to appeal against the MB decision and no access to the Council within the formal structure and mechanisms. They mobilised influence through informal channels to oppose the MB decision. They skilfully attacked its legitimacy and appealed to the Council privately and at the same time, put the issue into the public domain through the media. The staff also brought other sources of influence to bear on the authority involving students/alumni, who were not part of the authority structure, but their views would be considered by those in authority. The staff also obtained the support of legislators who were opinion leaders to exert pressure on the authority.

The staff lobbied the Council which established the Working Group including representation, and hence the participation, of the College staff. Thus, the staff succeeded in changing the structure of participation in decision-making which was normally determined by the head (Hoyle, 1986).

### ***5.5.1 Development point: influence and ‘network of power’***

The Action Group was the staff’s opposition group that functioned as the strategic device in building up a ‘network of power’ with other groups outside the authority structure of the Institution, helping to strengthen their power position vis-à-vis the University authorities. Its ability to mobilise power from other sources could be attributed to its informal status and the informality of its operations.

How the concept of informality works in organisational life has not been sufficiently researched (Ball, 1987). With this case, the notion of informality assumes great significance since it gave considerable freedom and tactical advantage for the Action Group to function and manoeuvre both within and outside the formal structure. The Action Group, unbounded by the rules and protocols of the formal structure, expanded its influence by forming alliances with other interest groups both inside and outside the Institution well beyond that which a formal group within the organisation could achieve. The resulting power relationships and paths of influence interlaced with their formal communication via representatives serving on formal groups are depicted in Figure 5.2: the ‘network of power’.

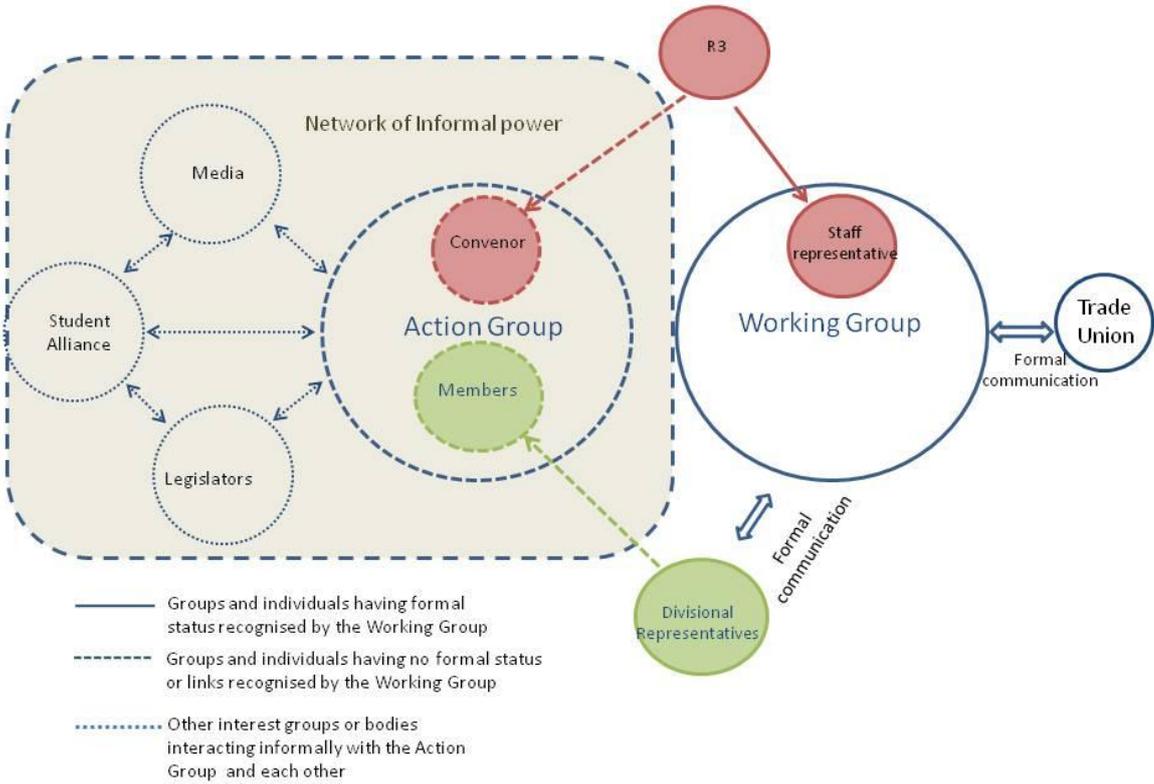


Figure 5.2 Network of power

The network of power (Figure 5.2) portrays how the Action Group as a coalition used its informal status, represented by the broken lines in the diagram, in mobilising three major interest groups, the Student Alliance, the legislators and the media, to strengthen the staff’s power position in the interaction and negotiation with the Working Group. Interaction with these groups was also informal illustrated by the dotted lines in the diagram. Its informal status enabled it to forge a strong alliance with the Student Alliance. The staff in the formal

work group dissociated themselves from any involvement in mobilising the students since this would attract criticism of inciting and using the students on a matter which concerned mainly the staff's interests. The staff admitted that key members of the Action Group, who had no role in the formal structure, aroused and mobilised the students and helped them organise the Student Alliance. The staff used the lever of the close relationship and bonding between teachers and students and obtained the students' sympathy.

The success of the Action Group in mobilising the legislators was coincidental with the legislators' search for issues to support their own political agenda to criticise the Government in not supporting sub-degree work in the HE sector. The solicitation of the legislators' support kept the issue under 'public watch' which exerted pressure on the University authorities. Had the Action Group functioned as a formal group, it would have been difficult for them to lobby the legislators to put pressure on their own organisation.

The Action Group also leveraged the influence of the media who would report on their actions and/or criticisms if they found them to be newsworthy. The staff were able to keep up the pressure on the management by generating comments or awareness among the general public on the issue. The media in Hong Kong generally has no explicit, partisan political agenda or affinity towards any political party and would be keen to report on events that generate social issues or public discussion which could increase their circulation. The Action Group, operating on an informal basis, was able to interact with the various groups as shown in Figure 5.2 and leverage their influence to help advance the staff's personal interests. It can be argued that the staff managed to achieve the 'best of both worlds'. Through the Action Group, an informal, unrecognised group, they had the freedom to use tactics and take radical action which a formal status would have precluded. They sought influence through backstage manoeuvring, private meetings and talks. At the same time they had representation at the bargaining table through their own convenor in his formal role as the staff representative. Furthermore, the Action Group organised itself as a group of elected Divisional Representatives who could interact formally with the Working Group, therefore they enjoyed another route to influence its decisions.

The diagram shows that the trade union had only limited interaction with the Working Group and the role of negotiator for the College staff was taken up by the Action Group through its convenor serving on the Working Group. Tactically, the Action Group worked independently of the trade union since the latter had difficulties in fully representing the

interests of College staff because Faculty members constituted a majority of its membership (R2 and R10). The fact that the trade union functions as part of the established channels that management use to consult on staffing related issues could also work against the interests of the College staff. Trade unions function within agreed procedures and protocols and the relationships between individual union officers and management are long-term. They may not always be amicable, but they are generally stable and predictable. In this regard, their actions would be more predictable and certain standards of behaviour would be expected and would be more manageable. Through its informal nature, the Action Group, was a brand new animal and its actions and behaviour were not predictable. The lack of predictability arguably made it a difficult organisation to work with. Since the Action Group was also established on an ad-hoc basis, unlike the union, it did not have to fear that its actions would jeopardise negotiations in any future disputes.

## **5.6 Bargaining**

This section examines how effectively Walton and McKersie's (1965) negotiation theory consisting of the four sub-processes of distributive bargaining, integrative bargaining, attitudinal structuring and intra-organisational bargaining explains the interaction of the three groups of actors within the Working Group and how introducing changes to the bargaining relationship as suggested by Bacharach and Lawler (1980) affect conflict resolution.

The case situation resembled the labour-management negotiation setting on which Walton and McKersie's theory was developed since the Action Group behaved as a quasi-trade union and negotiated indirectly with management via the two staff representatives. The ability of the theory in explaining the case is limited because some of the propositions relate closely to the behaviour of the chief negotiators on the company side and those on the union side, who to a large extent, have more autonomy in determining their strategies and decisions at the bargaining table. In contrast the Action Group as the constituents, exercised considerable influence on the staff representatives' strategies and actions. Furthermore, apart from the staff and the management, there was a third group of participants, the Council representatives, in the negotiations which is unaccounted for in their theory. The role of this group can be explained by Bacharach and Lawler's (1980) suggestion that the introduction of 'structural conditions' to the bargaining relationship can facilitate conflict resolution.

The College staff, from the outset, defined the negotiations as ‘distributive bargaining’ which means that the objectives of the negotiating parties were in conflict and they adopted a competitive approach. To the staff, keeping the College was the basis for continuation of their employment and therefore the focus of their negotiation was how to protect their jobs and pay in face of dwindling resources. The staff had taken a traditional view of negotiation as a win-lose situation and treated the relationship with the management as adversarial which is typical in a union-management relationship. The bargaining in the Working Group was undertaken by the two staff representatives, one of whom was the convenor of the Action Group. Their strategy was to gain more resources or yield less to the diminution to their remuneration and conditions of employment, and keeping their jobs were their ‘resistance points’.

They used tactics which were typical of distributive bargaining (Bacharach and Lawler, 1980) such as giving as little information as possible in order to improve the chance that the opposing side would yield to their demands. For example, the staff withheld information on how much salary reduction they would accept until an offer was made, they then responded with a counter-offer. Where possible they adopted a tough stance ‘to get the most out of the meeting’ (R2). The ‘attitudinal structuring’ carried out by the staff sought to change the attitude of the lay Council members and they engaged intensively in impression management by meeting with government officials, legislators and lobbying Council members to bring the emotive elements of the case to the fore to counteract the ‘facts and figures’ gathered by the management which would otherwise predominate in the negotiation. They also threatened litigation which attempted to retract the negotiated change obtained by the two staff representatives at the final stage of the negotiation.

Walton and McKersie’s (1965) sub-process of intra-organisational bargaining, and what Bacharach and Lawler (1980) refer to as ‘intracoalition bargaining’ featured when the Action Group, using the persona of Divisional Representatives, presented the legal challenge to contest the negotiated change obtained regarding their demand for retaining the superannuable terms of employment. The staff representatives had successfully, in the earlier rounds of negotiation, presented a unified view on the staff’s position regarding the acceptability of changes to their salary and terms of employment. As chief negotiators, they eventually negotiated for a compromise of keeping the superannuable terms for another four years which was negatively received by many of the constituents. The impact of removing superannuable terms of employment which meant ‘employment until retirement’

to the staff, affected the economic well-being of different categories of staff in different ways and brought out the individualistic interests of the constituents and caused a severe split in the staff's view on this issue. The internal conflict among the staff was so strong that the two staff representatives could not represent their constituents.

To the management, there was both distributive and integrative elements in its approach to resolving the conflict. Their 'resistance point' was to minimise the resources needed to support the conversion of the AD operation in order not to jeopardise the development of the Faculties. The management was also cooperative since, with the intervention of the Council, they realised that they should work out a feasible solution acceptable to the staff. They had been cooperative in providing information on costs and undertaking a financial analysis. This also gave them power as they could rely on the figures to say how much subsidy from the University would be required to facilitate the AD conversion. Although the management representatives disagreed with using the term 'bargaining' to describe their interaction, typical bargaining behaviour such as revising 'opening offers', 'give-and-take' occurred, trade-offs were made and compromises struck in the process. It was, in all but name, a bargaining situation.

The case was different from the usual union-management negotiation because the Council participated directly in the conflict resolution. This group of actors was the third party referred to by Bacharach and Lawler (1980) and part of the structural conditions established by the organisation to facilitate conflict resolution. Their role was to safeguard the 'community interests'. Unlike the other two parties who both adopted competitive elements in their approach, the Council representatives defined the situation the three parties were faced as joint-problem solving and undertook a rational problem-solving approach to work out a solution which would be acceptable to all parties. According to the negotiation theory of Walton and McKersie, the Council representatives were engaged in 'integrative bargaining' which emphasised obtaining relevant information to produce a solution that could benefit all parties. With the case, it is difficult to argue that all three parties worked together to pursue mutual gain since funding would be significantly reduced, which would adversely affect the staff's personal interests. Relying simply on facts and figures derived from financial and costing analyses would not be adequate in securing staff's agreement to the adverse changes to their pay and terms of employment. The Council representatives, especially the Working Group chairman, made a conscious effort of 'attitudinal structuring' to encourage openness, trust and commitment to the process of

problem-solving. He maintained an open and communicative approach to cultivate an atmosphere of mutual respect, solicited staff's views through many consultation sessions and encouraged the Working Group to view issues in largely integrative terms and to base their deliberations on facts. The chairman wished to engender a more positive attitude towards the Working Group, to move away from the emotive elements and focus attention on joint problem-solving to build a model for a self-financing AD operation rather than focusing on a re-distribution of resources. The Council members' open and communicative approach was similar to Bacharach and Lawler's (1980) suggestion that the open lines of communication can facilitate conflict resolution. The Council representatives also showed that they attended to the College staff's concern for their professional and personal interests.

For the Working Group to agree to a solution, the Council representatives believed that it would require both the management and the staff sides to make financial sacrifices. They were also pragmatic in making the compromise of not insisting on an immediate change of the staff's superannuable terms of employment to fixed-term contract because of the staff's strong objection. They recognised that without the staff's acceptance, they could not finalise the proposal as an agreed solution to be presented to the Council for approval.

#### ***5.6.1 Development point: non-union based, tripartite bargaining***

Despite the management side and the Council representatives' denial that they had engaged in bargaining behaviour, the processes undertaken in the Working Group to resolve the conflict involved the bargaining sub-processes similar to those advanced in Walton and McKersie's (1965) theory of collective bargaining. In the case, the bargaining occurred in a different arena from the usual union-management setting. Nonetheless, the distributive and integrative bargaining processes could be applied and adapted to explain the interactions of the three groups in the Working Group. From the staff's perspective, the Working Group functioned as the arena for bargaining in which the negotiation was about the exchange of offer and counter-offer. There were both integrative and distributive elements in the management's approach: whilst willing to cooperate and make financial commitment to support the AD conversion, they had to contain the financial subsidy. The participation of the Council through the Council representatives was essential to resolving the situation since the Council representatives led by the chairman had taken a rational and practical approach, which, using the language of Walton and McKersie's theory, can be described as integrative bargaining using a rational problem solving process. It is interesting to note that

‘attitudinal structuring’, which was not as extensively discussed in the literature as the other three sub-processes, emerged as significant in explaining the open and communicative approach adopted by the Council representatives in persuading the staff to perceive the situation in more ‘integrative’ terms. The intra-organisational bargaining expressed cogently the severity of the internal conflict within the staff group, which might not be discerned if the theory was not used in the analysis. In summary, bargaining is not confined to the union-management setting and it provides a way of resolving conflicts among the parties involved, with trade-offs and compromise struck in the process.

The Working Group solution was approved by the Council. This outcome of the bargaining process apparently was able to settle the turmoil within the University and to establish a new order and for calm to be restored. The staff had to admit that their objective of keeping the College and the ADs was achieved albeit with significant changes to their personal interests. The management had limited the financial subsidy to help with establishing a new College which could distance, to a degree, the two institutions from one another and help each to focus on their own set of values and interests. The Council representatives believed that the solution furthered ‘community interests’, continuing the provision of ADs and the employment of the College staff in teaching the ADs. The question which arises is whether the bargaining outcome provided a long-term solution to the clash of values which was the fundamental source of conflict between the management and the College staff. The conflict resolution was only temporary since the underlying clash of values remained unresolved; the re-negotiated order had once again pushed the conflict below the surface. As Fox (1974) points out, the bargaining merely represents a ‘best that we can get for now’ position and the employees will return with new demands to the bargaining table when the opportunity arises.

What is clear however is that the emergence of the Action Group posed a challenge both to the emergence of a new managerialism within the institution (Deem et al 2007), and also to the existing union as an employee-based organisation that appears to have been incorporated within the system.

## **5.7 Conclusion**

This chapter analysed the research findings using the five core concepts which constituted the micro-political toolkit developed in Chapter 2. The behaviour of the organisational

members involved in the dispute was largely explained by the concepts of 'interest', 'conflict', 'groups and coalitions', 'power' and 'bargaining'. These concepts were further developed in a new light to aid the understanding of the development in the case. The findings showed the professional and personal interests advanced by teachers could be in conflict with each other. There were other types of interests which emerged from the case that could not fit into the categories identified in the literature but could be explained by a new 'hierarchy of interests'. Future research in micro-political studies should examine in greater detail the concept of values and value controversies as the fundamental source of 'conflict' over interests between competing groups. The concept of 'groups and coalitions' highlighted that groups were the major unit through which individuals further their interests and engage in power struggle. A coalition provides an effective strategic device for the subordinates in the case to generate influence outside the formal structure, seeking to change decision-making of those in authority. Intra-coalition bargaining however could cause instability and weaken the coalition. The subordinates through building a 'network of power' providing access to formal and informal 'power', interlaced between the network advancing their interests the best they could. The process of 'bargaining' which took place in the Working Group provided the means of resolving the conflict among the three sub-groups involved in an interdependent relationship. The bargaining outcome sufficed in solving the problem at that point in time. New tensions and conflicts will build up when the solution is implemented and circumstances change, providing opportunities for those staff who regarded themselves as losers in the contest to articulate their interest again.

## **6. CONCLUSION**

### **6.1 Introduction**

In this final chapter I begin by re-presenting the overall aims and purpose of the study and then summarise the key findings in relation to the five specific research questions that provide the basis of the work presented here. In setting out this work I hope I have demonstrated the complex nature of change in contemporary, large-scale institutions such as a university. In particular I have sought to demonstrate that adopting a micro-political framework offers an especially fruitful approach to analysing such developments, which strongly reflect the complexity, and the ‘messiness’ of change. In adopting a micro-political approach to my analysis I have relied extensively on the use of a set of ‘core concepts’ that when taken together have provided a ‘micro-political toolkit’, capable of assisting researchers and scholars to analyse complex organisation change. Within this chapter I highlight arguments presented at length in Chapter 5 where I evaluated the usefulness of these core concepts and demonstrated how my own research might contribute to their further development. The final section elaborates the significance of the study and its implications for theory, practice and research.

### **6.2 Overview of the aims and purpose of the study**

This study aimed to examine how an individual institution, the University Central, managed a significant change in the external policy environment impacting on its provision of AD programmes. It sought to understand what determined the management’s initial response to the policy switch, and how this response elicited actions and reactions from other organisational members and how their interaction further modified the response into the final institutional response to the change.

The complex change management process involved essentially the creation of two distinct proposals. The initial MB proposal of phasing-out the AD programmes, made on the basis of a consensus-directed decision-making process, was rejected by the College staff. The second proposal which became the final response was shaped by the management, the College staff and the Council, through the work of the Council’s Working Group. Micro-political factors featured strongly in the development of the case such as divergent interests, conflict and power struggles among the members which were at variance with the general perception of the order and harmony of organisational life. The inquiry aimed to investigate

the situation from a micro-political perspective, to gain a better understanding of the processes of managing the crisis, through examining the key micro-political components involved which ultimately contributed to a solution generally acceptable to all parties concerned.

To achieve the above aims, and following a review of the key literature in the field, the research analysed the case using five core micro-political concepts: interests, conflict, groups and coalitions, power and bargaining, seeking to achieve the following:

- to identify the reasons for the failure of the collegial model in resolving the issue.
- to examine the different interests held by the different groups to shed light on the reasons for the conflict.
- to focus on the groups and coalitions formed by the College staff and examine how they mobilised power over others to further their interests.
- to examine the creation of the Working Group as a new mechanism in the authority structure to deal with the unprecedented change and assess its role and how it managed to reach agreement over the conflict.
- to investigate the processes undertaken in the Working Group with a view to understand how the members interacted, how their actions and responses to one another affected or modified actions of others and how they eventually settled their different views through bargaining.

From the main research question:

*'How did the University manage the change in AD funding policy initiated by the Government between May 2003 and January 2004?'*

five specific research questions were generated to guide and inform the study and the next section describes the findings concerning these questions.

### **6.3 Summary of findings**

The following section gives a summary of the answers to the five specific research

questions.

The MB claimed that its decision to recommend to the Council to phase out the AD programmes was based on the financial difficulty of offering the programmes in a self-financing mode. The MB argued that the decision was an inevitable conclusion since it had exhausted all possible means to reduce the speed and magnitude of the funding withdrawal with the Government who remained unsympathetic and unwilling to provide any further assistance. The decision was also claimed to have been reached by consensus within the MB, but there was no consultation with the College staff.

In contrast, the College staff perceived that the management used the funding withdrawal as an opportunity to remove the ADs which they considered to be low level work not commensurate with the status of a university. This view coincided with the responses given by members of the management interviewed in this study, who concurred that the subterranean reason for the decision was to shed the AD work to focus on degree, postgraduate and research work to better place the University in its objective of improving its international ranking. The management tried, through redefining the University's educational mission, to establish its goals as the organisational goals, which were in contradiction to the College staff's goals.

The MB decision was made without the participation of the College staff to which they strongly objected since it threatened their livelihood. This supported the micro-political view that that the search for consensus resulted in ignoring disagreement (Baldrige et al, 1978; Ball, 1987; Morgan, 1997). The College staff as subordinates had no formal power to appeal against the MB decision as the MB was structured to exclude staff participation (Ball, 1987). Notwithstanding, the College staff were able to challenge the MB decision on its legitimacy since the MB publicly announced its decision without securing the Council's endorsement on a matter which was the prerogative of the Council. The Council as the ultimate authority on the institution's educational mission had the responsibility to intervene and determine the institutional response to the funding change.

To oppose the MB decision which threatened both their professional and personal interests, the 'activists' (Baldrige et al., 1978) among the staff immediately resorted to external influence by contesting the decision through the press to attract public attention to the conflict. The staff very quickly elected from among themselves representatives to form the

Save the College Action Group (Action Group). The Action Group was a coalition which articulated the staff's interests and generated influence in seeking to change the decision of those in authority (Bacharach and Lawler, 1980; Bell and Stevenson, 2006). They strategically advanced their professional interests in public to generate support from the Student Alliance and the legislators who forged alliances with the staff. The Action Group leveraged the influence of these external groups and the media to bring pressure to bear on the University authorities. The staff considered that through these micro-political activities they forced the Council to establish the Working Group, enabling them to participate in the decision-making process and bringing the management back to the bargaining table.

The Action Group was an informal group having no official status and was not directly consulted by the Working Group. However, members of the Action Group, together with other representatives elected from the Divisions, included the group of Divisional Representatives who enjoyed a formal status which allowed them formal dialogue with the Working Group. Furthermore, the convenor of the Action Group was a member of the Working Group who provided a direct channel for communicating the views of the Action Group. This arrangement gave freedom for the Action Group to operate outside the formal channels and to take radical and unofficial action to continue to bring pressure on the University. At the same time they were able to use their formal links to influence the bargaining which took place within the Working Group. The College staff focused on securing their personal interests in the bargaining and negotiations within the Working Group, through their staff representatives who were backed up by the Action Group advising on the tactics and proposals for protecting their jobs and pay. The Action Group, in effect, acted as a quasi trade union but its informal status enabled it to take radical action without the fear of sanctions.

The formation of the Working Group represented a significant change to the institutional structure for handling management matters within the University because the existing systems and mechanisms did not work. The Council, as the ultimate authority of the Institution established the Working Group as a new mechanism to bring the issue back into the organisational structure (Bacharach and Lawler, 1980).

The inclusion of three lay Council members in the Working Group was significant and prevented the sectoral interests of the management or the staff from dominating in the decision-making. In contrast to the MB, the Chairman of the Working Group established an

open and communicative approach to encourage trust and remove hostility. He guided the Working Group to use a rational problem-solving approach basing their arguments on facts and information to arrive at the appropriate model for the self-financing AD operation. The Council members acknowledged the personal and professional interests of the staff allowing them to participate directly in the decision-making. The Group also consulted widely, and directly, with the College staff, Faculty staff and students before finalising its recommendations to ensure that it took into account the views of the various stakeholders in the University.

The recommendations of the Working Group for making the AD programmes self-financing included creating a new legal entity, a new financial model, new staffing policies and structures and major changes to the existing staff's personal interests for migrating to the new framework of operation over a four-year period. All three parties shared the common interest of devising a solution to the problem. However, the primary concern of each party was different, hence their preferred outcomes of the bargaining process were also different. The Council members in the Working Group were concerned predominantly with upholding community interests by establishing the 'right' model that could assure the long-term financial sustainability of the ADs. This required a model which not only worked within the new financial envelope but also allowed flexibility in manpower management by making appointments on fixed-term contracts. The preferred outcome for the management was to delimit the financial and physical resources to be provided. The preferred outcome for the College staff was to minimise the reduction in their remuneration and to retain their superannuable terms of appointment. The bargaining process was most intense in debating changes to these two major aspects of the staff's personal interests. The parties through several rounds of bargaining eventually settled on a 20% pay reduction. The staff tenaciously objected to the termination of their superannuable terms, which 'forced' the Working Group to offer the compromise of deferring the termination for four years. The two staff representatives accepting this compromise generated intense intraorganisational bargaining within the Action Group and agreement was further delayed. The Working Group maintained their stance on the compromise reached with the two staff representatives and the recommendations were subsequently endorsed by the Council in January 2004.

In assessing the outcome of the bargaining, the majority of the staff respondents agreed that the solution was the best that could be achieved in the circumstances. It met their main

objectives of keeping the AD programmes and the College, hence protecting their professional interests. Nonetheless, the staff made significant concessions to their personal interests and some staff felt strongly that they lost out in the bargaining. To the management, the conflict was resolved since they had limited their financial support and the financial risk of the AD operation which would be borne by a separate legal entity. For the Council members, they believed that the result was an optimal and also a win-win solution since it protected the community interests through the continued provision of quality AD programmes and the staff could keep their jobs. Each party gained something out of the resolution, although sacrifice and compromise had to be made by each. To many staff, the solution was only temporary since they believed that when the solution was implemented, new demands and tensions would build up and circumstances would change providing them with further opportunities to articulate their interests.

#### **6.4 Refinement of the micro-political toolkit comprising the five micro-political concepts**

The above summary highlights the value of a micro-political analysis of the change process experienced at University Central. However, the research also highlighted ways in which the core micro-political concepts might be developed further to help better explain the phenomenon being studied. These development issues are summarised here.

##### *Interests*

The study highlighted the potential tension between professional and personal interests: one set of interests may be advanced at the expense of the other. The College staff strategically deployed professional interests to obtain support from the Student Alliance and legislators, and sympathy from the public thereby generating influence and putting pressure on the University authorities. This emphasis on professional interests gained them the right to participate in the new decision-making body where they argued vigorously within this private arena to protect their personal interests. They focused predominantly on minimising the changes to their terms and conditions of service in the new financial model and resorted to putting forward proposals which would have jeopardised the quality of the programmes, actually undermining their professional interests. Similarly, the outcome of the negotiated settlement which protected professional interests, the avowed objectives of the College staff, could only be arrived at with substantial changes to their personal interests.

The findings supported the claim that there is a 'hierarchy of interests' which covers the types of the interests advanced by the organisational members which cannot be classified neatly into the leaders' interests of maintaining organisational control and the teachers' professional and personal interests (Ball, 1987; Hoyle, 1986). Based on the members' role and position in the organisation, interests wider than the categories identified in the literature can be promoted. The University Council, as the governing body, promoted neither the leaders' nor the teachers' interests. The Council members were concerned with a broader and higher level of interests, described as 'community interests', which related to how the Institution could meet the educational needs of the community. They were independent and were not personally involved in supporting the professional or personal interests of the management or the staff. The management was concerned with promoting 'institutional interests' reflecting their professional interest in raising the status of the Institution, indirectly enhancing their personal status but not necessarily their individual financial interests. The College staff as employees working 'at the base of the pyramid' were primarily concerned with protecting their 'individual vested interests', as their personal financial positions were seriously threatened. The 'hierarchy of interests' suggests that the existing categorisation of the interests of organisational members may be too simplistic to explain the interests which emerged from the case. The hierarchy also shows the extent to which the players' interests become more linked to the personal dimension as the base of the pyramid is approached. It is recommended that in future studies, the classification of interests should be further explored and broadened and the extent to which different types of interest have a personal dimension should be considered.

### *Conflict*

The research highlights the need for more in-depth study of opposing values as the source of conflict between competing groups. Interest groups cluster around divergent values (Baldrige, 1971) and values are deep-seated and may not manifest in actions or behaviour. Interest groups exercise power in furthering their interests which are more 'visible' and often identified as the motivator for actions. The dispute in this case was over a different interpretation of the institution's educational mission and policy between the management and the College staff. It was clear from the study that the management's interests were driven by their belief that the University should be an elite, research driven institution and its progress in that direction would be hindered by the continued provision of sub-degree work. Arguments based on financial and resourcing issues were a convenient cover for their real goals and objectives. Much of the literature focuses on conflict over 'interests' as the

basis of the antagonisms between different groups. Whilst this is clearly important, my research suggests that to understand the real nature of conflict in organisations it is important to understand how competing values provide the basis for conflicts over interests. Values inform interests and provide the foundations on which interests, and the articulation of interests, are the visible manifestations. The case pointed to the need to understand how actors' interests form and coalesce around values. The conflict over interests, over which the groups could bargain and strike compromises, could be resolved by making concessions to the financial interests of both the management and the staff. The 'visible' conflict was therefore resolved in the case. However, since values are deep-seated, value controversies may remain unresolved and submerged under the façade of the re-negotiated order. Studies of such conflicts should ensure that the real issues are being investigated, rather than a symptom or manifestation of something much more fundamental.

#### *Groups and coalitions*

Bacharach and Lawler (1980) explain that work groups, interest groups and coalitions exist in organisations through which members further their interests. The findings identified the coalition as a dynamic and strategic grouping that subordinates could form to advance their interests and to generate influence 'to restrict the exercise of authority by superiors' (Bacharach and Lawler, 1980: 30). The theoretical work on the formation of coalitions which can significantly increase the effectiveness of the component interest groups was borne out in the study which provided rich empirical evidence that identified a number of strategic advantages a coalition can bring in influencing decisions of those in authority. In this case study, the mobilisation of interest groups into a coalition, namely the Action Group, thwarted any attempt by the management to use the tactic of 'divide and rule' in handling staff opposition. It increased the power position of the component groups vis-à-vis other groups. A further major advantage of the coalition was its informal nature, although it can be more formalised to allow trade union influence (Stevenson, 2005). Informality was a crucial feature of the work of this coalition. Since it was not part of the formal structure, it was not constrained by established rules and procedures and was able to operate in a radical manner and to take the issues outside the confines of the institution. The choice of the Action Group to adopt an informal and unofficial status provided it with distinct strategic advantages over formal groups in forging alliances. The coalition strategically targeted other interest groups: the Student Alliance, the legislators and the media. The Action Group working on an informal basis approached students and legislators using informal means, such as persuasion and lobbying appealing to the interests of these groups, which coalesced

with their publicly articulated professional interests. The coalition successfully mobilised influence from these external groups to press for changing the MB decision, chose not to access formal trade union power which could subject them to the confines of the formal relationship and expected standards of behaviour of union officers. The informality and fluidity of its working allowed it to make more spontaneous and speedy responses to changing circumstances arising from the uncertain situation they faced. If it were part of the union, it had to function within the traditional structure and be bound by established rules and protocol of the bureaucratic machinery.

The case provides strong empirical evidence to support the claim that a coalition can be an effective strategic device for subordinates to generate influence in opposition to change. In particular, its informal status and ability to manoeuvre outside the formal structure provides strategic advantages over work groups and interest groups which are part of the formal structure. The Action Group, the coalition in the case, effectively tapped other resources of power outside the formal structure and the institution. This provides a useful lesson for the staff and the management alike when they are the opposing parties involved in a dispute, part of the struggle would involve strengthening their power position vis-à-vis each other by building coalitions and alliances.

### *Power*

The staff participants involved in resolving the conflict understood how to mobilise power, both authority and influence, to defend their interests. The notion of informality emerged prominently as the crucial enabling factor in facilitating the staff's coalition in mobilising interest groups to be their allies to improve their power position. The staff built up a complex 'network of power' consisting of *formal access to authority* vested in the Working Group thus participating in the formal decision-making and *exerting influence* by forging alliances with interest groups outside the formal structure to further influence the decision-making. The staff were able to agitate the students to assess and realise the impact of the MB decision on their own interests. Similarly, they appealed to the legislators to use their political influence to put pressure on the University. The primary purpose of generating influence by the informal group was to strengthen the role of the two representatives in the formally structured Working Group. The weakness of the Action Group in the interaction with the Working Group was also its unrecognised status. The Action Group bridged this gap in their credibility by presenting themselves in a different persona as a formally elected group of Divisional Representatives. This dual path to decision-making, accessing formal

power from within the Working Group and bringing influence from outside to bear on the Working Group, enhanced the staff's power.

### *Bargaining*

The theory on bargaining developed by Walton and McKersie (1965) based on the labour-management setting applies well in this case, despite the absence of formal trade union involvement. The processes undertaken within the Working Group and the interaction among the members of the sub-groups, were processes of bargaining in substance, although not in name. The Working Group, set up by the authority as part of the institutional structure, in effect provided the arena for bargaining, particularly through its composition involving the representatives of the three sub-groups as interdependent parties. The content for bargaining was centred mainly on changes to the personal interests of staff, which essentially related to their future employment and compensation. Tacit bargaining was undertaken, including the establishment of starting positions by the respective parties, offers and counter-offers were made, intermediate positions were established, trade-offs agreed and compromises struck. The Action Group played a pivotal role in the bargaining exercise, providing proposals and counter-proposals to be advanced by the two staff representatives who acted as the negotiators. The theory of intra-organisational bargaining provided a better understanding of the conflicting views and behaviour between the negotiators (staff representatives) and the constituents. The findings revealed four points of significant interests. Firstly, the theory of bargaining developed for the labour-management setting is highly applicable in settings other than collective bargaining, notably in this case where the organisation involved was a tertiary educational institution in Hong Kong in which unionism is relatively weak. The processes of bargaining will be invoked by the negotiating parties when the issue involves mixed motive setting in which the parties concerned need to cooperate and compete in reaching an agreement and to avoid the deleterious consequence of not resolving the conflict. Second, it provides the perspective that the bargaining process is not confined only to numerical calculation or transactions between the parties concerned, it also involves the management of relationship and trust and the management of intraorganisational bargaining. Third, bargaining is a way of resolving conflict but it provides only a temporary solution. Fourth, the case involved three parties, instead of the conventional company and staff sides, seeking a resolution to the conflict. The Council members in the Working Group had different interests to the other two parties. They were seeking a means of continuing to offer the AD programmes. Once all three parties had agreed to this objective, the issue changed to one of resolving the

differences between the management and the staff mainly in relation to the personal interests of the latter. At this stage, the role of the Council members changed to one of quasi-mediation, seeking to bring together the opposing views of the other two parties. In this respect, I believe the case was unique in having an element of mediation provided by one of the interested parties.

## **6.5 Evaluation of the research**

The implications and new insights which emerge from the findings were based on the data obtained from the in-depth qualitative interviews conducted with a selected group of participants and documentary evidence identified in Chapter 3. The obvious limitation concerning the range of views gathered was that the findings reflected the perception and interpretation of the respondents' personal views and experience at that time. Their views and interpretations may not be representative of, or readily extended to, all members of the sub-groups they were considered to represent. The sampling included those organisational members who had a personal involvement in the case, rather than a random trawl from the population which included people who were remote from the actions. The findings therefore are not intended to be generalisable. I believe, however, the refined micro-political toolkit is more generalisable as it can provide a useful basis to analyse other cases of educational institutions facing significant changes.

## **6.6 Significance of the study**

Too many studies of organisational change in educational contexts rely on formulaic and rational models of change which appear inadequate when seeking to explain the realities of the change processes people experience in the organisations they work and study in. Micro-political analyses reject this simplicity and make a virtue out of complexity. They frequently reject the determinism of more structuralist analyses (Bowles and Gintis, 1976) and instead seek to use micro-political concepts to explain outcomes, recognising that outcomes are often unpredictable and even serendipitous. In my view the great value of the micro-political approach is to offer a way of explaining this complexity and unpredictability. However, the weakness of the micro-political approach is the lack of a broad enough evidence base from which wider conclusions can be drawn. Micro-political studies necessarily focus on the specific as the nature of individual cases, and the importance of context is crucial. It is important therefore to develop a broad range of cases,

reflecting a range of contexts, and all applying in some form a micro-political analysis. However, this has never happened on a scale large enough to develop wider conclusions. What studies there are largely focus on the school sector, and take place in Western contexts. Furthermore, much micro-political analysis takes place at a conceptual level, and makes little use of empirical research. This is another deficiency.

The research presented in this thesis makes a small contribution to addressing these limitations. In an area lacking empirically researched case studies the work provides a detailed analysis of a specific case, with data drawn from a range of key participants at the very heart of the process. Furthermore, the work extends the existing knowledge base by focusing on the higher education sector in an Asian context (albeit one I argue is heavily influenced by its colonial connection to the UK). For these reasons I believe the research addresses gaps in our existing knowledge in these areas.

In addition, the development of the micro-political toolkit further extends existing knowledge by refining the core concepts, as a direct result of applying these ideas in an empirical context. In the section that follows I elaborate on this element of the work.

The following highlights the new knowledge added to each concept.

### *Interests*

The findings revealed that there can be considerable tension between the professional and personal interests promoted by teachers since the actors in the case advanced professional interests at the expense of personal interests and vice-versa. I developed a 'hierarchy of interests' to reflect new types of interests not identified in the literature: *community interests*, *institutional interests* and *individual vested interests*. In an organization as complex as a university, the formal position of members in the organisational hierarchy has an important bearing on their access to authority and influence which help shape the kind of interests they promote. The 'hierarchy of interest' also highlights that the players' interests become more linked to the personal dimension, particularly the financial element, as the base of the hierarchy is approached. The research shows that the notion of interest can be explored more fully and financial interests can be an important part of personal interest.

### *Conflict*

Much attention in the literature is focused on conflict over interests which are identified as the motivator for action. The study however asserts that values are the fundamental source of conflict between different groups of organisation members promoting competing interests. Values are deep-seated and even though the competing interests could be reconciled, if the value controversies remained unresolved, conflict will arise again in future.

### *Groups and Coalitions*

The study provides strong evidence on how a coalition operates in a specific organisational context which helps to strengthen the weak empirical basis of the theoretical work on coalition formation and its operation. The findings demonstrate that the coalition provides subordinates with a potent device to enhance their power in contesting against authority. The case examined how the individuals, gathered in groups and coalitions, operated in mobilising power; an aspect which had not been extensively studied; particularly there had been little research on how the concept of informality works in organisational life (Ball, 1987). This research fills this gap and shows how informality assumed great significance in explaining how the coalition successfully mobilised power.

### *Power*

The study illustrates how the subordinates created a 'network of power' by structuring a dual path to influence decision-making by gaining formal access to the authority and leveraging influence generated by forging alliances outside the formal structure. This interlacing between the formal and informal aspects of power significantly enhanced the subordinates' bargaining power in the struggle for final decision-making.

### *Bargaining*

This research showed that the theory of bargaining, developed for the labour-management setting, applied equally well in a non-union based setting for resolving conflict. The case was unique since the Council members, a party unaccounted for in the theory, was instrumental in resolving the conflict and had taken a quasi-mediation role in helping the management and the staff sides settle their different views, to strike compromises and to make concessions in order to reach an agreement.

The refinement of the concepts contributes to enhancing the applicability of the 'toolkit' to

be used by other researchers to analyse and explain other cases and contexts of managing complex change.

### **6.6.1 Implication for practice**

This research has significant value for practice because adopting a micro-political perspective, in particular, using the 'micro-political toolkit' can enhance the 'micro-political literacy' (Blase and Anderson, 1995: 12-13) and 'political acumen' (Portin, 1998: 386) of the leaders to recognise 'that staff have different views of the world' and to 'recognise actors and what they are struggling over, this will influence how principals as leaders communicate, collaborate and decide courses of action' (Bennett, 1999: 200). The five core concepts can sensitise leaders about the micro-political dimension of organisational life since they emphasise that an educational organisation consists of groups pursuing divergent *interests* and the competing interests may lead to *conflict*. Organisational members form *groups and coalitions* to influence policy formulation and conflict is likely to be resolved through the relative *power* of the participants exercised through the process of *bargaining*. The management when confronted with significant changes which threatened the status quo and interests of particular groups of organisational members, cannot simply rely on the collegial and rational decision-making processes. The use of the micro-political toolkit can reveal the micro-political undertones of the impact of such changes. In essence, the five core concepts can help those in authority to develop an understanding of the nature of the change which may impact on the interests of various groups, anticipate and address issues that can be raised in opposition or resistance to change; to understand how the subordinates cluster around groups and coalitions to exercise power in protecting their interests and be prepared to engage in the bargaining process to resolve conflict, rather than seeking a solution through their accustomed consensus-based decision-making process which cannot effectively deal with conflict (Baldrige, 1978).

To adopt a micro-political approach in analysing the management of change in HEIs in Hong Kong is particularly important at this juncture when more changes in HE are taking place. Change is not neutral (Bell and Stevenson, 2006) as it upsets the status quo, challenges existing assumptions, values and practices. The society has made significant progress in the democratisation of the political systems and demand for choice and participation in decision-making has increased (Lo, 2007), and this affects the way people

perceive and manage change. The case institution relied on the consensus-based management model and mechanisms exercised through the MB which as the highest decision-making body did not provide for any staff participation in a decision which directly affected these staff. Under the wider socio-political context in which demand for participation in decision-making was high, the staff would not passively accept authority to be exercised on them in this way without resistance. Staff members as subordinates are not without power. They can intervene in the decision-making by mobilising other sources of power and operate outside the formal structure and outside the institution. It is therefore necessary for management to appreciate the interests and concerns of the subordinates and to accommodate their participation in some way in the decision-making in the process of managing change.

#### ***6.6.2 Implication for theory in other fields***

An important finding of the investigation is that the theory of bargaining can be applied in a non-union setting. Many of the activities, strategies and manoeuvring of the informal staff group were motivated by their concern for jobs and pay, which were 'typical' matters of concern for a trade union. This study took place in Hong Kong where unionism has not been well established and collective bargaining occurs only sporadically in a few occupations. In higher education, the trade union is not able to assume the role of negotiators for the staff body in any employer-employee dispute (Fosh and Chow, 1999). However, the ability and capacity of the informal staff group, which was a coalition that focused its energy and strategies in mobilising power to protect the pay and jobs of the staff, essentially functioned as a quasi-union. This study underscores the capacity of coalitions to forge alliances with the other interest groups (the students, the legislators, the media) which reside outside the formal structure to generate influence in strengthening the bargaining power of the subordinates. It provides valuable lessons for the trade union in the articulation of their views and concerns on staffing issues, in particular those that impact on the employer-employee relationship. The informality with which the coalition operated provides considerable strategic advantages over formal groups (including trade unions), in enhancing its effectiveness in mobilising power. This findings can provide insight into the further development of unionism in the higher education sector.

### **6.6.3 *Implication for research in the higher education sector***

This study provides insight into the complexities and realities of how an HEI managed a difficult problem of change arising from the macro-policy context. The landscape of HE in Hong Kong has been, and will be, changing rapidly as more education reforms are implemented. The key elements of policy change include increasing pressure for diversified sources of funding, meeting the challenge for internationalisation and enhancing international competitiveness for students and academics, and converting the present three-year undergraduate curriculum into a four-year degree structure. In the lead-up to the change, interface with the school sector and increasing articulation opportunities for AD graduates needs to be addressed. The growing importance attached to the international ranking of universities brings pressure to bear on university management and can have a major influence on their decision-making. This case study is a clear example of this. Further research into this relationship and its micro-political dimension offers a possible fruitful future area of study.

All these new developments will present challenges to the organisational members, in particular, when a new initiative or policy imperative is advocated, it will impact on the existing assumptions, values, practices and interests of particular groups of members (Hoyle and Wallace, 2003). As Ball (1987: 32) argues: ‘factional groups will seek to advance or defend their interests, being for or against the change. Negotiations and compromises may produce amendments to initial proposals, certain groups or individuals may be exempted, trade-offs arranged, bargains arrived at.’ The higher education scene faced with upcoming changes will provide fertile ground for micro-political studies.

## **6.7 Epilogue**

It is important to acknowledge that the research findings present a snapshot of the situation being resolved at a particular point in time. The essence of micropolitics is that it presents the realities of organisational life and the realities keep changing as time evolves. Organisational members made compromises and settled into a negotiated order which is continually being assessed and modified as the circumstances change. While the new College and its staff worked hard to achieve self-funding in the initial years, by late 2006, the activists among the College members reopened the debate on the employment relationship, seeking ways to avoid the termination of the superannuable appointment on

30<sup>th</sup> June 2008. In this light, the boundary set on this case is arbitrary and there is no clear ending to the case. The solution accepted by Council in January 2004 did not provide a permanent solution to this problem of change, although it did give the institutions a couple of stable and calm years. The Working Group solution which, inter alia, replaced 'permanent employment' with providing job security only for a further 4 years, became the beginning of another round of micro-political activities galvanised by the affected staff in late 2006. The ensuing micro-political dynamics were determined by those actors involved which culminated in another solution in late 2007 which retained this group of staff within the University presenting the potential for another case study.

**Draft interview schedule**

1<sup>st</sup> version: 31 May 08 (link interview question to SRQ);

2<sup>nd</sup> version: annotated on 20 Jun 08;

Final version: separate sheet printed for individual interviewee on the appointed day for interview in July & Aug 08

**Management representative who was also a member of MB (both questions Part A + Part B)**

Part A

1. Can you explain how the MB came to its decision that the University should discontinue to offer the AD programmes from which funding was to be withdrawn by the Government? What, in your view were the reasons, implicit and explicit, for this decision? (SRQ1)
2. The MB stated that the University could continue to offer the self financed ADs in a different context. Can you explain what they meant by a “different context”.(SRQ1) ~~and relates to interview Q.4)~~
3. Could you describe the process in reaching this decision? (prompt: Had there been any evaluation of possible alternatives?) (SSRQ1)
4. How did they reach the final decision (prompt: Was the final decision reached unanimously, by consensus or by voting? ) (SRQ1)
5. What do you feel would be the reaction of the staff to the MB decision? (prompt: accept or reject and why?) (SRQ2)

**Management representatives**

Part B

1. You were a member of the Working Group nominated by the University management. When you joined the group, what did you personally regard as its main task? (SRQ3)
2. After the staff were informed of the MB decision, some groups were formed by the staff ~~in response~~. What did you think were the objectives of these groups? Which were the more important groups? (SRQ2)
3. The Working Group was formed by the Council in June after the MB and College staff could not reach an agreement about the solution to the funding reduction. The Working Group was formed in a somewhat charged atmosphere. What lobbying or actions were made by the various groups formed by the staff? How were you affected by these actions? (SRQ2)
4. What pressures did you feel from the various interest groups which had been formed to support the continuation of the AD programmes? (SRQ2 & SRQ3) (as a member of MB or as a member on the WG)

5. You were a member of the group representing the University management. How did you represent the views of the Management ? What was your responsibility? How did you provide the input of management to the Working Group? Did you seek the MB's advice on the items and issues discussed by the Working Group? (SRQ3)
6. Can you describe the process of negotiation which took place in the Working Group? (SRQ4)
7. How did the the group manage to reach a solution on the issue? (SRQ4)
8. What, if any, compromises did you offer on the part of the management? (SRQ4)
9. The staff put forward a legal opinion on the employment relationship with the University when the working group was about to finalize and present their final recommendation to the Council. Why do you think they did that? (SRQ3 & SRQ4) (prompt: What did superannuation status mean to the College staff? (SRQ4))
- ~~9~~.10. Do you feel that the Working Group recommendations formed the optimum solution? Did it provide a win-win solution? Why? (SRQ5)

**Elected staff representative on the WG, also the convenor of the Action Group, also a division head**

1. You were one of the Heads of Division in the College when the MB reached its decision to discontinue the ADs in their present form. What was your immediate reaction to this decision and why do you think the MB came to this decision? (SRQ1)
2. Following the decision of the MB, a number of interest groups were formed to oppose the decision. Can you explain how the groups were formed and what were their objectives? What was the relationship between the groups? (Are they all necessary?) Which is/are the more influential groups? (SRQ2)
3. You were a member of the Working Group elected to serve by the staff of the College. When you joined the group, what did you personally regard as its main task? (SRQ3)
4. What pressures did you feel from the various interest groups, in particular, the Action Group since you were the Convenor, which had been formed to support the continuation of the AD programmes? ~~Were you subject to lobbying from other groups and parties? How were you involved or affected by these actions?~~ (SRQ2)
5. What difficulties did you encounter in your roles as the convenor of the most active staff group in pursuing the matter and also as a member of the working group (which should consider issues from a wider perspective and from the overall interest of the whole Institution rather than the College which is interested in only the AD level work)? (SRQ2 & SRQ3)
6. Can you describe the process of negotiation which took place in the Working Group? (SQR3 &4)
7. How did the group manage to reach a solution on the issue? (SRQ4)
8. What, if any, compromises did you offer on behalf of the staff of the College. (SRQ4)
9. During the process of the work of the Working Group did you have any formal or informal mechanisms to report back to staff of the College or the interest groups. (SRQ4)
- ~~9~~.10. The staff put forward a legal opinion on the employment relationship with the University when the working group was about to finalize and present their final

recommendation to the Council. Why do you think they did that? (SRQ3 & SRQ4)  
(prompt: What did superannuation status mean to the College staff? (SRQ4)

- ~~10~~.11. How did the Action Group contribute to resolving the conflict? (SRQ3 & SRQ4)
- ~~11~~.12. Do you feel that the Working Group recommendations formed the optimum solution? Did it provide a win-win solution? Why? (SRQ5)

### Chairman of the Working Group

1. How did you feel about the original MB decision of phasing out the AD programmes? (SRQ1)
2. You were nominated by the Chairman of Council (and subsequently appointed by the Council) to Chair the Working Group. Were you given any brief by the then Council Chairman in relation to resolving the conflict arising from the decision of the MB? (SRQ3)
3. How did you view the task of the Working Group? (SRQ3)
4. ~~Did you consider~~ How did you feel about the Working Group as a forum for resolving the conflict with the relevant parties involved? (SRQ3)
5. Did you consider the Working Group a forum within which the concerned parties could bargain and negotiate a solution or did you view the process to come to a resolution differently? (SRQ3)
6. How did you approach the task of the Working Group? Did you have a “bottom line” in mind when the work of the Group commenced?(SRQ4)
7. What information did you seek and from whom, e.g. a Business Plan, on the financial viability of continuing to offer the ADs in the self-financing mode? (SRQ4)
8. How did the various submissions made by the interest groups affect the debate within the Working Group and how did they affect the eventual outcome? (SRQ4)
9. In addition to the Working Group, you met with different groups and had held consultation sessions with various groups and individuals. Why did you think these were necessary? (SRQ4)
10. How did the consultation sessions with interested parties contribute to the final outcome? (SRQ4)
11. The staff put forward a legal opinion on the employment relationship with the University when the working group was about to finalize and present their final recommendation to the Council. Why do you think they did that? (SRQ3 & SRQ4) (prompt: What did superannuation status mean to the College staff? (SRQ4))
- ~~11~~.12. Do you feel that the Working Group recommendations formed the optimum solution? Did it provide a win-win solution? Why? (SRQ5)

### Lay Council members on the Working Group

1. How did you feel about the original MB decision of phasing out the AD programmes? (SRQ1)

- ~~1~~.2. \_\_\_\_\_ You were appointed by the Council to the Working Group. When you joined the group, what did you personally regard as its main task? (SRQ3)
- ~~2~~.3. \_\_\_\_\_ How did you view the work process within the Working Group? Did you consider it a forum within which the concerned parties could bargain and negotiate a solution or did you view the process to come to a resolution differently? (SRQ3)
- ~~3~~.4. \_\_\_\_\_ Could you comment on the actual process whereby the Group came to its final recommendation? (SRQ4)
- ~~4~~.5. \_\_\_\_\_ How did the various submissions made by the interest groups affect the debate within the Working Group and how did they affect the eventual outcome? (SRQ4)
6. \_\_\_\_\_ How did the consultation sessions with interested parties contribute to the final outcome? (SRQ4)
7. The staff put forward a legal opinion on the employment relationship with the University when the working group was about to finalize and present their final recommendation to the Council. Why do you think they did that? (SRQ3 & SRQ4) (prompt: What did superannuation status mean to the College staff? (SRQ4))
- ~~5~~.8. \_\_\_\_\_ Do you feel that the Working Group recommendations formed the optimum solution? Did it provide a win-win solution? Why? (SRQ5)

#### **The College Head, Secretary to Council, also a member of the MB**

1. Can you explain how the MB came to its decision that the University should discontinue to offer the AD programmes from which funding was to be withdrawn by the Government? What, in your view were the reasons for this decision? (SRQ1)
2. What was the reaction of the College executive Committee and the College staff to the MB's decision? (SRQ2)
3. During this period, you were concurrently College Head and also Secretary to Council. How did you resolve this conflict of interest and how did it affect your involvement in the resolution of the issue? (SRQ1)
4. Can you comment on the work of the Working Group and what, if any, influence you had on its deliberations? (SRQ3 & 4)
5. The staff put forward a legal opinion on the employment relationship with the University when the working group was about to finalize and present their final recommendation to the Council. Why do you think they did that? (SRQ3 & SRQ4) (prompt: What did superannuation status mean to the College staff? (SRQ4))
- ~~5~~.6. \_\_\_\_\_ Do you feel that the Working Group recommendations formed the optimum solution? Did it provide a win-win solution? Why? (SRQ5)

#### **Deputy Convenor of Action Group**

1. As a staff member of the College, when the MB reached its decision to discontinue the ADs in their present form, what was your immediate reaction to this decision? (SRQ1)
2. Why do you think the MB came to this decision? (SRQ1)

3. You were a key member of the Save the College Action Group. What were the stated objectives of the Action Group and who were the active members? (SRQ2)
4. What other bodies or individuals did the Action Group interact with? (SRQ2)
5. What were the purposes of involving other parties, e.g, other groups, legislators, reporters, in the AD issue? (SRQ2)
6. What other means of securing support for the objectives of the Action Group were pursued? (SRQ2)
7. With the establishment of the Working Group and the election of College staff representatives to be part of the Working Group, why did the Action Group still need to exist? (SRQ2)
8. How did the Action Group interact with the Working Group? (SRQ2 & SRQ4)
9. What pressures did the Action Group seek to bring to bear on the Working Group? (SRQ2 & SRQ3)
- ~~9~~.10. The staff put forward a legal opinion on the employment relationship with the University when the working group was about to finalize and present their final recommendation to the Council. Why do you think they did that? (SRQ3 & SRQ4) (prompt: What did superannuation status mean to the College staff? (SRQ4))
- ~~10~~.11. How did you see the Action Group's work contribute to the Working Group's final recommendations? (SRQ4)
12. How did the Action Group react to the recommendations of the Working Group and to what extent were the former satisfied with the final outcome? (SRQ4)
- ~~11~~.13. Do you feel that the Working Group recommendations formed the optimum solution? Did it provide a win-win solution? Why? (SRQ5)

#### Divisional Representatives

1. As staff members of the College, how did you view the original decision of the MB and how did you react to it? (SRQ1 & SRQ2)
2. Were you aware of any interest groups which were formed following the MB's decision and, if so, what did you see as their primary objective? (SRQ2)
3. You were members of the group of Divisional representatives who had been involved in some interaction with Working Group, e.g., a consultation session with the Working Group chairman. How was the consultation conducted and what do you consider was achieved by the process? (SRQ2 & SRQ4)
4. Why do you feel that the group of Divisional representatives was needed when you already have two staff representatives on the Working Group elected by all College staff? (SRQ3)
5. How did your group interact with the other interest groups such as the Save the College Action Group and what other bodies did you interact with? (SRQ2)
6. What mechanism or means were used to provide input to the staff representatives in the Working Group? (SRQ4)
7. What do you think about the work of the elected staff members on the Working Group? (Did you feel that they successfully represented and advanced the staff's interest in the debate and negotiation with the Working Group?) (SRQ4)

**Interview consent form**

*Research Area: Study of the management of a complex change in the higher education sector in Hong Kong*

**The purpose of the research**

This research is undertaken by a single researcher who is a student on the Doctorate of Education programme at the University of Leicester. The research aims to achieve an understanding of how a tertiary institution managed the Government initiated new funding policy on the Associate Degree work in the higher education sector in the period between early 2003 to early 2004. Data will be collected from interviews with people who are involved in the process of managing the change. The results of the research will be presented in the thesis submitted by the student to the Graduate School of Education at the University of Leicester.

**Informed consent**

Interview participants may ask at any time for clarification of anything they do not understand or would like explained further. Participants are not obliged to answer any of the questions that are put to them and are free to leave the interview at any time. The researcher will ask permission to record the interview.

**Confidentiality**

Interview files and transcripts will be kept for a period of up to three years after the completion of the research and will be used only for research purposes and third parties will not be allowed access to them during or after the course of the study. All data will be kept in a secure place by the researcher. Transcripts of the interviews will be encoded so that no record of the participant's name and data exist side by side.

**Anonymity**

The institution studied will be made anonymous; names from interviews with interviewees will not be mentioned in any publications that arise from the research.

**Feedback**

Participants will be sent a summary report on the findings if they wish.

|   |                             |
|---|-----------------------------|
| <b>Consent</b>  |                             |
| I understand the nature and purpose of this research and I consent to being interviewed. I understand that I do not have to answer any of the questions and that I may leave at any time. |                             |
| I do / do not * consent to the interview being recorded.  |                             |
| I do / do not * wish to be sent a summary of the findings when the project is completed.  |                             |
| I do / do not * wish my quotations to be anonymous<br>(*delete as appropriate)  |                             |
| Signature: .....  | Name of Interviewee: .....  |
| Date: .....   | Researcher: Ms Beatrice Lee |

Appendix 3

Final Set of Codes Mapped to the Specific Research Question and the Five Concepts

| SRQ | Concept | Code                 | Definition   |
|-----|---------|----------------------|--|
| 1   |         | MBR                  | Management Board recommendation  |
| 1   |         | GFW                  | Government funding withdrawal  |
| 1   | I       | MBR-Sub              | MB recommendation announced in private/to sub-group  |
| 1   |         | MBR-Sub:OU(rat)      | MB recommendation announced in private, AD run by other unit (e.g. SCOPE) (rationale)                  |
| 1   |         | GFW-React-Others_ext | React to government funding withdrawal other individuals - external e.g. legislators                   |
| 1   | I,C     | MBR-Rat-Pub          | Published rationale for MB recommendation  |
| 1   | I,C     | MBR-Rat-sub          | rationale for MB made in private   |
| 1   | I       | MBR-deb-abs          | Absence of Debate in MB in making recommendation   |
| 1   |         | MBR-proc             | Process of the MB in arriving at recommendation  |
| 1   | I       | GFW-react-MB         | Management reaction to Government withdrawal of funding  |
| 2   | G&C     | ACG-Form             | Formation of action group  |
| 2   | G&C     | ACG-Form-rat         | Reason for forming Action Group  |
| 2   | Pr      | ACG_leader: lobby    | action group leader's role: to lobby   |
| 2   | I       | ACG-Ob-Pub           | Publicly stated objective of the Action Group  |
| 2   | I       | ACG-Ob-sub           | Unofficial objective of the Action Group   |
| 2   | G&C     | ACG-OG-rel           | Relationship of Action Group with other group  |
| 2   | B       | ACG-SRWG-rel         | Relationship of action group and staff rep. on Working group (constituent-representative relationship) |
| 2   | B       | ACG-negot-tactics    | Action group's negotiation tactics   |
| 2   | G&C, Pr | ACG-Strat-rat        | Rationale for strategy of action group   |
| 2   | G&C     | ACG-Act(rat)         | Action of Action Group (rationale)   |
| 2   | G&C     | ACG-FN               | Function of Action Group   |
| 2   | G&C     | ACG-proc             | process of ACG   |
| 2   | C       | ACG_vw_conflict      | Action group's view on conflict  |
| 2   | B       | ACG_WG_rel(negot)    | action group and WG relationship - negotiation   |
| 2   | Pr      | ACG_vw_pwr           | action group's view on power   |
| 2   | G&C     | CSta -Cstu-Act       | Action of college staff and students   |
| 2   | I, G&C  | CSta-Act-rat         | Reason for College staff action  |
| 2   | I, G&C  | Cstu-Act-rat         | Reason for college student action  |
| 2   | G&C     | ALL-Role             | Role of the AD Student Alliance  |
| 2   | G&C     | CCG-Form             | College Concern Group formation  |

### Appendix 3

|   |       |                   |  |
|---|-------|-------------------|--|
| 2 | G&C   | CCG-Role          | Role of the Concerned Group  |
| 2 | G&C   | ACG-Mem           | Composition of Action Group (ACG com)  |
| 2 | G&C   | ACG-Mem-rat       | reason for composition of action group   |
| 2 | G&C   | Csta-Collab-OG    | College staff collaborate with other group   |
| 2 | G&C   | MBR-react-TU      | trade union reaction to MB recommendation  |
| 2 | I, C  | MBR-React-CMgt    | Reaction of College management to MB recommendation                                |
| 2 | I     | MBR-React-CSta    | Reaction of College staff to MB recommendation                                     |
| 2 | I     | MBR-React-Cstud   | Reaction of College student to MB recommendation                                   |
| 2 | I, Pr | MBR-React-CUC     | Reaction of University Council to MB recommendation                                |
| 2 | I     | Csta-Mgt-diff-vw  | Different perspectives of the Staff & Management                                   |
| 2 | G&C   | CStu-CSta-Mob     | Mobilisation of students by the staff  |
| 2 | C     | GFW-react-Csta    | College staff reaction to Government withdrawal of funding                         |
| 3 | I, Pr | SRWG-FN           | Function of staff rep. on Working group  |
| 3 | B     | SRWG-MWG-rel      | Staff rep. and management rep. relationship in WG                                  |
| 3 | B     | SRWG-WG-rel       | Relationship of staff rep. on working group with the working group                 |
| 3 | B     | SRWG-CUC-rel      | Council member and staff rep. on WG relationship: trust/distrust/perception        |
| 3 | B     | WG-OG -Rel/Com    | Relationship/communication between the Working group and other bodies              |
| 3 | Pr    | WG-Rat-Form       | Rationale for formation of Working Group   |
| 3 | Pr    | WG-Rat-Mem        | Rationale for the membership of the Working Group                                  |
| 3 | I, Pr | WG-Ob             | Objectives of the WG   |
| 3 | I     | WG-BP             | Working Group Business Plan  |
| 3 | I, Pr | WG-Fn             | Working Group function   |
| 3 | B, Pr | WG-MGT-Rel        | Working group & Management relationship/communication                              |
| 3 | B     | WG-Csta-Com       | Working Group, College staff relationship/communication                            |
| 3 | B     | WG-chair-style    | style of WG chair  |
| 4 | I     | CSta-diff_VwWG    | College staff's view different from WG   |
| 4 | I, B  | CSta-Split-Vw     | College staff having different views among themselves                              |
| 4 | B     | CSta-SRWG-rel/com | College staff and staff representative on Working group relationship/communication |
| 4 | B     | WGR               | Working group recommendation   |
| 4 | B     | WGR/Act-QU        | Working group recommendation or view queried                                       |

### Appendix 3

|     |    |                  |  |
|-----|----|------------------|--|
| 4   | B  | WGR-CSta-Apt     | Specific working group recommendation accepted by college staff                              |
| 4   | B  | WGR-CSta-rej     | Specific working group recommendation rejected by college staff                              |
| 4   | B  | WGRover-CSta-Apt | College staff accepting all the WG recommendation  |
| 4   | B  | WGRover-CSta-Rej | College staff rejecting all the WG recommendation  |
| 4   | B  | WG-proc/strat    | Process and Operation/strategy of the WG   |
| 4   | B  | WG-proc-BAR      | WG bargaining process  |
| 4   | B  | WG-strat-com     | Working Group communication strategy   |
| 4   | B  | WGR-init-rej     | Initial recommendation rejected  |
| 4   | B  | WGR-comp         | Working Group compromise   |
| 4   | Pr | WG-contr         | Working Group contribution to the resolution   |
| 4   | B  | WG-strat-rat     | Rationale for the Working Group strategy   |
| 4   | Pr | WGR-legal        | Legality of Working Group recommendation challenged  |
| 4   | B  | WGR-Csta-rej-rat | Rationale for staff rejecting the Working Group recommendation                               |
| 5   | I  | ACG-Ob-achieved  | action group achieved objectives   |
| 5   | B  | WGR-SLN-NOPm     | Working group recommendation: not optimum solution   |
| 5   | B  | WGR-SLN-Nww      | Working group recommendation: not a win-win solution   |
| 5   | B  | WGR-SLN-Opm      | Working group recommendation: optimum solution   |
| 5   | B  | WGR-SLN-ww       | Working group recommendation: win-win solution   |
| 5   | B  | WGR- SLN-st      | Working group recommendation: short-term solution  |
|     |    |                  |  |
| 1&2 | Pr | Csta-Mgt-com     | College staff and Management communication   |
| 1&2 | I  | MB-vw-Sub        | Subteranean view of the management   |
| 1&2 | I  | MBR-React-CUC-Qu | College staff query about CUC reaction to MBR  |
| 1&4 |    | Env-Pol-Int      | Internal political environment (e.g., assignment of AD work to another unit?)                |
| 1&4 |    | ENV-Pol-Ext      | Environmental factor, external/political: HK Federation of Further Education/EDB             |
| 2&4 | Pr | ACG-contr        | Contribution of the Action Group to the final outcome  |
| 2&4 | Pr | CSta-Vw-BAR      | College staff view on bargaining   |
| 2&4 | I  | u-emp-mean       | Meaning of University employment: permanent job, job security, certainty about pay, benefits |

### Appendix 3

|         |      |                        |   |
|---------|------|------------------------|---|
| 2&4     | C, B | CSta-MB-rel            | Relationship between College staff and management: trust/distrust |
| 3&4     | B    | CSta-view Council-reps | College staff view of the Council members on the WG               |
|         |      |                        |   |
| General |      | CON-Pub                | Public consultation prior to decision                             |
| General |      | CON-Sub                | Private consultation prior to decision                            |
| General |      | CONN                   | Lack of Consultation  |
| General |      | CONY                   | Make consultation   |

Five concepts:

I – Interests

C – Conflict

G&C – Groups and coalitions

Pr – Power

B – Bargaining

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