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**A CRITICAL INTERRUPTION IN THE
GOVERNANCE OF A NEW ZEALAND STATE
HIGH SCHOOL**

A thesis

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BARBARA MARIE L'HUILLIER

University of Waikato

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ABSTRACT

The governance of contemporary Western education aspires to serve the intertwining values of human emancipation and social inclusiveness in both the organisational form of educational institutions and their pedagogical direction. In New Zealand (NZ), what is understood as ‘good’ governance of education has varied over time according to economic conditions and political interests. The fourth Labour government (1984-1990), which undertook a widespread, rapid commitment to neo-liberal principles, reorganised the provision and governance of education along quasi public-private sector lines, explicitly using a business approach to guide practice, yet retaining hegemonic characteristics. This commitment to neo-liberal principles has been continued by all subsequent NZ governments.

The intended transformation of the education system from a centrally-governed bureaucracy to a community-governed process has not been easy. Underpinning the new governance regime is an implied notion that school communities share a common understanding of what is meant by education, processes of representation, and of ‘good’ governance. However, due to the different aspirations members of school communities’ can hold for their respective schools this commonality of meaning can be a false dichotomy resulting in schools being governed in a state of tension. This tension serves to highlight contradictions and disconnections between the espoused aims of devolved governance and a State-mandated process that works to exclude certain factions of a school community. Increasing numbers of NZ school Boards of Trustees are experiencing these tensions and contradictions resulting in an interruption in school governance.

The interruption I am interested in takes the form of the commodification of education that has been taking place in NZ since the mid 1980s. I argue this to be an interruption with profound effects on both the flourishing of individuals and the cohesion of communities and usefully serves to draw attention to the disconnection between the broad ideals of education, as articulated by the early promoters of a State-funded education system, and the neo-liberal re-visioning of State education.

Fairfield College is a NZ State high school where the tensions and contradictions surrounding the meaning of education, processes of representation, and of good governance have generated a crisis resulting in a critical interruption in school governance. The school's Board of Trustees received considerable media coverage between 2008 and 2009 regarding a critical interruption to their governance. This interruption presented a unique research opportunity to explore how the words used to frame the problems facing the Board of Trustees, the words used to explain and justify State intervention in the governance of the school, and the words used to propose solutions to perceived problems were invested with meaning. With my interest in connotative meaning, I illustrate how these words were used to encourage and endorse actions that comply with prevailing public policy. In this case study I examined how the school's direction has been reconfigured according to the principles of corporate governance using a companion lexicon of business. Directives have been devised by various NZ governments to align education with the neo-liberal principles that have prevailed in the governance of this country since 1984.

The multiple meanings attributed to ‘governance’ and ‘corporate governance’ in the relevant literatures, and the various implications for applied governance processes and dynamics, influenced my decision to adopt the dual orientation of social constructionism and critical theory to underpin this research. Social constructionists focus on how individuals and groups produce, disseminate, and validate their perceptions of reality. Critical theorists aim to create awareness of constraints to emancipatory potential and inclusiveness. They seek to expose the contradictions between espoused aims of justice and the flourishing of individuals and that which is practised, with the intention to contribute to changes that would enhance justice and the flourishing of individuals. One such contribution is to give voice to those who feel their voices are not being heard. Both theoretical schools regard the use of language as pivotal in the construction of social processes in which meaning is continually negotiated and re-negotiated by the stakeholders.

In this research I engaged in audio-recorded semi-structured interviews with members from four stakeholder groups involved in the governance of Fairfield College: the Whānau Support Group (a predominantly Māori special interest group), parents and caregivers, teachers, and those previously or currently charged with governance responsibilities for the school. These narratives were then analysed using thematic analysis to provide important insights into how ‘governance’ of the school was interpreted, challenged, and/or endorsed.

My research at Fairfield College indicates that the different constructions of ‘governance’ are associated with identifiable overlapping issues arranged in a hierarchy. The foundational tier represents the outcome of various NZ

governments' preference for market-generated principles of organisation at a macro State level, namely the commodification of public services – in this instance education. The middle tier addresses concerns raised by some stakeholders regarding their notion of inclusiveness and the vulnerability of the democratic process as experienced at community level. The top tier encompasses the twin issues of communication and consultation processes at a management level that appear to demonstrate a conflict between the State's espoused principles of good governance and their application at Fairfield College.

As a result of examining the critical interruption to the governance of Fairfield College I conclude that when viewed through the lens of a social constructionist orientation informed by critical theory, 'governance' in the education sector can be interpreted as a process supporting neo-liberal preferences for market-orientated approaches to education. Such preferences overshadow any other ideals held by members of the school's community and, according to a critical understanding of neo-liberalism, weaken the principles of emancipation and inclusiveness. The insights generated from this research provide a basis for further research into the governance of other organisations with emancipatory and inclusive aspirations.

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I am pleased I have finally finished my PhD - the sense of academic achievement is hard to describe. Would I recommend anyone to do a PhD - that is a tricky one? Twelve months ago I would have said 'No' but, now that it is finished, I say 'Go for it'.

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Chapter One

Introduction

Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. (The Universal Declaration of Human Rights 1948, Article 26, subsection 1).

1.1 Introduction: Governing Education

In contemporary Western countries such as New Zealand (NZ), the governance of publicly funded education melds with other organisations to shape the prevailing social order. Where social order is organised through principles associated with both capitalism and democracy, there is an implied commitment to the twin values of universal emancipation and inclusiveness of the citizenry. An examination of the governance of NZ education provides an opportunity to generate insight into the intentional and unintentional preparation of students for participation in such a dual-orientated society.

In the middle of the 19th century Domett (1849) successfully argued in the NZ parliamentary debates for the provision of a universal education system, as a means of allowing children to develop their “intellectual nature” so that they might add to the “strength and stability of the social fabric [and to assist in the] maintenance of the well-being of society” (pp. 97-98). Nearly 150 years later Laughlin, Broadbent, Shearn, and Willig-Atherton (1994), after examining the United Kingdom education sector reforms that paralleled the NZ education reforms (Gordon & Whitty, 1997), suggested that interruptions in educational provision can have profound effects on both the potential flourishing of

individuals and the cohesion of communities. In this context, the term ‘interruptions’ refers to discordant tensions expressed by stakeholders that impact on the governing body’s mandate and practical ability to govern. Laughlin et al., (1994) suggest that the prudent governance of educational processes and resources is as significant to the outcomes for individuals as the instructional pedagogy of teachers and the learning experiences available to students.

Governance, viewed by the State as a cornerstone in the provision of education (Boston, Martin, Pallot, & Walsh, 1996; Harrison, 2004; Lerner & Craig, 2002; McConnell & Jefferies, 1991), has the potential to impact on the wider commitment to democratic and participative processes. Interruptions to such governance provide an opportunity for closer investigation of the dynamics of that specific interruption and of the values and attitudes held by stakeholders towards governance more generally. One such interruption has occurred at Fairfield College, a State high school serving a culturally and socio-economically diverse community. This interruption provided me with the opportunity to examine the suggestion of Laughlin et al., (1994) that an interruption in educational provision can have profound effects on individuals and on social cohesion. It enabled me to reflect on how relationships between those in charge of this school’s governance and other stakeholders disintegrated to such an extent that, as a result, the State appointed a Commissioner to govern the school.

The insights gained from my literature review and field work raise questions that have taken my analysis beyond concerns about the governance of this school. I now express concerns about the governance of education more generally and about the governance of all public institutions in democratic market-orientated

societies. The pursuit of market values now appears to dominate all spheres of organisation, directed by the construct of ‘good governance’ that has been normalised throughout the public sector (Harris, 1999; Rudd, 1990). The market orientation evident in the governance of schools in NZ is apparent in the intensification of a job-related focus in education – a priority valued by some participants in my research, but causing concern to others.

1.2 Aim and Significance

Schools in NZ are now expected to be governed according to principles more usually associated with private sector organisations. Those in charge of the governance of schools are elected community volunteers collectively called Boards of Trustees (BOT) (Ministry of Education, 1989).

Direct State involvement in the activities of BOT in the governance of schools is becoming increasingly common. The Ministry of Education initiated interventions in the governance of 47 schools in 2009, a 400% increase from 2007 (Nash, 2010). In the first six months of 2010 there were 106 interventions as a result of interruptions to school governance (Sutton, 2010). These statistics suggest that interruptions in school governance, with their potential consequences for the education of the individual, are a significant issue especially when education is deemed to be among the most significant contributors to human emancipation (Clark, 2005; Codd & Openshaw, 2005).

My research orientation is based on the issues of emancipatory aspirations theorised by critical theorists to expose the contradictions between espoused aims of justice and the flourishing of individuals and that which is practised, with the intention to contribute to changes that would enhance justice and the flourishing

of individuals. To invite intentional engagement with stakeholders I have chosen a social constructionist approach.

In this chapter I provide a brief summary of the current state of education governance in NZ followed by a statement of the research question and objectives that arise from my interpretation of the current situation. I introduce my research methodology and methods and present a synopsis of the thesis with a guide to where the substance of these matters is discussed in subsequent chapters. I conclude this chapter by outlining the scope and limitations of the study.

1.3 Education Governance since 1984

In the 1980s NZ's fourth Labour Government (1984-1990) abolished layers of administration and decentralised to a system of self-governance in the form of elected school boards of trustees (Gordon & Whitty, 1997; Sexton, 1990). The reform of the education sector during the late 1980s and early 1990s represented a shift from centralised government controlled by public servants, towards a market-orientated structure run by community volunteers in the form of elected BOT (Harrison, 2004; Waslander & Thrupp, 1995).

Key to this State-mandated governance arrangement is an implied homogeneity that school communities and their representatives, the BOT, share a common understanding of what is meant by education, processes of representation, and of 'good' governance. However, this shared understanding is called into question when faced with members of school communities who hold different aspirations for their respective schools. In these instances schools are governed in a state of tension.

The tension in school governance serves to expose the contradictions and disconnections between the espoused aims of devolved governance to the local community and the neo-liberal re-visioning of public education. It is becoming more common for these tensions and contradictions to generate a crisis leading to a critical interruption and direct State involvement in school governance.

The preference for market solutions and the neo-liberal approach to educational problems became the subject of intense theoretical debate in academic forums (Ball, 1993; Brown, 1990). Today, the State controls education expenditure and sets education objectives at a national level. The BOT of each school has the responsibility to govern the way funds are spent (Codd, 1990) and is responsible for “setting objectives and monitoring their achievement” (Robinson, Timperley, Parr, & McNaughton, 1994, p. 74) at school level. Boards must assume governance responsibility (both fiscal and administrative) for the day-to-day running of their respective schools (Jacobs, 2000). Although “legislation is not specific about the powers and duties of Boards of Trustees” (Education Review Office, 1994, p. 4), they have been charged with broad responsibilities.

Each school BOT has the authority, within State-determined parameters, to decide on the way it administers and delivers education. The elected BOT has legislative authority to manage its school with “complete discretion to control the management of the school as it thinks fit” (Education Act 1989, s75). The school principal, reframed as the board’s ‘chief executive’, has “complete discretion to manage as the principal thinks fit [regarding] the school’s day-to-day administration” (Education Act 1989, s76 (2) (b)). A Statement of Responsibility

needs to be prepared and signed by both the principal and chairperson of the Board of Trustees of each school.

Tooley's (1999) research into the structural and administrative reform of NZ's education system led him to conclude that schools are now expected to operate as business units. Tooley and Guthrie (2003) claim that the increased emphasis on resource use and economic rationality comes at the expense of individual educational needs. In addition, the implementation of accounting techniques and practices to aid in the discharge of legislative-backed accountability requirements serve to "guide day-to-day management practices" (ibid, p. 28). They argue that NZ research tends to have been conducted early in the reform process before many of the initiatives of the reforms became entrenched in schools. Tooley and Guthrie (2003) also contend that such research tended to concentrate on examining "school-based resistance...to issues pertaining to devolved responsibility for school management" (ibid, p. 2). My review of the literature indicates that little attention has been given to examining whether the educational ideals supporting the flourishing of individual students that ultimately serves to strengthen society (as expressed in 1849 by Domett) are supported by the governance structures imposed on schools by the public sector reforms of the late 1980s.

Financial devolution, argued by the architects of the Picot Report (1988), would allow individual school BOT the freedom to decide on the use of the funding and other resources made available to them. In return for this freedom, competition between schools was to be encouraged. Schools now find themselves operating in a quasi-education market competing for students (Tooley, 1999). Cave (1990)

and Gordon and Whitty (1997) suggest that the rationale was that consumer sovereignty would ‘weed out’ schools performing badly in favour of high performing schools and thus serve the individual by pressing for the best possible personal outcomes in terms of performance indicators, currently National Certificate of Educational Achievement (NCEA) pass rates.

Parker and Guthrie (1993), Tooley (1999), and Tooley and Guthrie (2003) contend that the increasing financial, legal and regulatory complexities associated with school management have resulted in a greater emphasis on business management. Ferlie, Fitzgerald and Ashburner (1996), Gordon and Whitty (1997), and Wallace (1992) suggest that the desired outcome of these adaptations is to create an education structure that is not only responsive to the demands of consumers but is also financially viable. Stewart (1992) argues that the shift in ideology to that of market-based accountability was “encourage[ing] schools to take on a more businesslike image” and “to become more responsive to their customers” (p. 20).

1.4 Research Question

I am interested in meaning-making and how words and phrases can become infused with a meaning that supports hegemonic structures and processes that interfere with notions of emancipation and inclusiveness. The specific research question I address is:

What are the connotative meanings academics and research participants assign to the term ‘corporate governance’ which serves as a variant of the term ‘governance’ now adopted in the governance of public institutions?

My objectives for this thesis are:

- (1) From a close study of the interruption of governance in a New Zealand State high school (Fairfield College), what insights can be gained for (a) this school, (b) for the consideration of ‘good governance’ more generally in education, and (c) for public sector organisations in the wider context?
- (2) To describe NZ education governance since the State began making provision for the compulsory education of children.
- (3) To describe the key issues felt by the participants in this research to have contributed to the interruption of governance relationships at Fairfield College.
- (4) To explore what constitutes ‘good’ governance in relation to democracy’s dual ideals of universal emancipation and inclusiveness.

1.5 Research Methodology

My research question and objectives are designed to reveal the meanings invested by participants in the different constructions of ‘governance’ and ‘corporate governance’ given in the context of school governance. The theoretical orientation I have adopted for this research is social constructionist informed by critical theory.

Social constructionist researchers focus on how groups and individuals produce, disseminate, and validate perspectives to be taken-for-granted as knowledge or truth, or principles firm enough to generate action with an intentional outcome

(Gergen and Gergen, 2003). The value of an enquiry focussed on a single institution is that it has the potential to provide greater depth of understanding as to how people 'operate' (Eisenhardt, 1989).

Critical theorists seek to expose conditions, systems and dogma that restrict human potentialities from emerging (Chua, 1986) with the intention to contribute to changes that serve to enhance justice and equality. In this thesis I seek to expose the contradictions between espoused aims of justice and the flourishing of individuals in the governance of our education system and that which is practised.

These restrictive conditions, systems and dogma operate below the surface of social existence and shape and drive the individual's social interactions including communication patterns and behaviour (Burrell & Morgan, 1979; Chua, 1986; Jönsson & Macintosh, 1997). The assumption of my study, given my understanding of the ideals of human development, is that any restriction to the education of the individual diminishes espoused ideals of human emancipation and the enrichment of the collective.

Social constructionists and critical theorists share an epistemological base regarding the use of language. Both schools of thought regard language as crucial to the construction of social process, with 'meaning' constantly negotiated and re-negotiated between actors (Held, 1980; L'Huillier, 2007). I have chosen a social constructionist orientation informed by my reading of critical theory to draw attention to the multi-dimensional social processes that become embedded in the reality of the participants.

1.6 Research Methods

Benbasat, Goldstein, and Mead (1987) state that the selection of a research strategy depends on the current knowledge of a topic and the theoretical orientation of the research. Research methods using a qualitative approach seek to describe, translate, and otherwise come to terms with the meaning of the social world, rather than to examine the frequency of phenomena that occurs naturally in the social world (Hussey & Hussey, 1997). In this research a case study method, as promoted by Jönsson and Macintosh (1997), has been adopted. This choice was particularly suitable as current knowledge is lacking in linking interruptions to school governance to ‘good’ governance.

Osland and Cavusgil (1998) stated that in-depth case studies may be an effective approach when investigating dynamic organisational processes and can provide insights that “would not have been uncovered from structured questionnaires used in traditional surveys” (p. 201). The case study method allows an investigator to retain the holistic and meaningful characteristics of real-life events and allows the researcher to gain primary data within a controllable timeframe (Yin, 1994).

There are a number of advantages of using the case study as a research method. First, case study method is preferred in examining contemporary events where the relevant behaviours cannot be manipulated (Yin 1994) because while the researcher has no control over the phenomenon, they can control the scope and time of the examination. Second, by examining the phenomenon of interest in a natural setting from the perspective of the participants the case study method allows the researcher to understand the dynamics that are present (Eisenhardt, 1989). Third, this method can help explain real-life interventions that are too

complex for survey or experimental strategies (Yin, 1994). Last, the case study method has the potential to provide creative insights through the comparison of contradictory or paradoxical evidence (Cameron & Quinn, 1988).

While researching the wider research context an interruption to governance relationships at Fairfield College was being reported in the popular media. The public display of an interruption to governance came at an opportune time as I was just beginning the process of selecting a case study(s). The interruption was deemed so significant that State assistance, in the form of the appointment of a specialist advisor to the BOTs, had already taken place. I selected Fairfield College, in Hamilton, to be my case study, as it provided me with a unique opportunity to examine my wider interest through the events as they were unfolding. The school itself is a co-educational State high school geographically located in a lower socio-economic community serving an estimated 40 identifiable cultural groups, and a range of socio-economic levels. At the time of my research it had a student population of nearly 1300 students of which 36% were Māori.

Once I had chosen the case study method for this research I determined that to elicit participants' understanding and opinions on the governance interruption faced by the school's governing body a narrative, audio-recorded, semi-structured interview approach (White & Epston, 1990) was appropriate. I sought to engage with participants to discover, based on their own perspective and understanding, what constitutes 'good governance' in education. By giving a voice to those who felt they were not being heard I sought to contribute to changes that would enhance justice and the flourishing of individuals. Thematic analysis of these narratives produced a thematic template (Bird, 2000) of issues participants

perceived to be critical to the way governance of the school is interpreted, challenged, and/or endorsed.

1.7 Research Contribution

Through this dissertation I make two main contributions. First, I extend scholarly and practitioner understanding on what is deemed, by research participants, to constitute ‘good governance’. Second, I reveal contradictions to the articulated ideals of education – to facilitate the flourishing of individuals and the strengthening of the social fabric of society, and the neo-liberal re-visioning of State education as currently practised, that result in tensions that underlie interruptions to governance relationships in education. Thus, this research provides a starting point for similar studies in education governance in other NZ schools and in public organisations more generally.

1.8 Thesis Structure

Chapter One: Introduction. This chapter provides an outline of what I chose to study, and why and how I chose to study it. I provide a general introduction to the NZ education context and a brief justification for adopting a dual theoretical orientation of critical theory and social constructionism, and I outline the methods chosen for this research.

Chapter Two: Issues of Meaning: ‘Corporate Governance’ in the Literature.

Since the mid 1980s the ‘governance’ of public sector organisations (including schools) has been, either explicitly or implicitly, reframed according to ‘corporate governance’ rhetoric. In Chapter Two I discuss some of the connotative meanings academic writers have assigned to the term ‘corporate governance’.

Chapter Three: Pre-Tertiary Education Governance in New Zealand (1877-2010). In Chapter Three I look specifically at education sector governance in NZ between 1877 and 2010. To set the scene for this research, Chapter Three provides a detailed account of why and how the education sector came to be so dramatically reformed in the late 1980s early 1990s. Now that governance processes have had time to become embedded in schools' management practices, knowing what has happened in the past provides the stimulus to study the present.

Chapter Four: Methodology and Method. In Chapter Four I discuss the methodology and methods used in this research. Theoretical direction comes from social constructionism and critical theory as I am interested in exploring the ideals of emancipation, inclusiveness, and governance relationships in State education in NZ. I selected case study, audio-recorded semi-structured interviews and thematic analysis to conduct this particular research enquiry.

Chapter Five: Fairfield College. In Chapter Five I introduce the State high school selected for my case study – Fairfield College located in Hamilton, NZ. I provide details on the school and its special character, and profile the community it serves. I invited the BOT of Fairfield College to participate in my research at a time when the Board was experiencing governance difficulties. These difficulties, which received extensive and detailed coverage in the popular media at the time, intensified and resulted in a critical incident; specifically, a vote of no confidence in the BOT was passed by the school's branch of the Post Primary Teachers Association (PPTA) on December 13, 2008. This critical incident culminated in the resignation of the BOT on February 21, 2009 and the appointment, by the State, of a Commissioner to manage the school on February 23, 2009.

Chapter Six: Findings: Same Play – Different Scripts. In Chapter Six I present my findings using narrative thematic analysis. I present a selection of excerpts from my interviews with Fairfield College stakeholders that tell of the tension surrounding governance relationships at the college. These excerpts provide examples of the issues fuelling the interruptions between the ‘actual’ and the ‘possible’ in terms of ‘good’ governance.

Chapter Seven: Discussion. In Chapter Seven I discuss the key issues participants raised in relation to governance relationships at Fairfield College. I discuss the themes identified as critical to the way governance of Fairfield College is interpreted, challenged, and/or endorsed by the participants.

Chapter Eight: Implications. In Chapter Eight I outline the wider implications of the key governance issues identified in Chapter Six and their applicability to other State-controlled but community-governed organisations. In this chapter I weave together my analysis of contemporary policy objectives of secondary education in NZ and how they are perceived by stakeholders at Fairfield College.

Chapter Nine: Insights on Interruptions: Lessons for ‘Good’ Governance. My thesis concludes with an overview of my research and a summary of the key findings. Recommendations for future areas of study are made.

1.9 Limitations of the study

The scope of the research is limited to the school’s stakeholders and their willingness to participate in this study. However, the depth to which research participants were willing to discuss their insights, together with the extensive literature I have reviewed, provide a sound and useful insight into the governance

of Fairfield College. It also makes a contribution to the scholarly understanding of ‘good’ governance in other organisations and societies where inclusion and emancipatory values are held.

While the work has specific insights and implications for the governance of Fairfield College, the application of these insights to the governance of education and of public sector organisations more generally is deductive. The broader implication of what constitutes ‘good governance’ for the governance of other specific public institutions requires further investigation.

Chapter Two

Issues of Meaning: ‘Corporate Governance’ in the Literature

“When I use a word,” Humpty Dumpty said, in rather a scornful tone, “it means just what I choose it to mean – neither more nor less.” “The question is,” said Alice, “whether you can make words mean so many different things.” “The question is,” said Humpty Dumpty, “which is to be master – that’s all” (Carroll, 1996 p. 124).

2.1 Introduction

According to Blackburn (1996), the main philosophical challenge for social researchers is to demystify meaning and intent, and then to relate such meaning and intent to what we know, or think we know, of ourselves and the world. Indeed, the metamorphosis of “mere sounds and inscriptions into instruments of communication and understanding” (p. 235) is a complicated and active social process that requires constant negotiation. It is not simply a case of downloading facts, which in themselves are a product of interpretation and re-interpretation, into an empty file. The process of negotiating meaning involves both formal and informal participation on the part of the actors. In this chapter I set out to develop an understanding of the contribution that academics have made to the development of connotative meanings of the term ‘corporate governance’ through the meta-theoretical framework of social constructionism and critical theory and the published articulation of their ideas. The assortment of connotative meanings found in the governance literature indicate a diversity of thought on what the concept entails and yet there is little discussion in the literature as to what the consequences this diversity may cause in practise.

2.2 Connotative Meaning

Connote – to imply or suggest (associations or ideas) other than the literal meaning

Meaning – the sense or significance of a word, sentence, or symbol; the purpose underlying or intended by speech, action; the inner, symbolic, or true interpretation, value, or message; the sense of an expression

Collins English Dictionary (2000)

To connote is to impute, project, or read meaning into words, meanings that extend beyond the commonly held understanding of such words to incorporate the associated perceptions, beliefs and emotions or political intent of those who are seeking to use these words in a way that is new or subtly different from the previous common usage. The communicative potential of the connotative imputation of meaning is further developed by philosophically-grounded definitions. Blackburn (1996) for example defines

Connotation as “the abstract meaning or principle or condition whereby something is picked out as denoted by the term” (p.76)

and

Meaning as “whatever it is that makes what would otherwise be mere sounds and inscriptions into instruments of communication and understanding” (p.235).

The process of connotation involves emotive and symbolic manipulation. This is what I call the Humpty Dumpty phenomenon – that meaning and communicative intent are not objective and that words can be made to mean what you want them to mean, thus potentially making it difficult for others to understand what you are trying to communicate. Indeed the ability to influence meaning is a source of

personal, social, political, and economic power. Through this research the contemporary use of the term ‘corporate governance’ by a variety of stakeholders, will make explicit the contemporary *meaning* and *communicative intent* in the outline of responsibilities *they understand* are associated with the term. It will also identify the consequences of their understanding in practice. This research suggests that the meaning of words established in relation to other words articulate world views and as such underpin ideology and public policy. In New Zealand (NZ) the broader lexicon on education governance represented a wide reaching commitment to an imposition of neo-liberal economic policies that were used to radically restructure the NZ economy and society. The meta-theoretical framework that underpins this research is discussed next.

2.3 Social Constructionism

Social constructionists emphasise that attempts at understanding social process involves becoming familiar with the thought processes of those generating those processes. The difficulty is that our understanding of ‘the world’, indeed our perception of reality, is a reflection of our own mind-set that has been formed throughout our own social experiences and interactions. It is through the telling of stories about ourselves and the happenings around us that we define our reality and how we ‘fit’ with those around us. This act of defining our reality and the persuasive quality of our stories is achieved by attempting to influence our “listeners’ opinions, while also reinforcing the tellers’ own beliefs and attitudes” (Jones, Moore, & Snyder, 1988, p. 43).

Dillard (1991) uses the analogy that our perception of the world and reality is “like gazing into a mirrored surface. We only see what is reflected back to us.

Different surfaces (ideological frames) reflect a different reality. Yet, the more we gaze into the mirror, the more the reflection becomes our ‘objective reality’” (p. 9). Morgan (1993) also uses the analogy of a mirror suggesting that both the actor and researcher are constrained by the images each holds of themselves. But these ‘self’ images are constructed through interaction between individuals and it is through this interaction that social processes and self images may be developed and sustained or transformed.

How then does one approach research from a social constructionism perspective? Gergen and Gergen (2003) observe that approaches to social constructionist research are not static but rather are continuing to develop and expand.

The focus of social constructionist theorists is on how groups and individuals produce, disseminate, and validate perspectives to be taken-for-granted as knowledge or truth, or principles firm enough to generate action with an intentional outcome. Consistent with social constructionism epistemology I recognise the unique nature of each centre of inquiry, in this case the stakeholders of the State co-educational high school I intend to engage with. The value of an enquiry focussed on a single institution is that it has the potential to provide greater depth of understanding as to how people ‘operate’. Social constructionism shares an epistemological base with critical theory in that the use of language is regarded as pivotal to the construction of social process with meaning constantly being negotiated and re-negotiated between the actors (Held, 1980; L’Huillier, 2007). This is particularly evident in the variety of connotative meanings found in the governance literature.

2.4 Critical Theory

Critical theorists work from the assumption that reality is created and re-created by actors whose ability to effect change in this ‘fabricated’ reality is limited by one or more types of domination¹. By applying a critical perspective, and by focusing on inconsistencies, contradictions, and conflicts apparent in the research data, researchers seek to identify and draw attention to what they understand to be processes of domestication, domination or exploitation of the actors. The ultimate aim of critical research is to highlight the emancipatory potential that greater awareness of these constraints may bring and to contribute to changes that would enhance justice and the full flourishing of the actors. However, as noted by Alvesson and Deetz (2000), this presupposes that the actors themselves cannot easily ascertain the ‘reality’ of their situation but leave it to the critical researcher to fill this void.

The ‘radical humanist’ paradigm provided by Burrell and Morgan (1979) views the human actors who create the social worlds they live in as being prevented from achieving their ‘full potential’², because of the constraints they consciously and subconsciously subscribe to. In a similar way critical theorists present society as having a limiting social order, so that if people are to achieve their full potential they must rise above these limitations. Likewise, Chua (1986) argues that “human potentiality is restricted by prevailing systems of domination which alienate people from self-realization” and that ideological constructs may be embedded in our “taken for granted beliefs about acceptable social practices” (p. 619).

¹ As noted later in this chapter the government, the church, military and legal institutions can be cited as examples of these overarching types of domination.

² Burrell and Morgan (1979) do not elaborate on the phrase ‘full potential’.

Critical theorists provide research processes through which to critique ‘the status quo’ from the viewpoint that ‘the status quo’ is a social construction whereby actors ‘perform’ “within a matrix of inter-subjective meanings” (Chua, 1986, p. 621). Although critical theorists learn the language of their subject they are also aware that it is the very language itself that may be a medium of repression and social power (Burrell & Morgan, 1979) as ideological constructs may be embedded in the language itself (Chua, 1986). This view is supported by Jönsson and Macintosh (1997) who claim that merely producing narratives of meaning systems is not simply an act of translation and interpretation of the individual’s beliefs, actions and communication practices but rather is “first and foremost a political act” (p. 378) as words equate to power.

Critical theorists share the assumption that there are structures that operate below the surface of social existence which shape and drive the individual’s social interactions including communication patterns and behaviour (Burrell & Morgan, 1979; Jönsson & Macintosh, 1997). By applying a critical perspective the researcher is committed to exposing restrictive conditions, systems and ideologies that prevent human potentialities from emerging (Chua, 1986).

Although critical theory has a reputation for negativity by seeking to denaturalise what appears as natural and inevitable it also seeks to create positive change by drawing insights into the everyday practical manner in which power is used and potential conflicts suppressed (Alvesson & Willmott, 2003). As noted by Alvesson and Skoldberg (2000) “critical theory does not have to be based on a fundamentally negative view of society, but perhaps on a recognition that certain social phenomena warrant scrutiny based on an emancipatory cognitive interest”

(p. 127). In this sense critical theorists provide an optimistic commitment to systemic transformation towards emancipation.

Participants may come from different ideological perspectives that have been shaped by their personal experiences and their values. The combination of critical theory with social constructionism will serve to draw attention to the human act of creating multi-dimensional social processes that become embedded in the reality of the participants. The dual meta-theoretical framework serves to draw attention to the contradictions and tensions surrounding the articulated meaning of education, processes of representations and of good governance and that which is practised resulting in a critical interruption in school governance.

2.5 How ‘Meaning’ is Imposed

Every word in every language necessarily is endowed with meaning – an endowment that relies on concurrence (or compliance) among users in order for the word to be useable at all – even when the interpretation of the political effect of the words may vary. Rarely does the ordinary use of language conform to a standard of exactness. Indeed, Russell (1992) contends that “in practice language is always more or less vague, so that what we assert is never quite precise” (p. 8). Wittgenstein (1994) supports this premise by stating that often in our everyday world language contains words which may share a commonality, in the form of how they are spelt or how the words sound or both, but as a form of communication a single word may actually signify two very different propositions. Using the word ‘green’ as an example to support this idea in the statement “Green is green”, the former word is used as a person’s name and the latter word as an adjective (Wittgenstein, 1994, p. 9). Both words sound the same but have totally

different meanings and only the intent and understanding of the full sentence provides meaning.

Brandom (1998) suggests that to understand the common meaning of a word or phrase it is necessary to examine the way in which it is used to make sense of the sentence containing it. This enquiry into the contextualisation of meaning is endorsed by Turnbull (1997) who argues that different meanings and nuances are afforded to various words in everyday language. According to Littleton, Arthur, and Rousseau (2000, cited in Howell, 2006, p. 14) malleability of meaning provides for a “multi-layered richness” although Humphries-Kil (1995) suggests that flexibility of meaning can be a source of power whereby ambiguities can be exploited for personal and political gain.

Weedon (1987) claims that “language in the form of different discourses does indeed give meaning...this meaning is not a reflection of an already fixed reality but a version of meaning” (p. 78). I am cautioned by Weedon’s reification of language. In her portrayal of language as an actor or agent our attention is drawn away from the human creation and use of language. Language does not give meaning; language is used by human beings to impute meaning.

My research is based on the idea that the imputation of meaning into sounds (words), and their ordering into meaningful statements, is a human action. Wittgenstein (1994) also argues that it is not language in the form of written and oral signs that give meaning, but rather it is the individual who creates language who gives meaning to these signs in community with others. Like Kuhn (2000), he uses the term ‘language game’ as a metaphor for the rules and processes in which we use words to communicate. He believes that we are oblivious to the

tremendous diversity of everyday language games because “the clothing of our language makes everything [seem] alike” (p. 213). I suggest that it is individuals with implicit and yet shared ontological preferences for a particular meaning who can sanction, effect and perpetuate a change in the commonly understood meaning of a word or phrase.

According to Bolinger (1980) and Brandom (1998), language is not a neutral or impartial instrument. Like Wittgenstein (1994), they describe it as a complex system of symbols – an intricate arrangement of words and relationships. Potter (1996) suggests that it can be very difficult to decide what is metaphorical and what is literal, even in our everyday speech. Using the example of the word ‘rich’ Potter illustrates how the meaning of a word can be used in a variety of figurative and literal senses. For example; John Brown had a *rich* and full life (achieved a lot/experienced a lot); John Brown was very *rich* (wealthy); the Christmas cake was *rich* (full of dried fruits and spices); John Brown’s complaint was a bit *rich* (cheeky/mischievous/audacious). Others (see Humphries-Kil, 1995) writing from a social constructionist perspective would argue that all language is metaphorical and none is literal. All words are given their meaning based on a foundational myth, assumed by a community to be truth. We select from a vast ‘bank’ of metaphors and apply them to manifest our intentions. Humphries-Kil (1995) argues that metaphors can be used to influence human affairs by harnessing them to support a particular course of action or power structure. Indeed, both Kuhn (2000) and Lyotard (1984) contend that the language game is first and foremost a game of power.

To understand the way in which language is used and developed in order to facilitate human endeavours it is necessary to view words in relation to both the meaning they were intended to convey and their received meaning. In order for words to be used in a meaningful way, people are constantly imputing meaning, attempting to interpret intent and frame responses. In these processes words undergo constant reinterpretation as attitudes and meanings are changed. As stated by Wittgenstein (1994): “language is a labyrinth of paths. You approach from one side and know your way about; you approach the same place from another side and no longer know your way about” (p. 99). To ascertain the meaning of an expression it is necessary to determine how it would be used in various contexts for as Kuhn (2000, pp. 62-63) notes:

Words do not, with occasional exceptions, have meanings individually, but only through their associations with other words...if the use of an individual term changes, then the use of the terms associated with it normally changes as well.

Some (e.g. Brandom, 1998) associate this with deduction, logic and normative prescription for use. In this dissertation, however, a more contextually-driven understanding is intended; specifically, an examination of how ‘corporate governance’ is used in the state secondary education sector.

In this chapter I am concerned with developing an understanding of how the term ‘corporate governance’ is shaped in the academic literature. By surveying the academic literature and examining the theoretical constructs surrounding the term it may be possible to identify meaning and communicative intent associated with this idiom and whether one particular meaning dominates the literature.

2.6 Overview

The use of the term ‘corporate governance’ intensified during the economic and political changes instigated in OECD countries from the mid 1980s. Indeed, these changes resulted in a substantial increase in stock market activity in NZ and around the world (Cole, 1998; Shleifer & Vishny, 1997). During this time the reputation of NZ and Australian business was tarnished by various corporate scandals and, in some cases, spectacular corporate failure (e.g., Equity Corp in NZ and the National Safety Council in Victoria, Australia). Poor confidence in publicly listed companies can have a devastating effect on share prices and the share market in general. During the 1987 share market crash more than half the listed companies disappeared from the NZ Stock Exchange leaving numerous investors, including myself and my husband, out of pocket. I felt a sense of being duped when a company I had invested in suddenly went into receivership even though previous financial statements and company media releases gave no warning to this effect. In more recent times the “high-profile mismanagement of large, multi-national private-sector corporations has brought heightened media attention to the whole issue of corporate governance” (Mason, Kirkbride, & Bryde, 2007, p. 287). Examples of such high-profile cases include Enron and WorldCom.

A confluence of several disclosures spawned a new era in stakeholder thinking regarding the governance of business. As widespread corporate excesses became public knowledge calls were made in both the popular and academic media to tighten up the overall governance of business (Cole, 1998; Conyon, Gregg & Machin, 1995; Francis, 2000; Ryan, 2000). These excesses, as defined by both the popular media and academics, included: exorbitant salaries coupled with the frequent use of golden handshakes for upper management, the ways in which

directors were appointed and reappointed (appointments based on friendships and/or prior business relationships rather than ability), and performance-linked rewards resulting in an excessive focus on short-term decision making at the expense of long-term strategic planning. Whiteoak (1996) and MacDonald and Beattie (1993) suggest that weakened public confidence in the corporate governance system brought to the top of the policy agenda the need to reconsider existing corporate governance models to restore this confidence and to address problems associated with management and governance relationships.

To alleviate public and political concern over company failures many proposals were developed to modify the governance of private sector business entities. These proposals, if implemented, promised to improve the accountability of these entities to shareholders in an attempt to improve or sustain confidence in the share market (Cole, 1998; Wright & Chiplin, 1999). Corporate governance became emphasised as the locus of control and responsibility. Millstein (1993), writing from an agency perspective, suggests that corporate governance is the mechanism through which the managers' control is monitored and held to fairly enhance corporate profit and shareholder gain.

According to theorists working with agency theory, corporate governance is deemed a systemic provision of some measure of control over the actions of agents such as managers and subcontractors. Indeed, agency theorists played a major role in developing the policy framework that underpinned the public sector reforms, especially the corporatization and privatisation programmes (Boston, Martin, Pallot, & Walsh, 1996). However, not all academic writers adhere to the agency theory perspective of corporate governance. There are a number of

academics who write about corporate governance from a variety of theoretical viewpoints other than agency theory, thus providing different perspectives on corporate governance, which in turn influence the connotative meaning(s) of this phrase. These different perspectives of governance and their influence on connotative meanings(s) will be discussed more fully in section eight of this chapter.

2.7 An abridged history of the term ‘corporate governance’

The Joint Stock Companies Act 1844 was passed in Britain establishing a business form that allowed investors to pool resources to buy shares to invest in an artificial legal entity (company) that granted them the protection of limited liability should the business fail leaving debt. Prior to the passing of this Act the only way in which a limited liability company could be formed was by Royal Charter or the passing of a Special Act of Parliament. A proliferation of limited liability companies ensued. With this change in thinking and manner in which business was conducted a distinction was made between ‘corporate governance’ (private sector) and ‘government’ (public sector). With the creation of the limited liability company corporate governance systems and mechanisms were deemed necessary to ensure that the interests of the shareholders took precedence over those entrusted with the running of this business form.

Ryan (2000) argues that the primary drawback to this business form was the resulting separation of ownership and control (discussed in further detail in section 2.9.1). Issues pertaining to control and management influenced the creation and implementation of a governance regime for limited liability companies (Dungan, 1997).

2.7.1 Corporate governance and the 20th century

Whilst the idea of corporate governance of a company by a Board of Directors may be seen early in the Industrial Revolution the term itself was not coined until more than 100 years later. Numerous writers, including Jessop (1998), Singleton-Green (1995), Tricker (1993), Vinten (1998), and Wakelin (1994), argue that it was not until the latter half of the 20th century that the term was produced. This observation supports Tricker's (1993) claim that prior to the late 1980s the term 'corporate governance' "could not even be found in the professional literature: [but] by the end of the decade [it was] common place" (p. 1).

Clarke (1998) argues that there is much evidence of exponential growth in research on corporate governance (p. 57). John and Senbet (1998) concur that "the debate on corporate governance continues, at an accelerated rate, both in the academic circles and popular press" (p. 395).

To test the validity of the above claims about the level of engagement with the concept of corporate governance in the literature I conducted a guided word search on electronic databases using 'corporate governance' as the search words and the number of articles published between 1985 and 2001 in peer-reviewed publications was recorded. I chose to stop at 2001 as I believe there was sufficient evidence to confirm the assertions of the above claims. Prior to the late 1980s little academic interest was shown in 'corporate governance' or even the use of this phrase but, since then, the term has become more commonplace in academic research.

Only those articles that specifically used the phrase 'corporate governance' were recorded. The results of this study are shown in Figure 2.1. I restricted the scope

of this study to information contained in refereed journals between 1985 and 2001 held in the ABI/INFORM Global and Emerald databases.

The information shown in Figure 2.1 displays the response to the two-part question: "When did corporate governance become a topic of serious academic attention and, has the debate on corporate governance increased at an exponential rate?" The information contained in this graph clearly answers this question. First, it confirms the findings of several overseas studies (Jessop, 1998; Singleton-Green, 1995; Tricker, 1993; Vinten, 1998; Wakelin, 1994) that prior to the late 1980s the term 'corporate governance' could rarely be found in refereed journals. Second, up until 1997 the number of articles published in refereed journals did increase at an exponential rate and then from 1998 to 2001 the number per year slowly decreased.

Only articles found in refereed journals were graphed and not those articles found in the popular press or in non-refereed journals such as professional magazines. It can be concluded, from the parameters I set for my study, that the assertions made by Clarke (1998), Jessop (1998), John and Senbet (1998), Singleton-Green (1995), Tricker (1993), Vinten (1998), and Wakelin (1994) are reasonable.

Figure 2.1 Articles found using a guided word search in peer-reviewed publications between 1985 and 2001 with ‘corporate governance’ being the subject words.



As at 30 July 2001

The next section reviews the explanations given in the literature regarding the creation and use of the term ‘corporate governance’.

2.7.2 Jargon and Corporate Governance

Newman (1980) stated that jargon "serves as a fence that keeps others outside and respectful, or leads them to ignore what is going on because it is too much trouble to find out" (p. 135). But 'jargoneering deception' is dependent upon the ignorance of the intended recipient; seen through, it falls apart (Bolinger, 1980).

That is, if the recipient comes to the conclusion that the jargon is essentially 'empty' words then their attention/criticisms will be refocused on the issue(s) originally under scrutiny. As the term 'corporate governance' appears to have been created in response to public and political concern over company failures during the 1980s, it is reasonable to question whether or not the phrase is an example of 'jargoneering deception'.

Jessop (1998) contends that the term 'corporate governance' is little more than jargon. Indeed, Jessop's (1998) research into the rise of governance and the roles of markets, states and partnerships led him to conclude that the term became "a ubiquitous buzzword which can mean anything or nothing" (p. 31) and thus may or may not have represented 'something' being done to prevent further company failures. This view supports the findings of Davis (1993), Keasey and Wright (1993), and Cole (1998) that the term 'corporate governance' was a language tool that emerged from the recession to reassure the public that 'something' was indeed being done to prevent/minimise the chances of further company failures. Wright and Chiplin (1999) go further when they suggest that the creation of the term 'corporate governance' was a deliberate act to deflect criticisms made by shareholders about the governance of business during the 1980s recession. Thus, the meaning of the term might have become a personal translation by the user to signify, for example, that *something* was being done without the need to explicitly state what has been or will be done to prevent further company failures or the occurrence of corporate excesses. It is this 'something' that writers of corporate governance literature are intending to convey that is the focus of this study. The difficulty faced is how to analyse this opaque 'something' in connection with the

connotative meaning of 'corporate governance' that the writers of corporate governance literature are attempting to convey to the reader.

What follows is an analysis of theory constructs to identify connotative meanings communicated by the term 'corporate governance' based on the analytical framework developed by Hung (1998). His framework serves as a useful base to conduct research on governance theories and governing boards as he sought to classify the relationship between theory and the role and functions of governing boards. His typological approach is valuable due to its flexibility in allowing movement "beyond traditional linear or inter-action theories" (Hung, 1998, p. 102) and incorporates a "holistic principle of inquiry" (ibid) acknowledging "extrinsic and intrinsic influences" (p. 101). This approach complements the dual orientation of social constructionism and critical theory that underpins this research. The 'theoretical' thus informs as to the meaning of 'corporate governance' that writers, from different theoretical perspectives, are attempting to convey.

2.8 Theoretical Diversity

Brodkey (1989) describes theory as "an acquired taste" that is contingent on the "social and political arrangement that define scholarly practice" (p. 164). I suggest that the theoretical constructs of scholarly practice help explain the ideological variation between one school of thought and another because the application of theory "defines the work of those who speak it" (Brodkey, 1989, p. 180). By examining the theoretical constructs surrounding a particular word or phrase researchers have the opportunity to ask questions about meaning, relationships, and validity of posited phenomena. Brodkey (1989) claims that theories are the

“rhetorics of possibility...[surrounding] speculative and persuasive claims” (p. 179).

Keith and Cherwitz (1989) credit Kuhn with the view that disagreements over theory are “disagreements about the meanings of the terms shared by competing theories” (p. 200). But disagreement over meaning within the confines of theoretical constructs is not a new phenomenon. As noted by Simons (1989), Plato was concerned that blurred understanding of meaning allowed the rhetor to be a perverter of ‘truth’ who was able to utilise ambiguities to the detriment of others. Keith and Cherwitz (1989) also claim that “rhetoricians have tried to probe the possibilities and the flexibilities inherent with language” (p. 202) since time began. By exploiting the “resources of ambiguity in language” (Burke, 1969 cited in Simons, 1989, p. 3) the rhetor may take the opportunity to form dialogue tailored with a particular audience(s) in mind.

I contend that it was the malleable nature of language that allowed the imposition of neo-liberalism ideology in the NZ public sector. By exploiting the ambiguities in language it allowed rhetoricians (political elite) the opportunity to impose their ‘own’ meaning on to words and phrases according to neo-liberal political philosophy (Ezzamel & Willmott, 1993) thereby reshaping social reality along these lines (Matheson, 1997). Indeed, the central tenet of rhetoric is persuasion and, as Thomas Kuhn observed, persuasion rather than proof is king!

What follows is an analysis of the theory that is associated with the use of the term ‘corporate governance’. This analysis identifies and speculates on the various lenses through which the idea of ‘corporate governance’ is employed.

My examination of publications revealed that approximately nine out of every 10 articles addressing ‘corporate governance’ assume a common understanding of the term’s meaning. However, these articles do not define the term. I reviewed both those in the guided word search of the ABI/INFORM Global and Emerald databases, and those of electronic databases and publications identified by following up appropriate citations found in articles already under examination. Ninety percent of these publications used the term ‘corporate governance’ without providing any reference to its theoretical foundation, thus leaving the reader with little or no insights into its meaning(s). The remaining 10% of articles do attempt to provide a theoretical foundation for the term ‘corporate governance’ from a variety of perspectives.

It would appear that no overarching theory of corporate governance exists, that it is a contested concept with different meanings for different people depending on their ontological preferences. Stiles (1997) of the London Business School (cited in Clarke, 1998) observed that much of the theory surrounding corporate governance tended to be prescriptive and that there was a need for more descriptive research. Because governance theory is generally “not robust or well-rooted” Clarke (1998) held that it is important to “understand what is going on first, rather than hammering theory into the space available” (p. 62).

Stiles (1997) attempted to respond to this gap in the literature by developing what he considered “an instructive table of the dimensions of competing theories of corporate governance” (p. 63). I found his table to be a useful means with which to link these competing dimensions of corporate governance with the Board’s role when viewed from a theoretical perspective. I modified his table to focus on the

role of corporate governance while maintaining the linkage with different theoretical perspectives and updated it to include articles published after 1995. Representative studies were selected for the clarity with which they capture the dimensions of contrasting theories of corporate governance. Indeed it is the issue of clarity that served as the overriding parameter for the selection process. The updated selection of articles is represented in Table 2.1. I acknowledge that the selection process is open to critique due to the subjective nature in which articles were selected. All material reviewed was eligible for inclusion in the table but those articles published in refereed journals took priority over non-refereed material. There is a significant divergence of opinion as to the meaning of corporate governance within each tradition. Each of the perspectives and theoretical viewpoints identified will be discussed later in this chapter.

Millstein (1993) claims that corporate governance has become a subject of general familiarity. However, Hodges, Wright & Keasey (1996) and Turnbull (1997) suggest that there is a multiplicity of definitions for the term ‘corporate governance’ and Rhodes (1996) claims the term itself can be used in a variety of ways. This idea of ‘general familiarity’ would appear to be in keeping with my observation that approximately nine out of every 10 articles that addressed ‘corporate governance’ appear to assume a common understanding and do not provide a definition of the term or some other means with which to communicate clearly to the reader what meaning the author is referring to when using this term. Nor do all academics share a similar definition. Doctrinal dispute over definitions and connotative meanings is to be expected in comparatively new areas of research in the social sciences (Clarke, 1998) and ‘corporate governance’ appears to fall within that category.

As already indicated, governance theory is “not robust or well-rooted” (Clarke, 1998, p. 63). Thus variations in meaning appear to depend upon the individual author’s perspective, viewed through the lens of the theory on which that author is implicitly or explicitly drawing (Turnbull, 1997). The variations in meaning may relate back to conflicts in, sometimes unstated, philosophical roots (refer Table 2.1) and the theoretical constructs that emerge from those roots. Equally, the variety of use could be attributed to intentional acts of dialogue used to shape reality. Hung (1998) states for example, “corporate governance scholars adopt as well as modify these theories to suit their own purposes” (p. 108). Indeed, there seems to be a motive to do so. Jarley, Fiorito, and Delaney (2000), speaking from a labour union governance view, point to the strong interest in shaping corporate governance to meet private needs. They state “low member access systems...may also provide insufficient safeguards against leaders bent on pursuing their own interests in addition to, or in place of, those of the members” (p. 245).

The combination of (a) a weak definitional base and (b) strong motivational forces to turn connotational meaning into self-service, understandably aid the development of competing perspectives of the meaning of corporate governance. In the following section I outline which forces have driven, or been driven by, theoretical constructs that give ‘corporate governance’ meaning.

Table 2.1 A Taxonomy of Competing Theories of Corporate Governance

Theoretical Perspective	Agency Theory	Stewardship Theory	Managerial Hegemony	Resource Dependency Theory	Stakeholder Theory	Multi-governance theory
Theoretical Origin	Economics and Finance	Human Relations and organisation theory	Organisation Theory	Sociology	Management theory, politics and law	
Role of Corporate governance	To act as a monitoring or directing tool in the broad sense of mission or directive for management	To facilitate empowering structures	To constrain governing boards ability to made decisions independent of management	To act as a linking tool between the organisation and its environment	To act as a vehicle for coordinating stakeholder interests	To take a holistic view by integrating functional aspects of various governance theory as a means of explaining and understanding what happens within a firm.
Representative Studies	Mangel & Singh (1993) Main (1994) Hart (1995) Shleifer & Vishny (1997) John & Senbet (1998) Short, Keasey, Wright, & Hull (1999)	Donaldson & Davis (1991) Donaldson & Davis (1994) Fox & Hamilton (1994) Davis, Schoorman, & Donaldson (1997)	Mace (1971) Crystal (1991)	Pfeffer (1972) Pfeffer (1982) Useem (1980) Palmer (1983) Ornstein (1984)	Donaldson & Preston (1995)	Hill & Jones (1992) Turnbull (1997) Hung (1998) Laing & Weir (1999)

Adapted from Stiles (1997, cited in Clarke, 1998).

The theoretical perspective categories were selected by Stiles. However, I have updated the representative studies from each theoretical dimension.

2.9 Theory

Using Table 2.1 as my base, I discuss in more detail the main contrasting theories found in the academic corporate governance literature, and how these may influence connotative meaning.

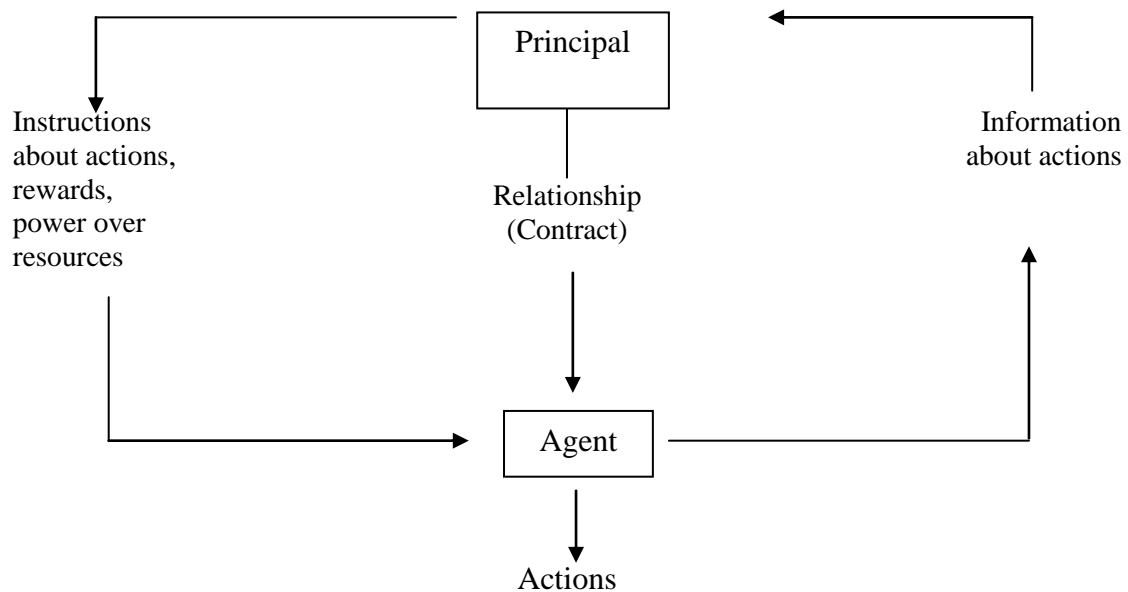
2.9.1 Agency Theory

Agency theorists trace their origins back to the school of economics and finance (Davis, Schoorman, & Donaldson, 1997). The basic premise of the principal-agent theory as defined by Jensen & Meckling (1976) is one of a contractual relationship between one party (principal) engaging another party (agent) to perform a service(s) on behalf of the principal, which involves some decision-making authority being yielded to the agent. Agency theorists posit that the contractual relationship entered into involves a “voluntary exchange resulting in dependency” (Althaus, 1997, p. 137). Boston (1991) suggests that agency theory can be used to analyse the relative efficiency of alternative institutional arrangements due to its focus on the nature of contractual relationships. Refer to Figure 2.1 for a diagram of this relationship.

Agency theorists portray people as opportunistic players who rationally maximise their own utility and are focused on extrinsic rewards, even to the detriment of others (Hogan, 1997). Thus, because of the separation of ownership from control, there will be a conflict of interest between the owner and the principal (Donaldson & Davis, 1991; Jensen & Meckling, 1976; Mosen & Downs, 1965). The agent and principal both seek to receive maximum benefit for the least possible expenditure but the principal incurs agency costs when the interests of the principal and the agent vary (Davis et al., 1997; Donaldson & Davis, 1994; Muth & Donaldson, 1998; Short et al., 1999). Furthermore, mutual benefit may not be optimal nor even come to fruition

because of goal divergence between the parties. Althaus (1997) claims that it is the principal who “usually loses out on the optimality stakes, as the theory restrictively attributes opportunism to the agent” (p. 141). Boston (1991) and Boston et al., (1996) claim that this is a flaw in agency theorists’ armour – that they tend to focus more on opportunistic agents than opportunistic principals. Indeed, they claim little attention is given to how principals might misrepresent themselves thereby leading to the exploitation of agents due to the fact that questions of power and authority in human relationships tends to be overlooked by agency theorists.

Figure 2.2 Agency relationship



(Source: Gray, Owen, & Adams, 1996)

According to Althaus (1997), Boston (1991), Cole (1998), Hart (1995), and Shleifer and Vishny (1997), the primary agency problems related to the separation of ownership and control are:

- Conflicts of interest between owners and managers.
- Asymmetries of information between owners and managers.
- The inability to write complete contracts for all potential future eventualities.

Agency theorists conceptualise and rationalise human behaviour and organisational structures. According to Easton (1989), they make no distinction between the public sector and the private sector. Althaus (1997) claims that although the agency theory model “presupposes automatic extension of a private exchange concept to public sector activity and relationships’ (p. 150) her research indicates that agency theory “defies simple importation to the public sphere” (p. 151). However, Boston (1991) and Boston, Martin, Pallot, and Walsh (1996) suggest that the agency model is useful for analysing public policy issues, particularly those examining the relative merits of institutional arrangements.

According to Boston et al., (1996, p. 27) agency theory was used for “developing the policy framework that underpinned” the NZ government’s corporatization and privatisation programmes and underpinned some of the provisions set out in the State Sector Act 1988 including remunerations systems, incentive structures and performance management. But they also note that the use of a simple agency theory model to describe, explain, and analyse “complex social interactions and constitutional relationships can be misleading and inappropriate” (Boston et al., 1996, p. 32) particularly in instances where an agent has multiple and competing principals.

In accounting settings agency theory is “commonly used to understand and predict behaviour [as] it assumes competing, rational, self-interested players and focuses on contractual solutions to conflicts” (Reiter, 1997, p. 302). Kunz and Pfaff (2002) state “there is no doubt that agency theory and its advocated view of the firm as a complex nexus of contracts constitutes one of the major pillars of theoretical accounting” (p. 276). This being the case, agency theory provides a frame for the behaviour of the

respective actors, thus providing a useful store of practical implications for the design of governance structures (Boston et al., 1996).

2.9.1 (i) Agency Theory and ‘Corporate Governance’

As revealed by my review of the literature the term ‘corporate governance’ is used to understand or determine the *role* of agents in fulfilling their half of the contractual relationship governing agency relationships identified in Figure 2.2. The basic view held by agency theorists of corporate governance is that in any given situation managers may not act to maximise shareholder returns contrary to their self-interest unless appropriate governance structures (to monitor costs) are put in place to protect the interests of shareholders (Jensen & Meckling, 1976). Monks and Minow (1995) suggest that the major challenge addressed by agency theory advocates regarding corporate governance “is how to grant managers enormous discretionary power over the conduct of the business while holding them accountable for the use of the power” (p. 179).

The agency framework suggests that corporate governance is about creating and monitoring the mechanisms that are put in place by shareholders to control corporate insiders in order to maximise shareholder wealth by reducing agency loss (Eisenhardt, 1989; John & Senbet, 1998; Laing & Weir, 1999; Short et al., 1999; Turnbull, 1997). As Sternberg (1998) puts it, corporate governance’s solitary role is “ensuring that corporate actions, assets and agents are directed at achieving the corporate objectives established by the corporation’s shareholders” (p. 20). It follows, therefore, that the connotative meaning of ‘corporate governance’, under the banner of agency theory, refers to policing methods employed to ‘keep agents in check’. Thus, the meaning and theory of corporate governance in this paradigm is based on the mechanistic logic associated with structural functionalism.

2.9.2 Stewardship Theory

Stewardship theorists trace their origins back to the human relations school of management (Hung, 1998), organisation theory (Clarke, 1998) and the disciplines of sociology and psychology (Muth & Donaldson, 1998). In direct contrast to agency theorists, stewardship theorists focus on non-economic influences that guide managerial activity (Mason et al., 2007). Indeed where agency theorists present a view of governance based on economic interpretations of relationships within organisations, stewardship theorists allow for a range of non-financial motives for managerial activity, including the need for achievement and recognition, the intrinsic satisfaction achieved from a successful performance, and a strong work ethic.

The basic premise of stewardship theorists, as stated by Donaldson and Davis (1994), is that managers are:

stewards of the corporation [who] diligently work to attain high levels of corporate profit and shareholder returns. Thus, organizational financial performance and shareholder wealth will be maximised by empowering managers to exercise unencumbered authority and responsibility. (p. 159)

Stewardship theorists posit the ‘model of man’ as one in which managers, as stewards, are team players and not motivated by individual goals but rather align themselves with the objectives of their principals (Davis et al., 1997). This aspect of the stewardship model is in direct contrast to the agency theory model, in which the manager is portrayed as a rational opportunist who will maximise his/her own utility to the detriment of others, including the principal.

Fundamental to the stewardship model is that there must be a culture of trust between the principal and the manager (Mason et al., 2007). In situations where the ‘principal’

is not clearly defined and where there are multiple and competing stakeholders, the culture of trust is between the manager and the primary stakeholder(s).

An underlying premise of stewardship theorists is the idea of “directors having a fiduciary duty [and] that they can be trusted and will act as stewards over the resources of the company” (Turnbull, 1997, p. 190). It presumes “that managers are seeking to maximize organisational performance” (Fox & Hamilton, 1994, p. 69). Therefore, it follows that “there is *no* motivation problem or non-alignment of interest between management and ownership” (Hung, 1998, p. 107, emphasis added). Stewardship theorists justify the reallocating of corporate power from principals (be they owners or dominate stakeholders such as government ministers) to professional managers in order that corporate control can “empower[s] managers to maximise corporate profits” (Muth & Donaldson, 1998, p. 6). In terms of public sector organisations, the stewardship model allows for the alignment of the manager with the “ethos of [the] social enterprise” (Mason et al., 2007, p. 290). Therein lay the fundamental difference between a private sector stewardship theory model and a public sector stewardship theory model. Under the former the goal is to maximise shareholder wealth whereas under the latter the goal is to maximise social benefit.

2.9.2 (i) Stewardship Theory and ‘Corporate Governance’

When attempting to identify the meaning of corporate governance as promoted by stewardship theorists, the literature communicates a different meaning to that of material written from an agency theorist’s perspective - although there are similarities. For example, like stewardship theorists, agency theorists imply that the term ‘corporate governance’ is used to understand or explain the *role* of agents. However, that is where the similarities stop due to an implicit disagreement over the character of human beings.

The basic idea of corporate governance under the stewardship model is that in any given situation managers are good stewards of corporate assets and they work diligently to maximise shareholder returns (Donaldson, 1990). This view leads to the assumption that if managers do indeed fit the ‘model of man’ their performance is not influenced by self-interest, but is more likely to be “affected by whether the structural situation in which he or she is located facilitates effective action” (Davis et al., 1997, p. 25). Thus it could be argued that corporate governance, under the banner of stewardship theory, is associated with ‘structure’ and hierarchy.

Stewardship theorists posit that the primary purpose of corporate governance is to “focus not on motivation of the CEO but rather facilitative, empowering structures...[that] will enhance effectiveness and produce, as a result, superior returns to shareholders” (Donaldson & Davis, 1991, p. 52). This view of corporate governance places a focus on “structures that facilitate and empower rather than those that monitor and control” (Davis et al., 1997, p. 25).

Given the above argument, it is reasonable to conclude that under the banner of stewardship theory, the connotative meaning of corporate governance involves ‘power and authority’ metaphors, carries normative assumptions, and involves role players such as ‘stewards’.

2.9.3 Managerial Hegemony

According to Mace (1971, cited in Hung, 1998) the basic premise of managerial hegemony proponents is that governing boards are ‘tools’ used by professional managers to lend support to, and validate their decisions. Managerial hegemony theorists posit that a class of professional managers runs the modern corporation and that it is those managers, not the board of directors, who make all the strategic

decisions (ibid). The board of directors serve in a superficial role, merely ‘rubber stamping’ decisions made by professional managers and serving as a legitimising figurehead (Hung, 1998).

According to managerial hegemony theorists, shareholders elect board members giving the outward impression that it is they who are ultimately in charge of a company. Professional managers endeavour to stack the deck in favour of those individuals who have a prior history of not interfering with the activities of the professional manager (Mangel & Singh, 1993). Thus, on paper the shareholders elect board members but, before they get to vote some (if not all) of the names on the ballot sheet have already been pre-selected by the professional manager (Hung, 1998).

2.9.3 (i) Managerial Hegemony and ‘Corporate Governance’

Managerial hegemony theorists focus on the *role* of agents, as do the theorists from the previous two perspectives, but from an *organisational structure* perspective. Managerial hegemony theorists suggest that boards of directors will not get involved in strategic decision-making independent of management (Mace, 1971, cited in Hung, 1998; Whisler, 1984) and conversely, that professional managers will resist calls for board involvement in strategic decision-making (Lorsch, 1989). Managerial hegemony theorists therefore emphasize the ‘cameo’ role that boards of directors’ play in the governance of corporations (Drucker, 1974, cited in Hung, 1998). That is, under the banner of the managerial hegemony model, the notion of corporate governance incorporates multiple phrases critical to the phenomenon such as ‘failed to get involved’, ‘fictional role of directorates’ and ‘managers will resist’ to describe the roles boards of directors and professional managers play in the governance of business.

There are three reasons given to justify the description for the role of boards of directors as ‘cameo’ within the corporate governance framework which in turn impacts on the ‘meaning’ assigned to corporate governance under this theoretical lens. First, the professional manager effectively appoints and reappoints board members at their discretion. Second, directors who tend to be co-opted on to the board are likely to have been identified as possessing a malleable nature coupled with an understanding of company ‘politics’. These two justifications are supported by Mangel and Singh (1993) whose research led them to state “the CEO is likely to have a say in appointing outside directors and thus the chosen directors are likely to be more sympathetic to the CEO’s wishes” (p. 343). Once again there is an emergence of terms which indicate manipulation and self-service from this interpretation of ‘corporate governance’.

The third reason put forward to ‘justify’ the ‘cameo’ role of the board is that the various benefits that accrue to directorships provide a disincentive to upset the status quo (Hung, 1998; Whisler, 1984). The benefits associated with private sector directorships (in particular, levels of compensation) were the focus of an article written by Crystal (1991) who concluded that there was an “incestuous relationship” between directors and executives essentially due to the fact “outside directors decide what to pay the CEO, and the CEO decides what to pay the outside directors” (p. 54). Mangel and Singh (1993) take a less provocative view of this ‘incestuous relationship’ when they state:

Rather than an explicit back-scratching scheme, it is conceivable that those directors with higher retainers value their positions more and are thus more inclined to want to please the CEO, which represents a slightly less conscious quid pro quo arrangement. (p. 343)

Therefore, the literature when written from a managerial hegemony theorist's perspective indicates that the connotative meaning of 'corporate governance' refers to the arrangement whereby boards of directors play a support/subservient role to the professional manager. The implications for connotative meaning suggest that there are few distinctions between how management and corporate governance members are viewed. Returning to the recurrent theme of the critical view, it can be suggested that such critique is not reserved for one of either management or the governing body but both and perhaps to the process or context which it engenders. 'Meaning' as such is conveyed through a tone of critique.

2.9.4 Resource Dependency Theory

Resource dependency theorists trace their origins back to the school of sociology (Clarke, 1998). When working with 'corporate governance' these theorists tend to focus on the linking role of the governing board to other organizations (Hung, 1998). The basic premise of resource dependency theorists as stated by Hung (1998) is that:

Corporations depend upon one another for access to valuable resources and therefore seek to establish links in an attempt to regulate their interdependence. An interlocking directorship is one form of links in that complex chain of connections among organizations. (p. 104)

The 'model of man' as posited by resource dependency theorists is part of a networking directorship chain (Hung, 1998; Palmer, 1983) and "who [is] in a position to exercise major influence over the decisions and policies of these large companies" (Useem, 1980, p. 41). Business organizations use their boards of directors as a means of accessing or absorbing significant interdependent external organizations (Pfeffer, 1972). This networking or interlocking directorship chain therefore "involves

exchanging some degree of control and privacy of information for some commitment for continued support from the external organisation” (Pfeffer, 1972, p. 222).

Resource dependency theorists’ focus on ‘corporate governance’ is based on the supposition that “board size and composition are not random or independent factors, but are rather, rational organizational responses to the condition of the external environment” (Pfeffer, 1972, p. 226). Studies have shown that using “the well-established paradigm of inter-organizational relations, investigations have portrayed interlocking directorship ties as a corporate strategy for improving (and reducing uncertainty) their sales, purchases, credit and public reputations” (Useem, 1980, p. 66).

2.9.4 (i) Resource Dependency Theory and Corporate Governance

The key idea conveyed by the literature on corporate governance when addressed from a resource dependency theoretical viewpoint is that its meaning is connected with the *structure* of the organisation in relation to other such structures and the positioning of these in the wider society. As stated by Hung (1998), “corporations depend upon one another for access to valuable resources and therefore seek to establish links in an attempt to regulate their interdependence” (p. 104). According to Palmer (1983) and Ornstein (1984) the board of directors can be seen as a linking instrument between the organisation and the external environment.

Hung (1998) suggests, based on the findings of Mace (1971), that the notion of interlocking directorships can be seen from a critical perspective whereby people from the capitalist class build up “relationships with each other” (p. 105) to “effectively liaise and coordinate their influence with an aim to preserving class interest” (p. 106). However, it is suggested by Ibarra (1993) that board membership is segregated by race and/or gender, a view that would appear to be supported by the findings of

Strauss (2002) that white males hold over 80% of the 11,500 Fortune 1000 board seats. Burke (1997), Sheridan (2001) and Sheridan and Milgate (2005) found that many women only gained board membership through personal recommendation from either the CEO or another board member, which suggests that interlocking directorships is the result of an active and 'exclusionary old-boy network'. Bernardi, Bean and Weippert (2005) in their research investigating gender and ethnic diversity on boards of directors concluded that although white males were disproportionately represented there was an increased presence of gender and race diversity on boards of directors.

Sheridan and Milgate (2005) suggest that an exclusionary old-boy network will remain in place due to "the small, but highly influential group of men currently gatekeeping board positions (p. 854). Under this line of reasoning it is, therefore, reasonable to conclude that the connotative meaning of 'corporate governance' involves critical metaphors such as 'the old boy network' and 'the school tie brigade'.

2.9.5 Stakeholder Theory

Stakeholder theorists trace their origins back to management theory, politics and law and within the corporate governance literature tends to focus on the coordinating role of the governing board (Hung, 1998) in the pursuit of stakeholder interests (Clarke, 1998). The term 'stakeholder' refers to individuals and groups of constituents who have a legitimate claim on the firm (Donaldson & Preston, 1995; Pearce, 1982). Stakeholder theorists conceptualise a corporation as "a constellation of cooperative and competitive interests possessing intrinsic value" (Donaldson & Preston, 1995, p. 67).

The basic premise of stakeholder theorists, as stated by Hill and Jones (1992), is that "whatever the magnitude of their stake, each stakeholder is a part of the nexus of

implicit and explicit contracts that constitutes the firm” (p. 134). Stakeholder theorists posit that the ‘model of man’ “presumes that managers and other agents act as if all stakeholders’ interests have intrinsic value” (Donaldson & Preston, 1995, p. 71). Thus, corporate governance involves the adoption of a pluralistic approach to organizational management (Hung, 1998).

The pluralistic approach to organizational management involves the establishment of the authenticity of stakeholders through the existence of an exchange relationship (Hill & Jones, 1992) or, as stated by Donaldson and Preston (1995), “stakeholders are defined by their legitimate interest in the corporation, rather than simply by the corporation’s interest in them” (p. 72). Stakeholders, therefore, include shareholders, creditors, employees, managers, customers, suppliers, environmentalists, local communities, and the public at large (Hung, 1998).

2.9.5 (i) Stakeholder Theory and ‘Corporate Governance’

The primary focus of corporate governance as suggested by stakeholder theorists rests with governing boards and the assertion that there are numerous groups in society aside from shareholders and employees to whom the corporation is responsible (Donaldson & Preston, 1995; Hill & Jones, 1992; Hung, 1998). The governing board, under the umbrella of corporate governance, achieves corporate goals by performing a balancing act with the “often conflicting interests of these different groups” (Hung, 1998, p. 106). Thus ‘corporate governance’ connotes a synchronising forum.

Stakeholder theorists suggest that the primary purpose of corporate governance is to provide a “vehicle for coordinating stakeholder interests” (Evan & Freeman, 1993, cited in Donaldson and Preston, 1995, p. 74). This view of corporate governance puts in place structures where stakeholders can state their case, reduce the effects of

information asymmetry and, that have an enforcement component built in to protect the rights of stakeholders (Donaldson & Preston, 1995; Turnbull, 1997).

It follows therefore, that corporate governance, under the stakeholder theory model, is one of a 'balancing act' that takes place because all stakeholders including advocacy groups are considered to have the right to be heard. Thus the connotative meaning of 'corporate governance' is the nexus of stakeholder agreement.

2.9.6 Multi-governance theory

Whilst theories written from a multi-governance perspective are new and undeveloped they cannot be discounted as it is clear that the proponents of these theories attribute a different meaning to the term 'corporate governance'. However, due to the 'newness' of these multi-governance theories it may not be possible to identify with any degree of resolution the connotative meaning of 'corporate governance' from these theorists' perspectives.

Perhaps the most significant contribution to the debate, in terms of meaning, was a paper by Hung (1998) which investigated the viability of multi-governance theory models when addressing corporate governance issues. Indeed, Hung (1998) found that much of the corporate governance literature focuses on the role of the governing board but concluded that corporate governance is too complicated a process for a single theory to adequately capture. This in turn impacts on the meaning of the term 'corporate governance'. Some scholars have attempted to develop a 'new' model of corporate governance in an attempt to reflect the complex nature of the firm and its governing board (Turnbull, 1997), which encompasses functional aspects of two or more of the above theories. The resultant emergent theories, categorised as multi-

governance theories, each appear to convey a different *meaning* of ‘corporate governance’.

2.9.6 (i) Agency-Stewardship Theory

Combining assumptions of agency theorists and stewardship theorists is one approach that has been put forward by Turnbull (1997) and Laing and Weir (1999). To adopt an agency-stewardship theory approach to corporate governance issues, it is necessary to accept the duplicity of human nature and the likelihood of individuals behaving both as opportunistic self-serving agents endeavouring to maximise their own utility and as selfless stewards focused on achieving the goals of their respective organizations (Laing & Weir, 1999; Turnbull, 1997). The arguments supporting or challenging agency-stewardship theorists are not well developed or documented which impacts on how this theory can be used to elicit meaning. This indicates the theory has little academic support and/or the theory is so ‘new’ it has yet to generate comment in academic circles. Therefore, further research is needed if agency-stewardship theory is to gain credibility in academic circles as it is neither robust (from a theoretical viewpoint) nor does it have enriching empirical evidence to flesh it out (Laughlin, 1995). As yet there is not enough published material with which to draw a conclusion as to the meaning of ‘corporate governance’ from this perspective.

2.9.6 (ii) Stakeholder-Agency Theory

Another combination that has been introduced is a melding of stakeholder and agency theories. Hill and Jones (1992) suggest that to adopt a stakeholder-agency theory approach to corporate governance issues, theorists needed to accept that both stakeholder-agent and principal-agent relationships are policed by governance structures. Once again the argument supporting or challenging this theory is not well

developed or documented which in turn impacts on how this theory can be used to elicit meaning.

There is little empirical evidence to support the assertions from stakeholder-agency theorists that their theoretical perspective is a step forward in the study of corporate governance that, importantly from this thesis's focus, is likely to provide insights into a 'new' meaning of the term 'corporate governance'. However, stakeholder-agency theorists should not be discounted merely because they are developing new theory because their work might yet prove useful in understanding how the meaning of 'corporate governance' appears to change. However, at this point, there is insufficient published literature with which to determine the meaning of 'corporate governance' from this theoretical perspective.

2.10 Discussion

My review of the academic literature has revealed that a form of organisation referred to as 'corporate governance' has been practised in some form since the days of the Industrial Revolution. The theoretical analysis of this corporate form has generated a range of perspectives resulting in a considerable divergence of opinion on the connotative meaning(s) given to the term 'corporate governance'. Building on the competing theories of corporate governance previously identified (see Table 2.1) I have described the connotative meanings of 'corporate governance' revealed by the literature review. This description is presented in Table 2.2. What is evident is the divergence of meaning that theorists assign to the term 'corporate governance'.

A possible reason why different meanings exist is that academics study firms from a variety of angles. These viewpoints can be coloured by the researcher's cultural and educational backgrounds as well as by the academic discipline they represent

(Turnbull, 1997). This variation of viewpoint in itself gives weight to the assertion that the variation of meaning given to the term ‘corporate governance’ is about fundamental conflicts in the philosophical roots of the researcher. As stated earlier, the variety of views may also be intentional acts of dialogue on the part of researchers to mould reality “to suit their own purposes” (Hung, 1998, p. 108).

My literature review reveals that the variation of meaning given to the term ‘corporate governance’ is connected with the theorists’ view of the board. Those theorists who view the board and its activities from the perspective of the personal characteristics and role of individual board members write of ‘corporate governance’ based on their perception of the character of human beings. It is these theorists who denote meaning to ‘corporate governance’ from an agency or stewardship perspective. Those who view the board as a collective group or as individuals whose personal characteristics are not the primary point of focus, view ‘corporate governance’ as a professional business arrangement. I discuss these key points in the connotative meanings of ‘corporate governance’ in more detail in the following section.

If the writer views the character of man as being self-interested (s)he writes from an agency theorist perspective. Thus, the meaning they wish to convey when using the term ‘corporate governance’ is that of a policing *tactic* or strategy that is employed to counter this self-regarding individual.

Conversely, if the writer views the character of human beings as being altruistic they write from a stewardship theorist perspective. Thus, the term ‘corporate governance’ is employed to convey a perspective on the extent or limitation of trust that can be capitalised upon for the good of the organisation. It follows, therefore, that under

Table 2.2 **Connotative Meanings Given to the Term ‘Corporate Governance’**

Theoretical Perspective	Agency Theory	Stewardship Theory	Resource Dependency Theory	Stakeholder Theory	Managerial Hegemony Theory
Primary Assumption	Managers will work towards their own self-interests unless suitable policing methods are employed.	Managers will work in the best interests of the organisation and/or owners and thus require structures to facilitate and empower.	Boards of Directors are a linking mechanism between the organisation and the business environment in which it operates.	Boards of Directors will work towards achieving corporate goals by balancing the interests of (sometimes conflicting) stakeholder groups.	Boards of Directors play a subservient role to the professional manager.
Application	Tactic to counter agency problems.	Tactic to benefit organisational performance	Professional arrangement representing a linking system between the Board and external bodies.	Professional arrangement representing a nexus of contracts or relationships.	Professional arrangement representing validation procedures.
Connotative Meaning of ‘Corporate Governance’	Implies notions of monitoring and control.	Implies notions of ‘power and authority’ metaphors.	Implies notions of critical metaphors such as ‘the old boy network’ and ‘the old school tie brigade’.	Implies notions of a synchronising forum.	Implies notions of critical phrases such as ‘fictional role of directorates’ and ‘failure to get involved’.

stewardship theory 'corporate governance' represents a *tactic* that is used for the benefit of the organisation.

Those who write from the remaining three theoretical viewpoints; managerial hegemony, resource dependency or stakeholder theory, do not appear to focus on the character of human beings. Rather, these three theoretical perspectives assign meaning to 'corporate governance' from an impersonal viewpoint and pay scant attention to the personal characteristics of individual members of the board. Instead, the board and its members together are viewed merely as a cog in the structure of the organisation to be used to further the interests of the organisation.

Those theorists addressing governance issues from a managerial hegemony stance draw on organisation theory to rationalize the 'cameo' role they feel the board plays in the running of the organisation in favour of professional managers. Under this theory, the personal characteristics of board members, whether self-interested (as in agency theory) or altruistic (as in stewardship theory), is irrelevant. Managerial hegemony theorists see the board as a collective group, there to support and endorse the decisions of the professional manager. Therefore, the meaning that proponents of this theory convey when using the term 'corporate governance' is that of a professional business *arrangement* representing validating procedures.

The literature reviewed that addressed corporate governance from a resource dependency theoretical viewpoint draws on its origins in sociology to explain the linking role the board has to other organisations. Managerial hegemony theorists view the personal characteristics of board members as secondary to the requirement that they are part of an interlocking directorship chain that can be

used for the benefit of the organisation. Therefore, the meaning that proponents of this theory convey when using the term ‘corporate governance’ is also that of a professional business *arrangement* representing a linking system.

The literature written from a stakeholder theoretical viewpoint also draws on its origins in management theory, politics, and law to explain what it perceives the role of the governing board to be. Indeed, it views the board as having a coordinating role whereby it balances the interests of the organisations’ various stakeholders. Stakeholder theorists see the board, as a collective group, being there to support and endorse the right of all stakeholders to have their say about decisions and actions taken by the organisation. Therefore, the meaning that proponents of this theory wish to convey when using the term ‘corporate governance’ is also that of a professional business *arrangement*, representing a synchronising forum that takes into account all stakeholders’ interests.

Whilst there is a variety of theoretical viewpoints on corporate governance issues, agency theory (and the meaning its proponents intend to convey) is the dominant theoretical perspective adopted by the majority of researchers. From a ‘numbers’ perspective it was evident during the literature review that journal articles addressing corporate governance issues written from an agency viewpoint outnumbered all other theoretical viewpoints combined.

Moreover, academics endeavouring to introduce a different theoretical viewpoint frequently included in their articles statements acknowledging the claim that agency theory dominates the literature. A selection of these ‘acknowledgements’ can be found in Table 2.3.

Table 2.3 Researchers who acknowledge the dominance of agency theory whilst advocating a different theoretical viewpoint

Researcher(s)	Theoretical Perspective	Statement acknowledging the dominance of agency theory
Hill & Jones (1992)	Multi-governance theory	“...agency theory has emerged as the dominant paradigm in the financial economics literature.” (p. 131)
Nodoushani (1996)	Managerial revolution theory	“...most participants in the debate of the last few years have focused on agency theory.” (p. 3)
Davis, Schoorman, & Donaldson (1997)	Stewardship Theory	“...agency theory appears to be the dominant paradigm underlying most governance research.” (p. 20)

The dominance of agency theorists and the meaning they attempt to convey in the corporate governance literature is unexpected due to the comparative ‘newness’ of the term and general area of research. As the term only appeared in the literature during the late 1980s one would expect a greater debate to have been conducted in academic circles. It is possible to speculate that as agency theorists appear to dominate the literature the creation of the term ‘corporate governance’ may merely have given a name to an existing, well-established concept.

It would appear that most of the ‘alternative’ literature focuses on a *single* theory, as in the case of stewardship or stakeholder theory, to inform and explain corporate governance issues. Researchers advocating these alternative theories

have chosen to modify existing, well-researched social science theories in order to understand, appraise, or fashion governance structures.

The evidence provided by the literature review is clearly weighted in favour of agency theorists. Therefore, it is reasonable to state that ‘The Master’ (with reference to the Humpty Dumpty quote found at the beginning of the chapter) connotative meaning of corporate governance is the idea of control manifested in the form of policing methods employed to reduce agency loss.

2.11 Summary

In this chapter I have attempted to identify the connotative meanings and theoretical bases used by academic writers in the study of corporate governance. It is evident from the literature that connotative meanings given to the term ‘corporate governance’ varies depending on the theoretical viewpoint of the writer. Indeed, agency theorists, stewardship theorists, resource dependency theorists, managerial hegemony, and stakeholder theorists each convey a different meaning when using the term ‘corporate governance’.

Additionally, this review identified a group of academics who are calling for a new theory of corporate governance to be developed that encompasses aspects of more than one of the five governance theories discussed in this chapter. However, this new theoretical perspective is still in its infancy.

The theoretical foundation of the term ‘corporate governance’ has been examined and a framework of connotative meanings drawn up. It is evident that there is a considerable divergence of opinion as to what ‘corporate governance’ can mean although it should be noted that those writing from an agency theory perspective

dominate the literature. However, there is little discussion in the academic literature as to the consequences this divergence of opinion may cause in practise. The implication is that if there is such a divergence of opinion as to the meaning of ‘corporate governance’ in the academic literature there might well be an equal divergence of opinion of those at the coal-face of education administration as to the meaning of corporate governance. If this is the case, the critical question to be asked is, does this difference of understanding then impact on how corporate governance is actioned in schools?

The divergence of meaning, at its broadest, explains some of the wider governance divergenceness found in democracy and in our public and quasi public institutions. As I focus my gaze on the education sector this divergence of meaning impacts on the delivery of governance responsibilities. In Chapter Six the research participants express their understanding of the tensions and contradictions surrounding the governance of Fairfield College revealing the impact this divergence of meaning has in practice. The divergence of meaning at the level of this particular school, serves as an explicit exemplar of the impact this has on observable outcomes.

Whilst this chapter has examined corporate governance through the published literature of theorists the next chapter will examine education sector governance in NZ between 1877 and 2010. I will identify the governance mechanisms that have been imposed on the education sector in NZ since the passing of the first New Zealand Education Act in 1877. In doing so I will identify when and why the term ‘corporate governance’, more commonly associated with the private sector, was imposed on the State education sector.

Chapter Three

Pre-Tertiary Education Governance in New Zealand between 1877 and 2010

Education is simply the soul of a society as it passes from one generation to another. G. K. Chesterton (1874-1936)

3.1 Introduction

Philosophers and politicians throughout the ages and across cultures have written extensively on the topic of education. Within those considerations, the links between the ideals and the processes of democracy have been of significant interest. In a contemporary example, and in response to the social unrest in Pakistan, the leader of the opposition party and former Prime Minister of Pakistan Benazir Bhutto³ wrote

Democracy cannot be sustained...in the absence of a stable and growing middle-class. Huge economic disparities between social classes in a society strain national unity, creating a gap between the rich and the poor. Educated and rich elites dominating illiterate masses are not a successful prescription for building a democratic society. (Bhutto, 2008, p. xi)

She advocated an educational system that could deliver “hope and real opportunity” (ibid) as a necessary precursor to creating a democratic society. Although Bhutto was writing about the 21st Century concept of democracy and how it may apply to Pakistan, I argue in this chapter that her words could apply equally well to New Zealand (NZ) in the 19th Century. In both cases, literacy levels were low and the educated and wealthy elite served as the gate-keepers of

³ Benazir Bhutto was assassinated in December 2007; her book ‘Reconciliation: Islam, Democracy and the West’ was published shortly after her death.

society's overarching super structures: politics, law, the church, and the military. The focus of this research is NZ education in the form of State funded and controlled formal schooling and its governance, from its origins through to 2010.

By examining NZ's education system through historical analysis I seek to identify governance mechanisms that were put in place in various epochs and in doing so, identify why and when, the term 'corporate governance', more commonly associated with the private sector, was grafted into the State education lexicon. For, as noted by Wain (2004), the educational vocabulary has been:

hijacked by an agenda that is economic and vocationalist instead of humanist and educationist, subscribing to a difference set of criteria and values (those of performativity rather than human growth), and set by very different protagonists, employers and national governments, with very different interests.
(p. x)

NZ underwent a paradigm shift from a prevailing State interventionist social democracy to a commitment to the principles of neo-liberalism in the late 1980s (Bale & Dale, 1998; Kelsey, 1999, 1995; Larner, 1997a; Larner, 2005; Le Heron et al., 1996). This paradigm shift affected every aspect of the public sector including the State education sector, which underwent a radical transformation (Ferlie, FitzGerald, & Ashburner, 1996). The governance of schools was reconfigured along modes of governance more commonly associated with a corporate market model of governance identified in Chapter Two. Schools were now expected to define themselves in terms similar to those associated with private sector business (Waslander & Thrupp, 1995). Terms such as 'effectiveness' and 'efficiency' were recast to take an increasing financial focus.

Competition and entrepreneurship were to be encouraged; students became customers and departments became cost centres (Smelt, 1998).

The organisation of the rest of this chapter is as follows. In the next section I identify the arguments that were raised in 19th Century NZ supporting and negating the suggestion that the State fund a universal education system for its citizens. In part three I review the education system during the centralisation period (1877–1988) and the utopian-like aspirations of equality of education and educational opportunities that dominated at this time. I then look at the public sector reforms and the education system and governance mechanisms (known as Tomorrow’s Schools) that were put in place in the late 1980s. I provide a review of the situation in NZ 15 years after the implementation of neo-liberal policies in part six, followed by a description of the education system and associated governance mechanisms under the ‘Third way’ social democracy ideology. I then discuss, in part eight, the differences and similarities between governance structures from the centralisation period through to the ‘Third Way’ and the ideological preferences that appear to drive these structures.

3.2 Arguments for a Universal State-Funded Education System in New Zealand

Research by Wain (2004) suggests that there were three primary political arguments voiced in support of the introduction of a universal schooling system in NZ in the 1800s. The first was based on the notion that the education children would receive at school would ultimately enhance “the economic and social progress” of society and provide “adequate preparation for life in [a] modern industrialized societies[y]” (Wain, 2004, pp. 27-28). The reality of this ‘life’ for many, however, was long hours working in factories and bureaucracies (ibid).

As early as 1869 debate was taking place in the NZ Parliament on the issue of schooling for the masses. The Honourable Member for Mongonui, Thomas Ball, quoting from a report by the Nova Scotia Board of Education, stated that “the future prosperity of a State consists in educated and industrious men and women” (Ball, 1869, p. 526). He further contended that education for the masses should include the instruction on fundamental doctrines such as “the principles of a free government and the rights and duties of good citizenship” (ibid, 1869, p. 526). In a later debate on an education bill that would provide for the education of all children in the colony the Honourable Member for Rangitikei, William Fox, likewise was in no doubt as to the importance of education at a macro-level. He stated, “the future of a country is dependent upon its standards of education” (Fox, 1871, p. 198). This view is still being expressed today, more than 130 years later, when Bhutto (2008) writes “good public educational opportunity is the key to the economic and political progress of nations” (p. xi).

Fox encountered stiff opposition to the introduction of the proposed education bill. The Honourable Member for Wakatipu, Charles Haughton, for example stated “...in providing State education...What did the State propose to effect? Did it propose to teach every child in the country not to be content with that state of life in which it had pleased God to place him?” (Haughton, 1871, p. 244). Haughton, as one of the educated elite, clearly had no difficulty with the existing political and social system that allowed children, predominately of the poorer classes, to remain uneducated and presumably with little hope of breaking the cycle of illiteracy and poverty to which they were born.

The second primary political argument in support of education in the form of mass schooling was that it could be used as a mechanism for social control, including a reduction in crime rates (Hood, 1998; Wain, 2004). Alfred Domett (1849), colonial secretary, laid the following minute before the provincial council that children should be educated to make them “good and virtuous citizens [who] add to the strength and stability of the social fabric – that is, to educate them properly” and that uneducated children had the potential to be “dangerous or injurious to it” (p. 97). He went on to say that “it is the duty of every government...[whether] despotic, democratic or mixed...to maintain their social organization” and that regarding the “maintenance of the well-being of society [it] is now generally acknowledged that none is more effectual than the proper education of children” (p. 98). This argument is still being touted today where Bhutto (2008) argues that if the State were to provide a viable educational system for all children then the “breeding grounds of violence would shrivel and dry up” (p. xi).

Domett (1849) suggested that the best way to ‘neutralize’ social dissent is through state-funded and controlled compulsory mass education; otherwise ‘ignorance’ may threaten to “convulse and eventually disorganise society” (p. 98). By the State controlling the purse strings for a national education system it can ensure the “enforcement in national schools of fundamental doctrines” (Domett, 1849, p. 101). Although he did not elaborate on what he felt these doctrines were, no evidence has been found to suggest they were different from those articulated by the Honourable Member for Mongonui, Thomas Ball, (Ball, 1869, p. 526) as cited earlier in this chapter.

Codd, Harker, and Nash (1985) claim that a universal and compulsory ‘education’ via mass schooling has “always been concerned with social control” and that political socialization continues to be an important function of schools as it has always been required to “transmit state ideology and provide a mantle of authority for the symbols of the dominant culture” (pp. 11 - 12). Kaufman (1984) argues that education via mass schooling is an essential part of society’s overarching super structures which “moulds the social, political, and intellectual beliefs of its citizens” and thus is organised to reflect the ideas of the “ruling class” (p. 82). Knight (1995) argues that ‘education’ via mass schooling was simply the attempt to “produce personalities and subjected and docile bodies suited to the need of work and the practices of power; the infinite reproduction of schooled workers” (p. 24).

Shuker (1985) claims that the education system functions as a “state apparatus”, producing a labour force with “ideas, values and practices which are consistent with, and in acceptance of, existing power relations” (p. 181). Under this line of reasoning mass education is, according to Marxist theory, an instrument of capitalist power or, as Wain (2004) writes, “for gentling the masses” (p. 27). Kell (2004) concurs, suggesting that secondary school education is used to serve the interests of the capitalist class who require passive, subservient workers. Knight (1995), generating a perspective from the work of Foucault, claims that despite the “rhetorics of classical humanism...deployed variously in education’s justification mass schooling [is anything but humane]”; indeed “to equate mass schooling with a humanistic education is almost certainly to commit an oxymoron” (pp. 23 - 24).

The third political argument, with much public support, is for a universal education system centred on the concept of egalitarianism that would lead to social equality and justice for all. Domett (1849) suggested individuals had the right to an education as “every child has a right to the means of developing its moral and intellectual nature” (p. 97); a view that was still evident over 100 years later in NZ (Currie Report, 1962) and around the world (Bhutto, 2008). However, after conducting a review of the parliamentary debates that took place leading up to the passing of the Education Act 1877, I concur with Harker (1985) when he suggests that this was an unusual belief for a member of the ruling class at that time.

Olssen et al. (2004) argue that in NZ egalitarianism has come to signify “not equality of position or outcome, but access or opportunity for all, regardless of individual or social impediment” (p. 130). Thus, education via mass schooling was perceived as one of the primary instruments through which equality of opportunity could be achieved.

McCulloch (1990) suggests that there is a public perception that a universal education system would “under the paternal eye of the state [lead to] the creation of an educated democracy” (p. 57). Olssen et al. (2004) observed that the provision of education that emerged in NZ, however, was positioned against a backdrop of “the ‘myth’ of equality of educational opportunity, an integral part of the ideology of egalitarianism” (p. 131). Nonetheless, Hood (1998, p. 9) claims that it was the “emergence of egalitarianism” that underpinned much of the public debate leading up to, and support for, the passing of the Education Act of 1877. This Act made it compulsory that all NZ children between the ages of 7 and 13

attend school; prior to the passing of this Act less than 25% of NZ children in this age group regularly attended school (Statistics New Zealand, 1864).

Harker (1985) suggests that arguments for the enhancement of economic productivity and social control can be interpreted as support for mass schooling to meet the needs of the economic elite. This opposes the argument supporting an individual's right to an education that leans heavily on the humanitarian egalitarian view that mass schooling is an equalising mechanism between the ruling class and the layman. I suggest that it was only when the two arguments were grafted together that a universal education system become a reality in NZ and then only under the close control of those in positions of power.

Hood (1998) and Wain (2004) suggest that the public view education in terms of emancipation and opportunity whereas most political leaders view education in terms of the satisfactory training and control of a future workforce. Herein lay the contradiction; the clash of philosophies between the concepts of egalitarianism, social equity, and justice-for-all on the one hand and the view that education is a “process principally operated [for] the shaping of character in accord with the social structure and sentiments of capitalism” (Clegg & Dunkerley, 1980, p. 60). In this chapter I explore the extent to which forms of governance, as manifest in various epochs, lend more credibility to one version of the argument than the other.

3.3 Overview of New Zealand Education 1877-1988: The Centralisation of the Education System

Minogue (1968) and Adams, Clark, Codd, O'Neill, Openshaw, and Waitere-Ang (2000) claim that the concept that dominated the thinking of politicians during the 1870s was that education should not be limited to those children of educated or wealthy parents but should be freely available to all. But, according to McKenzie (1969), there was a struggle to translate this ideal into a reality.

Pountney (1997) argues that public education, as created by the Education Act 1877, was “put in place...to deal with the problems created by a dog-eat-dog society” (p. 31). Indeed, it has been claimed that the passing of this Act represented a marked change in political attitude. It went from regarding public education for the masses as a low priority luxury, whereby education was based on the financial health of the education provider, to viewing education as an integral part of a utopian, democratic, learning society where education was seen as a ‘public good’ and the ideology of ‘social equity’ (Adams et al., 2000; McKenzie, 1969; Renwick, 1986). Indeed, democracy cannot work, if equality of educational opportunities is stifled. This utopian ideology was to dominate the education field for more than 100 years until the public sector reforms of the 1980s.

The Education Act 1877 created a unified system that was largely responsible for balancing the scales regarding access to education and educational opportunity throughout NZ, because it took “the schools to the people” (Minogue, 1968, p. 151). Adams et al., (2000) claim that it was at this point NZ education became guided by a state-supported ideology of social equity, whereby education was “held to be a public good provided by society for the benefit of all” (p. 119). This

idea of a state-guided policy of equality of opportunity in education was well publicised by Fraser's⁴ statement of education policy in 1939. In this document it is stated:

The Government's objective, broadly expressed, is that every person, whatever his level of academic ability, whether he be rich or poor, whether he live in town or country, has a right, as a citizen, to a free education of the kind for which he is best fitted, and to the fullest extent of his powers. (As cited in Renwick, 1986, p. xxii)

The Education Act 1877⁵, signalled a new era for education in NZ. First, it established a fully state-funded national system of education that was free for all children between the ages of 7 and 13 years. Second, it established a statutory requirement for children between the ages of 7 and 13 years to attend school⁶. Third, the curriculum was to be taught free of denomination bias. Fourth, it provided a hierarchical structure of responsibility and control comprising three levels (Butchers, 1930, 1932; Cumming & Cumming, 1978; Taylor, 1977). It is this last aspect that will be explored next because it impacts on the governance of the education sector.

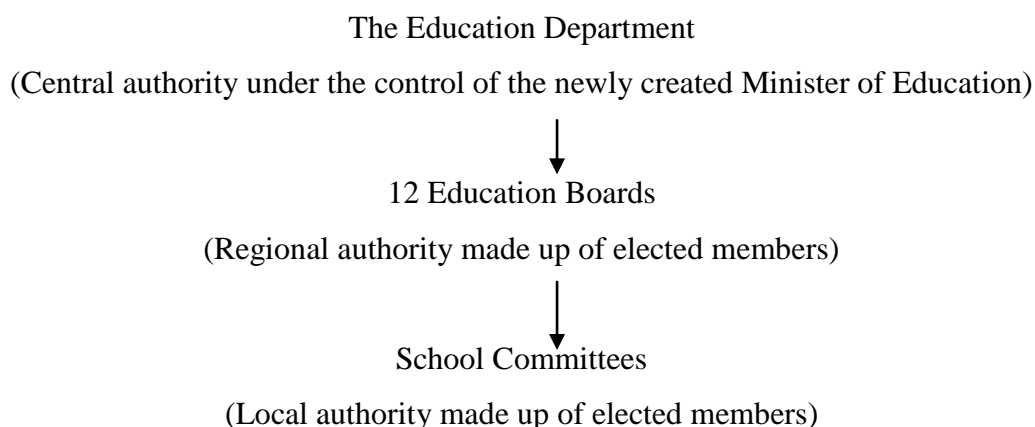
Renwick (1986) claims that the Education Act 1877 established a bureaucracy that put in place administrative structures that remained essentially unaltered until the education reforms of the 1980s. Adams et al., (2000) describes the structure as based on a three-tiered balance of responsibility and control between community interests, regional interests and central government interests, as depicted in Figure 3.3.

⁴ He was Minister of Education in 1939

⁵ Although this Act was in line with what John Comenius and his followers of pansophism advocated as early as the 17th Century there is no evidence to suggest that the author of this legislation, Sir Charles Bowen (Minister of Justice), was unduly influenced by this movement.

⁶ Providing they lived within two miles of a school.

Figure 3.1. Intended Responsibility and control of the NZ Education System in 1877.



The concept of partnership between centralised and local control appeared to be strongly developed with the passing of this Act. However, the trend that developed over the 110 years until the 1980s reforms was actually for the power to be more centralised, with the power of the committee effectively resting with the Education Boards which in turn became subordinate to the Education Department (Minogue, 1968; Taylor, 1977). These last points will be discussed in greater detail next.

3.3.1 The Education Department

The creation of the Department of Education with the passing of the Education Act 1877 established a centralised bureaucracy for educational administration. The core function of the Department was to distribute the statutory capitation grant and any other money voted by Parliament for special purposes to the 12 Education Boards (Adams et al., 2000; Butchers, 1932). The grant was initially set at £3 15s per child of average attendance payable to the respective boards (Butchers, 1930, 1932; Cumming & Cumming, 1978). Additionally, the Department of Education was given the responsibility and authority to recruit,

classify, and examine teachers, including apprentice pupil teachers (Cumming & Cumming, 1978). Furthermore, the Department was responsible for maintaining educational standards through a policy of centralised control of the curriculum and examinations (Adams et al., 2000; Butchers, 1930).

On paper the Department of Education had considerable power. However, Cumming and Cumming (1978) and Adams et al., (2000) suggest that the main power rested with the Education Boards because the Education Department was very small and conceivably could not handle the many functions associated with managing all the schools. Indeed it was originally staffed by only a secretary and an inspector and for the first 20 years the Department's annual expenditure never exceeded £2,500 (Butchers, 1930).

As time went by the power of the Department of Education increased with education boards becoming "more subordinate to the control of the Department" (Minogue, 1968, p. 152). Numerous Education Amendment Acts were passed between 1877 and 1914 that fine-tuned the administrative controls of the three-tiered structure instituted by the 1877 Education Act. Finally, the Education Act 1914 was passed allowing the Department of Education to gain more control over the appointment and promotion of teachers and inspectors of schools. These inspectors, earlier appointed by education boards, were now regarded as inspectors of the Education Department (Cumming & Cumming, 1978).

From 1914 school inspectors were given additional duties to perform. They still had the duty to inspect schools but as well as reporting to Education Boards, they now had to report to the Minister of Education via the Department of Education.

They were also empowered to give “guidance to teachers and advice to boards”⁷ (Cumming & Cumming, 1978, p. 201).

The most important aspect regarding the governance of the education system is found in Part V of the Education Act 1914; the section that deals with the management of public schools and sought to ensure that public schools were organised and conducted according to department regulations. Local and regional interests in the form of education boards and school committees had to comply with a gazetted⁸ scheme of management as approved by the Minister of Education. Included in this scheme were specific instructions relating to the governance of the respective schools, now effectively controlled by the Department of Education. Thus, if it was intended that a balance of control was to exist between central, regional, and local interests, it was effectively circumvented although the three-tiered structure (as depicted in Figure 3.1) officially remained.

3.3.2 Education Boards

The Education Act 1877 saw the creation of 12 Education Boards (replacing the previous nine Education Boards under the Provincial system). However, for practical purposes the old boards became the new boards with “the same personnel, the same offices, and the same staff” (Butchers, 1932, p. 74). These ‘new’ boards were: Auckland, Taranaki, Wanganui, Hawke’s Bay, Wellington, Nelson, Marlborough, Westland, North Canterbury, South Canterbury, Otago, and Southland. These Boards carried out the bulk of the educational administration in their respective regions (Adams et al., 2000).

⁷ Education Act 1914, Clauses 96 and 132.

⁸ Publicly Published

Their powers and duties included:

- Establishing budgets
- Setting up school districts
- Establishing and maintaining schools
- Appointing and removing teachers⁹
- Establishing and providing scholarships
- Establishing school libraries
- Appointing their own inspectors of schools¹⁰
- Appointing and removing office staff as required
- Paying salaries to teachers and ancillary staff

(Butchers, 1930, 1932; Cumming & Cumming, 1978)

Each Education Board comprised nine members elected by the school committee which, for the purposes of these elections, voted as a unit (Butchers, 1930). It was the intention that school committees would act as a check on the policies of boards as they could simply vote out those boards or individual board members who proved to be unsatisfactory.

Academics disagree on how successful these committees were in acting as a check on education Board's activities. Butcher (1932) believes the committees effectively controlled their boards through the simple process of "turning out of office any members who sought to make the statutory board control of the committees unduly irksome" (p. 74). McKenzie (1969), on the other hand, states

⁹ No teacher could be appointed if they did not have a certificate of competency issued by the Minister of Education.

¹⁰ Inspectors were not restricted to public schools. They were required to inspect any educational institution that was supported by the State purse including: reformatory, gaol-school and industrial schools (Cumming and Cumming, 1978).

“few authorities consider that school committees ever succeeded in acting as checks upon the polices of the boards” (p. 31).

After the passing of the Education Act 1914, Education Boards were effectively relieved of a lot of their independence to control education in their districts in terms of how schools were to be organised, staffed, and conducted. As stated earlier, education administration and governance were now to be conducted ‘by the book’ as authored by the Department (Adams et al., 2000) and will be discussed in greater detail later in this chapter.

Part three of this Act called for a reduction in the number of Education Boards from the original 12 under the Education Act 1877 to between seven and nine boards. The Education Amendment Act 1915 (No. 2) clarified this issue, stating that there were to be nine education boards. These ‘new’ boards were Auckland, Taranaki, Wanganui, Hawke’s Bay, Wellington, Nelson, Canterbury, Otago, and Southland. The new boards still retained the power to appoint department certified teachers but had to confer with their school inspectors before making an appointment. As these inspectors were now under the control of the Education Department the Boards effectively lost their independence to employ who they wanted.

3.3.3 School Committees

Under the Education Act 1877 school committees were to have seven members who had been elected by a ballot of local householders. Concessions were made to Roman Catholics and other minorities in the form of a cumulative voting system whereby voters were permitted to give all seven of their votes to the one candidate (Butchers, 1930; 1932).

School committees were intended to have “considerable powers and duties, but subject to the general oversight and control of the Boards” (Butchers, 1930, p. 9).

The powers and duties of these committees included:

- General management of education matters
- Providing and maintaining schoolhouses
- Recommending teachers for appointment
- Suspending or dismissing teachers¹¹
- Giving permission for teachers to organise night classes for pupils aged 13 years and over and charging fees for said classes
- Making a judgement of whether compulsory attendance clauses should be enforced in their district and enforcing if so decided
- Permitting the use of school buildings out of school hours

(Butchers, 1930; 1932)

There has been considerable debate as to how much power these committees actually wielded. Adams et al., (2000), for example, suggests that as the committees received their funding from the Education Boards it could be argued that they were not independent at all.

With the passing of the Education Act 1914, any power or control the school committees had was neutralised because all public schools had to be managed in accordance with Ministry of Education rules and regulations. Indeed, Cumming and Cumming (1978), when discussing this Act, describe its impact at a local level as “severely curtailing the independence of a headmaster and his governors” (p. 199). School committees were reduced to a superficial role which included

¹¹ Subject to the respective Education Boards’ confirmation

minimal administration of finance, dealing with cleaning and heating issues, organising voluntary fundraising, and the giving/withdrawing of religious instruction permission (McConnell & Jefferies, 1991).

3.3.4 Education Governance Mechanisms from 1877-1988: The Centralisation Period

This section will address governance issues in education during the 112 years between the passing of the Education Act 1877 and the passing of the Education Act 1989. It is important to realise that while the structure of education administration (as seen in Figure 3.1) did not alter during this time period (Renwick, 1986), there was in fact a major shift in power to control the administration of education with the passing of the Education Act 1914 (Cumming & Cumming, 1978).

The intention of the Education Act 1877 was for a three-tiered balance of control between local, regional, and central government interests (Adams et al., 2000; Butchers, 1930, 1932). However, in reality what resulted was for power and control to rest with regional interests in the form of Education Boards (Cumming & Cumming, 1978). With the passing of the Education Act 1914, power shifted again to central government interests in the form of the Department of Education. Under both versions of the Education Act (1877 and 1914) the role of the school committee in the governance of education appears nominal although this is the subject of academic disagreement as noted earlier.

3.3.5 Education Governance 1877-1914

The governance mechanisms, namely a hierarchal system of responsibility and authority to establish and maintain schools, put in place by the Education Act 1877 reflected the State's stance on social equity and equality of opportunity to

education (McKenzie, 1969). The central authority was responsible for national education standards through centralised control of the curriculum and examinations (Butchers, 1930). Regional and local interests were responsible for the administration of the curriculum and the financial management (including the setting of budgets) of schools (Adams et al., 2000).

Renwick (1986) claims that as a result of this Act, schools, and indeed the education system itself, were structured to cater for the needs of the academically proficient student, with little reference made to his or her social or intellectual background, in what has been described as a ‘survival of the fittest’ structure. Furthermore, Renwick (1986) claims that the structure created was merely a mechanism for classifying and selecting students based on a narrow method of selection¹² as opposed to the suggestion by Adams et al., (2000) that it was a mechanism for aiding social equity.

The Act was intended to ensure right of access to education to all NZ children with local communities, in the form of elected school committees, assuming responsibility for the general management of education in their respective schools. School committees were to receive nominal guidance from regional authorities, although they were to be under their general oversight and control.

It appears that the governance structure was intended to be a collaborative arrangement between local, regional, and central interests that was weighted in favour of local interests. Taylor (1977) states, “there is little doubt that the authors of the Act felt that they were placing the effective control of education firmly and permanently in the hands of local authorities” (p. 55). However,

¹² Entitled the Proficiency and Matriculations Examinations

Cumming and Cumming (1978) and Adams et al., (2000) suggest that in reality it was Education Boards, representing regional interests, which were primarily responsible for the governance of education between 1877 and 1914.

Education Boards formulated policy to which school committees had to adhere. Additionally, Education Boards employed and paid school personnel, including teaching and ancillary staff. The Boards were responsible for maintaining schools and, most importantly, they appointed their own school inspectors who reported on compliance with Board policy and school attendance. Furthermore, although the Department of Education was responsible for education standards, the delivery of the curriculum was ultimately in the hands of the Education Board.

I suggest that while the concept of a collaboratory arrangement between local, regional, and central interests of control and responsibility was clearly the intention of the Education Act 1877, this was not the case in practice. Governance of the education system during this time period was clearly held and administered by the 12 Education Boards formed under the Act, a view supported by the findings of Cumming and Cumming (1978) and Adams et al., (2000).

3.3.6 Education Governance Mechanisms from 1914-1988

The passing of the Education Act 1914 saw a major shift in the governance of the education system. Essentially, what this Act did was give the Department of Education full control of the management¹³ of all public schools. Education boards and school committees were virtually stripped of any autonomy they had under the Education Act 1877 in relation to how schools were to be organised,

¹³ Management in this context refers to fiscal and administrative responsibility and control including staffing and resource allocation decisions.

conducted, and staffed (Adam et al., 2000; Cumming & Cumming, 1978). Indeed, few internal resource allocation decisions could be made at school level (Caldwell, 1998). As a result, the Department of Education grew in size significantly whereas the number of education boards dropped from 12 to 9¹⁴.

From 1914 until the reforms of the 1980s all public schools had to be structured and run according to department regulations. School inspectors were no longer appointed by education boards but came under the direct control of the Department of Education and were given greater responsibility and duties. These duties included giving advice to schools on a variety of matters including curriculum delivery and teacher appointments (Cumming & Cumming, 1978).

Accountability in the education system was seen in terms of compliance with administrative procedures as set down by the Department of Education (Law, 1999; Broadbent, Laughlin & Willig-Atherton, 1994; Broadbent, Jacobs & Laughlin, 1999). Complaints were made that education boards and school committees were left 'in the dark' as the result of restricted access to information which led to a general feeling of powerlessness at both regional and local levels (Mitchell et al, 1993).

To summarize, it appears that the ideology of social equity and equality of opportunity to education drove developments in education from 1877 until the 1980s. This view is supported by Harrison (2004), who contends that "inequalities will always provide a rationale for more government intervention" (p. 75). The view that education was a public good was the justification given for the State to establish a fully funded national system of education.

¹⁴ Five in the North Island and four in the South Island

3.4 Public Sector Reforms and the Education Sector

While the focus of this thesis is on the education sector and ‘good’ governance it is helpful to understand the political and social forces that were driving the education sector reforms of the 1980s in order to ‘set the scene’ for this research. Indeed the reform of the education sector cannot easily be understood in isolation but rather must be examined within the context of the reform of the public sector in its entirety. The rationale behind this approach is that the reform of the education sector is merely one piece of the puzzle. As stated by Broadbent and Guthrie (1992), the restructuring of the education sector is merely "part of a wave of such initiatives in the public sector" (p. 53). It is useful to have an understanding of why and how the NZ public sector was so radically restructured during the late 1980s in order to understand the more specific education sector reforms and how they influence school governance.

3.4.1 Paradigm Shift: From Social Democracy to Neo-liberalism

Writing broadly on administrative reform in Australasia, Britain and the US, Aucoin (1988) claims that ideas or models that are used to frame the issue that rises to the top of a government’s to-do list can be described as paradigms.¹⁵ These paradigms “tend to combine both intellectual and ideological dimensions” (Aucoin, 1988, p. 116). Politicians, he suggests, welcome ideas or models that they can use to motivate support or change for their desired political interests. Such models or ideas appear to “describe reality, they offer an explanation for the same, and they prescribe ways to change in desired directions” (ibid). They are presented in terms that are simple and easy to assimilate.

¹⁵ Paradigms’ are described in more detail in Section 4.2

The paradigm shift by NZ governments since the mid 1980s was achieved through the pejorative articulation of prevailing state interventionist social democracy to a commitment to principles of neo-liberalism. While a trend sweeping the world, often under pressure from external bodies such as the World Trade Organisation (WTO), NZ voluntarily applied the principles of neo-liberalism more widely and rapidly than any other country (Bale & Dale, 1998; Kelsey, 2002).

By the late 1980s the paradigm shift to neo-liberalism was well established (Larner, 1997a). From this ideological platform, calls were made to change the existing mode of public sector governance towards modes of governance more commonly found in businesses operating in the private or market sector. A particularly limited conception of a business model was introduced to all forms of government organisations (Spicer, Emanuel, & Powell, 1996).

A key aspect of this commitment to a neo-liberal paradigm entailed the transfer of ideas about efficiency and effectiveness developed in, and for, the private sector marketplace to the public sector and more recently to the community sector (Kelsey, 2003). Gregory (1999) writes that in NZ “these reforms have been driven by economic interpretations of political and bureaucratic behaviour, as well as concomitant preoccupation with [a limited notion/understanding of] efficiency” (p.70).

Shepherd, Turk, and Silberston (1983, cited in Williams, 1990, p. 149) suggest that “the concept of efficiency is not objective, but is value-laden” and as such can be harnessed to further political agendas. Indeed, Matheson (1997) claims that “as practice and belief are imbedded in language...New Zealand [underwent] a wholesale language change...[where] words were chosen in the light of the main

set of ills to be cured” (p. 167). The trend to redefine the concept of governance in accordance with the ideological commitment to neo-liberalism was common to a number of countries including the USA under Ronald Reagan and Britain under Margaret Thatcher. The trend came to prominence in NZ from the mid 1980s and intensified through the 1990s under the influence of both major political parties (The New Zealand Labour Party and The New Zealand National Party).

Larner (1997a) observed that at the time of the reforms in NZ there co-existed “at least two different understandings of efficiency” (p. 20). These two understandings have been generated from two very distinctive political schools of thought. One can be traced directly to neo-liberal ideology, the other to the ideology of social democracy. Subsequent to the public sector reforms of the late 1980s both understandings overlapped. The former understanding was promulgated by Treasury officials (Larner, 1997a) who viewed efficiency as the allocation of resources to the most profitable areas as they understood them. The latter understanding was used to serve the Labour party’s political leanings in order to appeal to egalitarian ideas among the voting public. Efficiency in this sense was associated with the maximising of community benefit in accordance with the Labour party’s espoused egalitarian ideals. Larner (1997a) observed that the two understandings of efficiency ultimately overlapped as each stakeholder (Treasury and the government) sought to influence the economic policy direction of the country.

Wherever neo-liberal policies were adopted, the public sector was restructured to reflect a commitment to create a market-orientated society and a preference for privatisation of what were once deemed public goods, services and assets (Spicer,

Emanuel, & Powell, 1996). Under this regime government bodies that escaped privatisation were reorganised into government-owned business units based on a private sector business model deemed the most effective and efficient form of organisation. The State Owned Enterprises Act 1986, for example, provided a clear and explicit commercial objective. Section 4 states: “the principle objective of every State enterprise shall be to operate as a successful business and, to this end, to be – as profitable and efficient as comparable businesses not owned by the Crown” (<http://www.treasury.govt.nz/legislation/>).

Even in those organisations mandated to serve communities in the areas of the common good, for example education, health and welfare, Ministers called for evidence of ‘return on investment’ (Boston, Martin, Pallot, & Walsh, 1996). It was a one-size-fits-all approach to the provision of all forms of activity whereby governance of these reshaped organisations would be cast in a uniform template. Public sector management would undergo a radical make-over in order to mirror the image of the corporate sector – goods and services were no longer to be viewed as simply ‘public goods’ but rather viewed in terms of inputs and outputs. Matheson (1997) claims the use of such words and other such vocabulary was to “help change the traditional mind-set” (p. 167).

The use of rhetoric as a mechanism for reshaping social reality is not a new concept. As noted by Matheson (1997) and Humphries-Kil (1995), one only has to look into the history books (Mao’s Cultural Revolution in China / the Nazi movement in Germany / Church history) or pick up a newspaper (pro abortion movement / the anti smacking campaign in NZ) to observe how the use of rhetoric is harnessed to influence a change in thinking and from there a change in

behaviour. Indeed, Gross (1989) claims that rhetoric is “an essential component in social change” (p. 102). Matheson (1997) suggests that once NZ’s public sector reform rhetoric was firmly in place the language change “metastasise[d]” (p. 167) so that the reform could progress from “its philosophical phase to its technical implementation phase” (ibid) as words and phrases were created or re-interpreted.

In their study on corporate governance and financial accountability in the reform of the UK public sector, Ezzamel and Willmott (1993) found that the term ‘corporate governance’ underwent quite a radical overhaul in the late 1980s. They found that when used in conjunction with the public sector, ‘governance’ inferred a hierarchical structure with bureaucratic mechanisms held together by a public sector ‘ethic’. This ‘ethic’ encapsulated the idea that in contrast to the provision of goods and service for private gain, as is the case in the market or business sector, the public service was to supply goods and services that provided collective public value.

Ezzamel and Willmott (1993) argue that the public sector received a political directive to begin emulating the market model by shifting or supplanting established modes of governance in favour of governance by market principles. The privatisation of some services and the construction of quasi-markets for those services that remained the responsibility of the government were to be governed by market principles. These principles were promoted as the ‘rational’ way to achieve ‘efficiency and effectiveness’ in a ‘modern market orientated state’ and were an attempt by (political and business) interest groups to legitimize the widespread reform of the public sector.

In order to construct such quasi-markets for the delivery of public services it was necessary to create a normative structure whereby the public sector ‘ethic’ of providing public goods and services could be replaced with the supposed impartiality and efficiency of the ‘hidden hand’ of the market place. Larner (1997b) argues that supporters of the market model for the public sector portrayed this change as ‘apolitical’ and impersonal. However, market modes of governance are not neutral but are value-laden processes through which political power struggles are played out – a point our previous Prime Minister, Helen Clark, now concedes (Clark, 2004).

The general trend toward neo-liberalism in NZ and many other Western countries¹⁶ meant radical changes were imposed on incumbent public servants. Spicer, Emanuel, and Powell (1996) noted in their series of case studies examining the process of transforming government enterprises into successful businesses that those “managers who actively resisted change were moved aside...and a number of new managers were brought in” (p. 126). Furthermore, they found that the new generation of managers was recruited and trained on the premise that the corporate business model would efficiently and effectively deliver goods and services to the NZ public.

Adopting an ideologically constrained corporate governance model for public sector organisations was, and still is, problematic for a number of reasons. First, government bodies ‘belong’ to the taxpayer and have a dual purpose – to maximise the public good whilst simultaneously reducing the drain on the public purse. Public servants are mandated to effectively and efficiently provide goods

¹⁶ The United States, the United Kingdom and Canada (Metcalf and Richards, 1987).

and services that otherwise may not be provided to an acceptable level without State involvement. Examples include social welfare and education. The corporate sector however, is 'owned' by private investors who, historically, have profit maximisation as their primary goal that may or may not involve policies aimed at cost minimisation.

Second, Miah and Mia (1996) suggest that although publicly listed companies have to comply with various statutory requirements, relatively little information is made available to the public unless the company in question chooses to release information additional to the audited financial statements. Government bodies, on the other hand, can be subject to intense public scrutiny. Miah and Mia (1996) also noted that, on balance, a taxpayer-owned organisation was subject to more internal compliance requirements than the corporate sector – evidence of this will be provided in section 3.5 when examining the reporting and general compliance requirements of the State education sector.

Finally, government bodies tend to operate in monopolistic or quasi-monopolistic markets, whereas the corporate sector tends to operate in a competitive marketplace. The difference in responsibilities and accountabilities between market and public sectors is significant; therefore, a purely corporate model of governance may not be appropriate for public bodies. At the time of the imposition of neo-liberalism in NZ however, the ideological assumption was that it would be. A normative structure was devised and imposed - public servants could either comply or would be removed from office. The key question here is who has the 'power' to impose such a normative structure?

The American sociologist C. Wright Mills believed society may be divided into two broad groups – the elite and the masses. He believed that it was the minority group, ‘the elites’, who have (and use) the power to affect the lives of the majority, ‘the masses’, by having the ability to influence the overarching social structures of society. He identified the government, the church, military and legal institutions as examples of these overarching social structures used as normative and coercive elements to maintain the power base of the elite. He believed that ‘the elites’ ability to influence the decisions of those serving in these overarching social structures where the ability to influence the meaning of words must rank highly in their arsenal of control and power mechanisms.

In the restructuring of the UK public sector in the late 1980s early 1990s, for example, it was the political elite in the form of government officials who were able to harness and implement a neo-liberal political philosophy. Accordingly to Ezzamel and Willmott (1993) these officials had the power and opportunity to communicate with the government and society their collections of norms, values and beliefs. It is reasonable to suggest that, in order to gain public acceptance and support of this ‘new’ normative structure of quasi-markets and market modes of governance for the public sector, it was necessary to promote the preferred concept of ‘corporate governance’ in an attractive light. Thus, the meaning of corporate governance was shifted from associations with hierarchical bureaucratic mechanisms to an increased association with paradigm-specific compatibility with concepts of efficiency and effectiveness.

Althaus (1997) believed that a minority group, whom she labels “‘new-breed’ reformers” (p. 139), drove the agenda of, and indeed the logic behind, the market

liberalism doctrine, as championed by the Chicago school of economics, which also served as the cornerstone of the NZ public sector restructuring of the late 1980s and early 1990s. As noted by Boston et al., (1996) the economic character of market liberalism had an apparently natural appeal for this privileged and influential group of officials and, as such, formed the underlying basis for their arguments as presented to the incoming fourth Labour government.

Jacobs (1997), in his critique of work by Miah and Mia (1996) on decentralisation and accounting in NZ, claims that whilst terminology may be readily transferred between the private and public sectors it does not necessarily follow that the terms are used to mean the same thing within or across the governing committees of public and private sector organisations. Terms, already well established in the lexicon of organisation, came to be invested with specific meaning. Particular measurements were devised to demonstrate that terms, with their redefined meanings, would be used to bring people to account. Thus, it is likely that the meaning of ‘corporate governance’ was deliberately changed or at least modified in order that the ‘new’ understanding would be compatible with the ideology driving the public sector reforms.

3.4.2 Public Sector Reforms - An Overview

Policy-makers make choices based on constraints and opportunities afforded by history, geography, economic, and political structures in addition to the ideological leanings of its champions. Schick (1996) suggests that NZ’s Westminster first-past-the-post political system coupled with its relatively small size and geographical isolation aided “economic elites” (p. 14) ideological leanings towards neo-liberal economic policies. Schick (1996) claims that the views held by “economic mandarins [senior officials in the Reserve Bank and the

Treasury] serving government were also held by incoming senior ministers” (p. 14). He further claims that it was the “easy flow of ideas between senior officials and political leaders” (p. 14) that had a lot do with both the design of the public sector reforms and the speed with which they were implemented.

The reforms can be summarised as “an ideological preference for free markets as a mechanism for ensuring the efficient allocation of resources” (Lawrence, Alam & Lowe, 1994, p. 79) and NZ was not alone¹⁷ in attempting to reform its public sector from this ideological platform. Cave, Dodsworth, and Thompson (1992) state that there was a worldwide belief that “public sector bodies were poorly managed, lacked clear objectives and had been captured by their workforces” (p. 79).

The NZ response was to engage in wide sweeping public sector reform which took place in three overlapping stages (Schick, 1996). First, they “freed the private sector from extensive government regulation, then they restructured the commercial operations of government along market lines, and finally they decontrolled the state sector and the labour markets” (Schick, 1996, p. 11).

A common theme underlying the public sector reforms in NZ was a framework grounded in public choice theory, managerialism, and the new economics of organisations, most notably agency theory and transaction cost analysis (Boston, 1991; Hood, 1995; McCulloch & Ball, 1992; Pollitt, 1993; Scott & Gorringer, 1989). The ultimate aim of the reforms was to achieve ‘better value for money’ while simultaneously reducing the drain on the public purse (Ezzamel &

¹⁷ Among the earliest countries to have engaged in these reforms were the United States, the United Kingdom, Canada and various European countries such as Denmark and France (Metcalf and Richards, 1987).

Willmott, 1993). The method adopted to achieve this goal was to direct government money through the private sector (Scott, Bushnell, & Sallee, 1990).

Since 1984 various NZ governments have adopted a major policy direction away from regulations that inhibit private and public sector competition and State protection to “a form of market and economic liberalism” (Sullivan & Margaritis, 2000, p. 265). McCulloch and Ball (1992) observed that from 1986 many of the government’s major commercial operations were corporatized and mandated to operate as ‘successful’ businesses. Many of these businesses later privatised.

While several reasons have been put forward to explain why the reforms came about, Russell and Sherer (1991) and Zifcak (1994) suggest complex interplay between political factors and, between political factors and social factors. However, two reasons are frequently stated as being the catalyst for the introduction of the public sector reforms. First, adverse economic conditions and second, the perception of a public sector overload (Broadbent & Guthrie, 1992; Metcalfe & Richards, 1987).

These two issues were recognised in political circles around the world (including NZ) and became the platform for sweeping public sector reforms in a number of countries under the guise of various political names. These names include ‘Rodgernomics’ in NZ (Boston, 1991; Wood, 2005), ‘Thatcherism’ in the United Kingdom (Russell & Sherer, 1991; Wood, 2005), and ‘Reaganomics’ in the United States of America (Pollitt, 1990; Wood, 2005). Regardless of the names attached to these reforms, it is necessary to examine each of these issues in more depth in order to set the scene for an understanding of the more specific education sector reforms that occurred in NZ.

3.4.3 Issue 1 - Adverse Economic Conditions

The issue of adverse economic conditions was made up primarily of factors outside NZ's sphere of control including high inflation, high unemployment, monetary instability, and severe balance of trade difficulties (Boyer, 1988; Kelsey, 1995). These factors, which will be discussed shortly, appear to have affected NZ far more deeply than other Western countries such as the United Kingdom, which had larger resource bases on which to 'ride out' the economic crisis (Dale & Ozga, 1993).

The Western world was 'brought to its knees' following the devastating OPEC-led oil price increases in 1973 (Piore & Sable, 1984; Pollitt, 1990; Roper, 1993). This situation was further exacerbated by a substantial increase in the world money supply (Tizard, 1974). Both these factors impacted on NZ principally through rising import prices. In addition, Britain's decision to join the European Union in 1973 had a significant impact on NZ as it resulted in the loss of unrestricted access to what had been a traditional export market for agricultural products (Gustafson, 1998). Such economic difficulties resulted in a very unfavourable balance of trade deficit (Jesson, 1999).

Within 12 months NZ went from enjoying a \$273 million surplus in mid 1973 to a deficit of \$522 million by the same time the following year. Inflation ran at a (then) record 11.5% (Tizard, 1974). The situation did not improve for NZ and by the mid 1980s the country was experiencing an average rate of economic growth of about 1.4%, which was substantially lower than the average of other OECD countries (Scobie & Janssen, 1993).

NZ's gross public debt was 65% of Gross Domestic Product (GDP) (Douglas, 1988). In dollar terms, this equated to \$39 billion; on an individual level this was equivalent at the time to adding \$36,000 to every household mortgage in the country. To service this enormous debt it had cost the Government \$5,000 million dollars the previous financial year or 20 % of total government expenditure, which was nearly twice what the State spent on the entire education system that year. The net public debt stood at \$25.6 billion or 43% of GDP at March 31, 1988 (Douglas, 1988). In comparison to other OECD members, only five countries had equally bad or worse net debt to GDP ratios; namely Italy, Belgium, Ireland, Portugal and Greece.

3.4.4 Issue 2 – The Perception of Public Sector Overload

Prior to 1984 Government policy supported a welfare state and interventionist/protectionist economy (Sullivan & Margaritis, 2000). Jacobs (1997) comments that historically, NZ has favoured State intervention as a means of managing its economy, including the establishment of many public trading enterprises that have played a prominent role in the NZ economy. Rudd (1990) concurs, claiming that by 1984 NZ had “one of the most regulated economies in the Western world” (p. 92) and as a result the most distorted of all the capitalist economies.

It became clear that improving the performance of the economy as a whole would depend greatly upon improving the performance of the State sector (McCulloch & Ball, 1992). Thus the stage was set for the introduction of sweeping public sector reforms to 'manage' the economy.

3.4.5 The Government's Response to a Troubled Economy

The Labour Party won the 1984 general election and was duly elected as NZ's fourth Labour government. The Honourable Margaret Wilson (1989), President of the Labour Party from 1984 – 1987, observed that the election of this particular government “saw the beginning of a period of radical change in NZ that has left no aspect of life untouched” (p. 1). Although this party had traditionally advocated socially democratic philosophies the economic situation that they inherited was cited as justification for policy decisions that resulted in a rapid departure from the conservative interventionist policies of the past decade (Miah, 1991; Sullivan & Margaritis, 2000).

The situation that greeted this new government was less than desirable. It was faced with an economy with “slow economic growth, very high fiscal deficits, high debt and a highly sheltered private sector” (McCulloch & Ball, 1992, p. 7). Furthermore, almost immediately upon election they had to deal with a major foreign exchange crisis (Jesson, 1999; Sullivan & Margaritis, 2000). As a result, the NZ Government “embraced and implemented an economic policy based on a philosophical belief in the total rationality of the market” (Consedine & Consedine, 2005, p. 118), whereby the market is the principle mechanism for distributing and controlling the allocation of resources on the basis of competition (Jesson, 1999; Larner, 2005). The imposition of this model on the people of NZ was based on a rhetoric of ‘crisis’ and ‘fear’ regarding the prevailing economic circumstances (Humphries, Dyer, & Fitzgibbons, 2007); ‘TINA’ became the catch cry – There Is No Alternative (Kelsey, 2002).

The basic premise that there is an underlying rationality to the marketplace can be traced to Adam Smith's metaphor of the invisible hand in his book ‘The Wealth of

Nations' (1999). The belief was, once a market was created or freed from regulatory constraints it would function to meet society's needs without the need for government intervention. However, as Kelsey (2002) observed, "there is no level playing field: the wealthier the player, the more potentially powerful they are" (p. 16). The marketplace proved to be anything but rational. Jesson (1999) observed that markets are "not innately rational and that they have a destructive effect on the functioning of the economy" (p. 36).

Wood (2005) suggests that while it is debatable the embracing of neo-liberal economic policies was unavoidable, there appears to be "no argument that since the mid 1980s they have accepted it as desirable" (p. 78). Some commentators, such as Larner (1997a), make the observation that while it is generally accepted that there needed to be a major reorganisation of the NZ economy, it was still very much a case of ideological preference as to the manner in which this objective was achieved. She further argues that the resulting outcome was based on a "complex and ongoing political process" (p. 8). None the less by focusing on key political actors it is possible to trace the "intellectual influences of Austrian and Chicago school of economics and the Virginia school of public choice theory" (ibid, p. 11), supporting and fuelling the major shift from Keynesian welfarism to neo-liberalism as the basis for state policies.

Clark (2002) states that the new Labour Government, in response to advice given to it by "a Treasury heavily influenced by neo-liberalism" (p. 1), responded quickly to the above issues by embarking on a programme of "far-reaching economic deregulation and restructuring" (p. 1) in order to reduce both inflation and the budget deficit (Sullivan & Margaritis, 2000). There was a major

departure from the policies of heavy regulation, trade protection and other barriers to domestic and international competition advocated by previous governments (Consedine & Consedine, 2005; Jesson, 1999; Sullivan & Margaritis, 2000). Instead, the reforms included the rapid dismantling of the protectionist regulatory system that had evolved over decades, resulting in less protection for local industry, the removal of price and wage controls, and an overall lowering of overseas trade barriers (Jesson, 1999; McCulloch & Ball, 1992; Schick, 1996; Wood, 2005). As noted by Clark (2002), “the market was King” (p. 1).

In addition to these pervasive economic reforms, the public sector reforms included a complete revamp of the health and education sectors, devolution to local government and to Māori authorities (Sullivan & Margaritis, 2000). Furthermore, Pallot (2006) claims that in order to appeal to the traditional Labour supporter, the Government introduced a number of liberal social policies to offset the impact that such a radical departure from the conservative economic policies of the past might have caused. These policies included anti-nuclear policies, homosexual law reform, equal employment opportunities, and biculturalism. The metamorphosis in NZ has been more radical than most countries¹⁸. Humphries, Dyer, and Fitzgibbons (2007) claim that “nowhere in the western world was this model of development taken up more deeply and more swiftly than in New Zealand” (p. 100). Indeed, the reforms were seen as merely one piece of the puzzle in an agenda of wide-ranging social and economic policy changes, driven by a market-liberal political program based on the theoretical frameworks of neo-classical economics (Easton, 1997). Gregory (1999) summed it up when he stated,

¹⁸ Jesson (1999) goes so far as to say that “New Zealand was a symbol because it has been through nothing less than a transformation in the years since 1984. Free-market policies may have become fashionable throughout the world, but New Zealand is the extreme case. Most other countries haven’t changed their policies as radically as New Zealand” (p. 19).

“[In NZ] these reforms have been driven by economic interpretations of political and bureaucratic behaviour, as well as concomitant preoccupation with efficiency” (p. 70).

The difficulty facing the Labour Government was that many public enterprises were regarded merely as cogs in the public service and their respective individual roles in the economy were obscured. The Treasury’s response was to sift out productive economic activities from non-productive social activities in the State sector. As Lerner (1997a) points out, by redefining various State activities as ‘economic’, using the difference between State and market as the yard stick, it smoothed the way for their ultimate removal from the government’s portfolio of core activities. Rudd (1990) concurs, stating that there was a “redrawing of the boundary between the public and private sectors” whereby activities deemed ‘economic’ were interpreted as meaning “less State or government intervention and more market determination of individual and firm behaviour over decisions of consumption, production [and] investment” (p. 83). Effectively, the government moved toward more of a ‘referee’ role “setting the rules of the game to ensure, among other things, competition” rather than that of ‘player of the day’ (Yergin & Stanislaw, 2002, p. 397).

The passing of the State Owned Enterprises Act 1986 signalled the sweeping restructuring of public enterprises in order that they might be run along more commercial lines (Jacobs, 1997). Spicer, Emanuel, and Powell (1996) claim that this Act was the mechanism through which the NZ Government could forge the development of a new, theoretically based State-owned enterprise model. Indeed, they claim that this piece of legislation was unique in the sense that it was

theoretically grounded – that its authors had leaned heavily on modern theories of transaction cost economics and agency theory. It is arguable that the passing of this Act provided an almost pure model of corporatization untainted by non-productive social and community objectives.

Stressing the urgency for fiscal responsibility through economic efficiency and competition via the mechanism of marketisation the newly elected Labour Government began a process of restructuring with the corporatization, deregulation and privatization of State functions and assets (Larner, 1997a). Sullivan and Margaritis (2000) concluded if a State activity was able to generate income separate from taxation it was corporatized or sold to the private sector.

For a public enterprise to run as a private business it was necessary to adopt private sector accounting; specifically, accrual accounting (Guthrie, Olson & Humphrey, 1999; Miah, 1991; Pallot, 2006; Thompson, 2001). Indeed the use of accrual accounting and budgetary/administrative devolution was perceived to be a method of enhancing public sector management and control (Scott & Gorringer, 1989; Miah & Mia, 1996).

Additionally, in order for another key theme of the reforms, the decentralisation of government departments to be successful, it was necessary to use accounting control systems prevalent in the private sector (Jacobs, 1997). Prior to the reforms, the system of financial management was merely designed to help ensure that government departments complied with legal and administrative requirements (Scott & Gorringer, 1989).

Commentators also stress the role language has played throughout the process of transforming the economy from a Keynesian welfare State to neo-liberalism and the power of the marketplace has generated lively debate and should not be overlooked. The use of various words and phrases such as ‘efficiency’ and ‘effectiveness’, ‘privatization’ and ‘value for money’ to connote rationality, and the ‘right’ way forward became the battle cries in support of neo-liberal political strategy. Larner (1997a) claims that political technologies such as ‘corporatization’ and ‘State owned enterprises’ became so influential that they began “to reshape both the political rationality of Labour and governmental self-formation” (p. 28), leading to the progressive erosion of the public sphere. She further claims that as these political technologies were “prioritised in the operations” (p. 24) of these newly redefined productive economic activities, issues involving employment, health, and community welfare (within the respective economic units) were firstly marginalised and eventually ‘weeded out’ altogether.

The example Larner (1997a) used to justify this social constructionist claim concerns the deregulation of the telecommunications industry where she observed that terms or references to “accountability, employment and community interests had all but disappeared’ to be replaced and justified by terms or references such as “improvements in service...competitive services” (p. 28). But, as reflecting the socially constructed nature of NZ society, the ‘hidden hand’ of the marketplace that was pivotal to the new political rationality of Labour was not a pre-existing condition. Instead, the competitive marketplace had been created in direct response to the political directive of shifting away from viewing and involving people in society as responsible citizens towards viewing and involving them as consumption units in a corporate world.

Governance of these newly defined and established trading ventures was initially governed by the State Owned Enterprises Act 1986. However, it soon became apparent that whilst this Act and the Commerce Act 1986 contained inbuilt normative components it would in fact be “the market place [that] would be responsible for [the] governance”(Larner, 1997a, p. 27) of these business ventures.

Language played a pivotal role in aiding this shift from state governance to market governance as seen by the emergence and centrality of the use of terms such ‘consumers’ as opposed to ‘citizens or tax payers’ to justify and reinforce the new political rationality of the government. However, as Larner (1997b) notes the “emergence of market governance” (p. 384) was not a clear cut issue whereby the concept of citizenship was simply jettisoned. But rather the social construction of the term ‘consumer’ saw a fundamental shift in the shared consensus of social meaning from supply/production/provision to demand/consumption/usage.

3.5 Education Sector Reforms

NZ has restructured and deregulated State education in an attempt to (a) reduce educational bureaucracy and (b) assign greater degrees of autonomy and self-management, to the individual schools themselves (Gordon & Whitty, 1997). Underpinning the education sector reforms is an implied notion that school communities share a common understanding of what is meant by education, processes of representation, and of ‘good’ governance.

The education system prior to the education reforms was highly centralised (Sexton, 1990) with few internal resource allocation decisions made at school level (Caldwell, 1998). Accountability was seen in terms of compliance with legal and/or administrative procedures with financial accounting and reporting

designed around functional budgeting systems such as matching expenditure with revenues (Broadbent, Jacobs, & Laughlin, 1999; Broadbent, Laughlin, & Willig-Atherton, 1994; Law, 1999).

Budgetary devolution was seen as an institutional measure to allay parental and political concerns regarding the quality and accountability of schools (Broadbent et al., 1999; Edwards, Ezzamel, Robson & Taylor, 1995; Peel & Inkson, 1993). Boston, Martin, Pallot, and Walsh (1996) noted it was the general consensus of opinion that poor educational performance was a result of poor educational administration. Harrison (2004) notes that the fundamental flaw with public ownership is that those who were in control of the State education system (politicians and bureaucrats) did not have strong incentives to make “efficient decisions and, instead, pursue political, ideological and personal objectives” (p. 6).

A study by Gordon and Whitty (1997) compared education reforms in England and NZ. They concluded that NZ and England had moved further towards the marketisation of State education than most countries, with the exception of Chile where privatisation of education is very advanced. They also concluded that a dualism features strongly in the provision of educational services in each country. The two sides are (a) economic reality of increasing State control evident in the funding system and (b) the struggle for schools to reposition themselves in the quasi-education market.

A market arrangement uses competition, customer choice, price mechanisms, and the profit motive to provide the necessary stimulus to meet and manage supply and demand (Harrison, 2004). In a market system schools can emerge or redefine themselves in order to respond to what parents and caregivers, and students want.

Those schools that do not meet the needs of their constituents should disappear from the market.

The reforms were promoted as giving parents greater choice by encouraging competition between schools by effectively creating ‘markets’ in educational services (Gordon and Whitty, 1997) or, as stated by Ferlie, FitzGerald, and Ashburner (1996), “the New Right’s model of market-based accountability stresses the empowerment of users as customers” (p. 19). The reforms, in effect, imply that the education sector should be left to the ‘hidden hand’ of the marketplace in order to be run in an efficient and effective manner. As stated by Gordon and Whitty (1997):

This view is consistent with the neoliberal view that social affairs are best organised according to the general principle of consumer sovereignty, which holds that each individual is the best judge of his or her needs and wants and of what is in their best interests. (p. 455)

The movement for economic efficiency (doing things right) and effectiveness (doing the right things) associated with the ‘New Right’ movement (Ferlie, FitzGerald and Ashburner, 1996), and often linked both to accountability and to the need for performance measurement, underpinned the education sector reforms. It was argued that the State’s role in education should move away from the provision of education to that of focusing more on providing parents with information so that they could make informed choices as to the education and educational facilities available for their children (Treasury Report, 1987).

Under the reform philosophy, education was not seen as a public good but rather as an economic commodity. On the basis of this philosophy, schools were

expected to adopt a market approach and to define themselves in terms of private sector business terms such as cost, economy, customers, and competition (Harrison, 2004; Waslander & Thrupp, 1995). I suggest that it was at this point that the term ‘governance’, more commonly associated with the provision of public goods, effectively became ‘corporate governance’, a term more commonly associated with the provision of commodities in the private sector. Thus, education became increasing part and parcel of the commodity market, to be developed, bought, and sold, under conditions of competitiveness and profitability.

One of the main features of the education reforms was that increased decentralization meant that schools were expected to shoulder much greater responsibility to manage resources on the basis of a new funding system. Hartley (1999) noted that the devolution of the budgetary process was a common theme of the education administration reforms. Budgetary devolution was seen as an institutional measure to allay parental and political concerns regarding the quality and accountability of schools (Peel & Inkson, 1993; Edwards, Ezzamel, Robson, & Taylor, 1995; Broadbent et al., 1999).

Harrison (2004) states that one of the suggested benefits of introducing a ‘market’ education system is that it provides “what consumers want in an efficient manner, promotes freedom and checks the power of the State, allows for diversity and encourages suppliers to develop and adopt innovations that are valued by consumers” (p. 19). It was reasoned that by adopting a decentralised decision-making process the actors would have the strongest incentive to further their own objectives. He further observes that it was a commonly argued notion that the “superiority of markets over government is not abstract theory. It is an empirical

phenomenon” (ibid, p. 16). Thus, if the State wants to achieve the objective of an efficiently and effectively educated populous it should opt out of its politicised monopoly-role of education provider to ‘merely’ that of paymaster and allow the forces of the market to benefit society.

Government direction was based on the ideology that “children would not receive the education that is their due unless the administration of education is effective” (McConnell & Jefferies, 1991, p. 2). Indeed, Boston, Martin, Pallot, and Walsh (1996) noted it was the general consensus of opinion that poor educational performance was a result of poor educational administration. Thus, it was assumed that schools were now competing for ‘customers of its product’; thereby forcing them to focus on the educational requirements of their customers (parents and caregivers) (Smelt, 1998).

To aid competition between schools the zoning system was removed, thus enabling any parent/caregiver to enrol their child at any school that had the room to take them. The benefits of open-market competition were summarised by Cave (1990), “competition for pupils will ensure that good schools will flourish and bad schools will be forced out of the market” (p. 2). This sentiment was shared by Keep (1992) who, although addressing the education reforms in England, mirrored the situation in NZ when he stated “the aim of competition...is to expose inefficient schools...[where] the weak go to the wall” (p. 103).

3.5.1 Tomorrow's Schools: Before and After the Education Sector Reforms

NZ school reform was activated by the Treasury Report (1987) and the Picot Report (1988)¹⁹. The Treasury Report (1987) argued that equity was not being fostered by the existing education system, nor did it encourage a sense of participation or achievement. It was scathing of what it saw as the 'middle class capture' of the education system and that regardless of the resources that the Government channelled into education it was not getting desired outcomes (Codd, 1990). Essentially the report said that the Government was not getting value/quality for its money. The Picot Report (1988), on the other hand, provided a more specific blueprint for school reform in NZ (Oliver, 1993).

The Picot Report (1988) recommended a simpler educational structure with a less centralized system of authority and wider accountability. Specifically, the report identified weak points in the existing education system that needed to be addressed. These weaknesses included: excessive centralisation that favoured producer interests, restricted access to information, little in the way of effective management practices and a general feeling of powerlessness at school level with schools not responding to parental concerns (ibid).

The Picot Taskforce's remedy for these weaknesses was to decentralise the governance and management of the education system. It was proposed that schools become a "basic unit of education administration" (ibid, p. 41) and that each school would be responsible for setting its own objectives and, within the parameters of the overall objectives set by the State, would be allowed to determine how resources were to be used. In addition, it supported calls for

¹⁹ Report of the Taskforce to Review Education Administration but more commonly known as the Picot Report after the chairman, Brian Picot. It is interesting to note that Brian Picot was not an education specialist but rather a high-profile private sector businessman.

allowing parental choice between State schools and argued against school zoning as a mechanism for maintaining 'failing' schools.

The changes proposed by the Picot Report (1988) were based on several identifiable features (Oliver, 1993; Ramsay, 1992). These features were:

- Simplification of the current system
- Decision making to be re-assigned to appropriate levels (away from a centralised decision-making authority)
- The setting of national education objectives
- Coordinating decision making
- The setting of clear lines of responsibility
- Localised control over resources
- Clear lines of accountability

In line with these features it was suggested that education boards be eliminated and their functions be re-assigned to education service centres. Further, it was proposed that the Department of Education be restructured so that its function was restricted to merely providing policy advice to the Ministry of Education. This policy advice included setting national guidelines for education/curriculum objectives and the approval of school charters, school resourcing, and school property ownership (Edwards, 1991). Schools were to have boards of trustees who would be directly responsible for establishing policies and be responsible for the effective and efficient running of their respective schools, thus enabling decisions to be made at a local level. The changes proposed by the Picot Report

(1988) required a homogeneous understanding, by school communities, of the purpose of education, processes of representations and what is meant by ‘good’ governance.

It was on the basis of the Picot Report (1988) that the Ministry of Education published its education reform policy known as Tomorrow’s Schools (1988). Edwards (1991) noted that once Tomorrow’s Schools (1988) was published the Government then began to implement many of the suggestions put forward by the Picot Report (1988). Indeed, the policies in Tomorrow’s Schools (1988) were incorporated in the Education Act 1989 and the various amendments to this Act.

Vital for the implementation of Tomorrow’s Schools was the development of the school charter. The Government set out a basic form that the charter was to take, which included some compulsory elements such as: Treaty of Waitangi issues, operational requirements (e.g. length of the school day and year), process requirements enforceable by the ERO, and the need for community consultation²⁰. The schools were then to incorporate their own objectives/goals after consultation with the community. They were also to develop their own school-specific mission statement, again after consultation with the local community. Although appearing to acknowledge and accommodate community variations in terms of developing mission statements there was an implied homogeneity of thought regarding the overarching purpose and governance of education. The tension that results serves to expose the contradictions and disconnections between the espoused aims of devolved governance under Tomorrow’s Schools and the State-mandated process in which it operates.

²⁰ Up to 80% of the content of the school charter is prescribed by the Government (Mansell, 1992)

Each charter represents a contractual agreement between the government, the school, and the community it serves (Harrison, 2004). It could be said that the school charter was the means by which there could be devolution of State power within the education sector to the school level or, as stated by Codd and Gordon (1991), the school charter provided “concrete meaning to the abstract notion of ‘partnership’ between government and community” (p. 21). It is, therefore, reasonable to state that the charter is a preparatory document of Tomorrow’s Schools with which schools attempt to convey their ethos to stakeholders. In support of this statement a survey to ‘Monitor Today’s Schools’ concluded that charters had been used to promote schools (Mansell, 1992).

Although numerous changes occurred because of the Picot Report (1988) they can be categorised under two broad headings: (a) structure and (b) resourcing and decision making. These two areas will be addressed next.

3.5.2 Education Structure Resulting from Tomorrow’s Schools

Before the reforms the education structure consisted of a 3-tier system – the Department of Education, Education Boards, and the Boards of Governors (Oliver, 1993). After the reforms the Department of Education was abolished and the Education Review Office (ERO) was established. Boards of Governors were abolished and replaced with Boards of Trustees.

3.5.3 ERO

The ERO’s brief was to ensure that schools were accountable for meeting the objectives stated in the school charter that had previously been agreed to by each party (the Ministry and each respective school). Mitchell et al., (1993) stated that the ERO’s job was to evaluate schools on the basis of pupil achievement, learning

and teaching, assessment and evaluation, leadership and management, and community participation. To achieve these goals the ERO conducts two categories of review; namely, the assurance audit and the effectiveness review.

The assurance audit endeavours to evaluate school and trustee compliance with legislative and Ministry requirements as well as any specific actions under their respective charter. The effectiveness review endeavours to evaluate both the progress and the achievement of pupils. Thus, teachers are required not only to determine and quantify pupils' learning but also to match them with specific learning objectives (Jacobs, 1995).

3.5.4 Board of Trustees (BOT)

Prior to the reforms the Board of Governors (BOG) of each State school was made up of six elected people - five parents and one teacher and up to two members appointed by the Education Board. The BOG had very limited power. It was only allowed to employ administration staff, although that was limited because wages and salaries for office/administration staff were controlled by the Education Department.

Following the reforms, the BOT of each school consists of five elected parents, one teacher representative, one pupil representative, and other co-opted members who "should as far as reasonably practicable reflect the ethnic and socio-economic composition of the school's student body" (Ministry of Education, 1989, p. 2). The BOT is responsible for policy direction and the actual day-to-day management of the school is the responsibility of the school Principal. The BOT is responsible for how funding for the school is spent and, as such, must prepare budgets and be held responsible for the preparation of audited accounts. As stated

by Smelt (1998), BOT members had been awarded “complete discretion to control...the school as they think fit” (p. 6). The BOT has considerable freedom to function based on school charter objectives which have been prepared in consultation with the Principal, staff, and the community that the school serves. The only restriction on the BOT being is that funding given for actual teaching salaries cannot be diverted to operational accounts and vice versa.

3.5.5 Resourcing and Decision-Making Resulting from Tomorrow’s Schools

Prior to Tomorrow’s Schools, each BOG had a discretionary grant which, as the name would suggest, could be spent at its discretion but within prescribed limits. This discretionary grant was calculated based on the number of pupils for normal day classes and evening classes. The grant itself was to be used for the day-to-day running of the schools, such as cleaning and teaching materials. The BOG was also allowed to raise funds such as evening class levies.

Post Tomorrow’s Schools saw BOT receive bulk funding (also referred to as direct resourcing). Bulk funding consisted of two components; namely, a teaching salaries grant and an operational grant, both of which are determined on the basis of a Ministry funding formula (Mitchell et al, 1993; Jacobs, 1995). The latter grant was to cover administration, ancillary support, maintenance, and any non-salaried aspect of teaching.

In addition to the operational grant there is discretionary and supplementary funding. The primary aspects of this additional funding are Māori Language Programmes funding and, the Targeted Funding for Educational Achievement (TFEA) grant (the TFEA grant was replaced in 1995 with ‘equity funding’). The former is based on the immersion level coupled with the number of Māori pupils

and the latter on the socio-economic situation of the community in which the particular school serves. The TFEA system, which was specifically intended to assist schools to remedy areas of educational disadvantage which are found in particular communities (Ministry of Education, 1996), consists of two parts.

The two factors that determined the level of TFEA grant are projected pupil numbers and the socio-economic need of each school. The socio-economic need was calculated on the basis of an indicator called the Socio-Economic Status Decile which had been determined on the basis of census data collected for the areas that the respective schools served. After processing the data the Ministry calculated a decile rating system that ranked all schools from one to 10 with 10 representing schools drawing from the highest socio-economic groups and one drawing from the poorest socio-economic groups (Ministry of Education, 1996). The TFEA grant was then awarded on the basis of the Socio-Economic Status Decile rating for the respective schools.

3.5.6 Education Governance Mechanisms from 1989-2010: Tomorrow's Schools

The passing of the Education Act 1989 with its subsequent amendments saw a major shift in the governance of the education system. Essentially what this Act did was give back to the community, in the form of Boards of Trustees, the autonomy to organise, conduct, and 'manage' their schools. It brought about a governance situation not too dissimilar to that brought about by the New Zealand Constitution Act 1852.

Tomorrow's School saw a much simpler education structure with its associated governance mechanisms that would fit comfortably within an agency theory model. Today, the local community run the schools in the form of elected boards

of trustees. Although the State is still responsible for setting national education objectives it is up to the respective schools as to how these objectives are met. As with the governance mechanisms of the 1840s schools are inspected to ensure compliance with stipulated curriculum requirements and to act as a monitoring tool to ensure the effective and efficient running of the respective school in line with the general reform philosophy. Ultimately though, fiscal and administrative responsibility and control has been returned to the local level. The local level in this context is referring to the school communities from which the boards of trustees are elected. Thus each school has the potential to vary the way they administer and deliver education.

While the governance mechanisms appear very similar to those of the 1840s the 'education' environment schools now find themselves in is vastly different. Whilst education was viewed as something of a luxury in the 1840s through to the late 1870s, it is now viewed as an economic commodity no different to the provision of any other good. The ideology that drove the reforms was aimed at getting schools to adopt a production template based on the image of private sector corporate business. For schools to survive the quasi-market they find themselves in, their respective BOTs would have to show a certain amount of entrepreneurial skill for they were under pressure to "improve quality, reduce costs and adopt improvements" (Harrison, 2004, p. 20). To that end they would need to engage in risk-taking behaviour and be innovative, in a commercially sustainable sense, by adopting the market model franchised to deliver the national curriculum.

In line with this new ‘franchise’ type situation schools now find themselves in concerns are being raised about the effectiveness of a school’s governing body and can be viewed in the same light as those concerns raised about the effectiveness of directors in the private sector (Boyett and Finlay, 1996; Levacic, 1995). These concerns include whether having members of the public on the boards of public service bodies can ensure adequate governance of the organisation in question (Hodges et al., 1996).

Harris and O’Sullivan (2000) claim that the means by which school boards (providers) could gain access to State funding was through a contractual form based on their respective charters, which would bind them to the funder and was a reflection of New Right ideas of governance. The charter was to serve as a contract between the State and the school, and the community it served. Thus, from the State’s perspective, the charter was the mechanism through which the devolution of State power was to be achieved. Schick (1996) suggests that the intention of this contractual form was to “replicate the arms-length relationship between buyers and sellers in competitive markets and to thereby mitigate ‘provider-capture’” (p. 74). However, Codd and Gordon (1991) claim that the charter was merely a symbolic document as the “power to determine the nature of the contractual relationship continued to reside completely with the State” (p. 32). Harris and O’Sullivan (2000) contend that this contractual form did not “eliminate bureaucracy, it simply changed its role and shifted some of its requirements onto the providers” (p. 77). The charter-contracts were thus essentially top-down, with a strong emphasis on vertical accountabilities measured in the rhetoric of outputs and outcomes.

Under the market model schools can no longer assume that student numbers and State funding are a constant (Harrison, 2004). BOTs have to be constantly vigilant in their efforts to improve their performance and keep their ‘customers’ happy in order to maintain or improve market share. Although the commodification of education has dissenters (see Grace, 1990), it is rarely disputed that the education market can be used as a mechanism by which communities can become more involved with their local schools.

If State schools are expected to mimic the ‘success’²¹ of the private sector then it is logical to expect that the mechanisms and behaviours that create and support this ‘success’ will be transferred or mimicked as well. Choice and competition are seen as the best method of “unleash[ing] human efforts to resolve problems” (Harrison, 2004). The domino effect of this transference is that these mechanisms and behaviours will impact on the governance of the respective schools.

The term ‘governance’, and what it encapsulates when associated with the provision of public goods, was replaced or sidelined in favour of ‘corporate governance’, and what it encompasses in the provision of commodities in the private sector. As schools are now effectively autonomous under Tomorrow’s Schools it is reasonable to suggest that education governance will be site-specific if these mechanisms and behaviours are adopted.

²¹ Success here is defined in terms of cost effectiveness and efficiency in line with the public sector reform philosophy

3.6 Post Neo-liberalism

After 15 years of restructuring NZ was transformed from a Keynesian welfare state to a neo-liberal ‘power-to-the-market’ economy aided by a “wholesale importation of private sector management practices into public administration” (Curtis, 2003, p. 2). However, Humphries (1998) claims this transformation did not bring about the benefits promised in the rhetoric, either to NZ education or society in general. Humphries, Dyer and Fitzgibbons (2007) argue that the “move to embrace neo-liberal economic and political directives in New Zealand has harnessed and constrained social thought in this country for over two decades” (p. 100). Olssen, Codd and O’Neill (2004) go further and claim that neo-liberal policy directives were hostile to the ideals of the welfare state and to social democracy. Likewise, Kelsey (2002) suggests that New Zealanders were the “guinea pigs in a failed free-market experiment” (p. 49) benefiting only the corporate elite. She claims that the “voices of capital” (ibid) had actively renegotiated “the regulatory boundaries they consider acceptable” (ibid) and fuelled the argument for a continuation of neo-liberal policy direction. Regardless of their influence, the downward pressure on the quality of life (including the provision and delivery of education) experienced by many New Zealanders during that time pressed the politicians and policy makers of the day to respond to the critics.

By 1999 the Labour Party, arguably the primary author of NZ’s neo-liberal directions, campaigned for a change in public policy whereby “human values came to the fore” (Clark, 2000, p. 1). The ‘failure of neo-liberalism’ began to be discussed beyond the group of its earlier critics. The then Prime Minister, Helen Clark, claimed that the change brought about by neo-liberalism has failed as it

“lacked balance, produced growing inequity, failed to deliver a turnaround, and lacked popular support” (Clark, 2002, p. 7). The politicians announced a ‘new’ policy direction. This new direction was, for a short time called the ‘Third Way’. However, Kelsey (2002) claims the Third Way is not so much a political theory but rather a programme of political management whereby a centre-left government can rationalise its role in further embedding neo-liberalism.

3.7 The ‘Third Way’

Negative social outcomes in democracies imposing neo-liberal policies brought pressure to bear on politicians in NZ and other countries as diverse as Britain, the United States, Italy, Canada, and South Africa (Dalziel, 1999; Eichbaum, 1999; Kelsey, 2002). It was through the work of the British sociologist, Anthony Giddens, that the Third Way remedy was proposed. The remedy would not entail a return to the now demonised welfare state, nor would it endorse the principles of the now discredited neo-liberal idea(s). Giddens (2001; 2000; 1998) and Eichbaum (1999) suggest that the Third Way is a viable alternative to the polar extremes of laissez-faire capitalism on the one hand and excessive regulatory frameworks on the other. By advocating for a mixed economy Giddens (1998) claims the Third Way would promote synergy between the public and private sectors by harnessing the dynamics of the market with the public interest in the foreground.

According to Giddens (2001; 2000; 1998) the Third Way would enable governments to promote social cohesion through a stronger civil society. Civil society, as defined by Harris (1999), is considered to be the “space between the government and the market...a valid and vital form of social organisation that

captures and reflects a real demand for diversity and collective self-determination within, not apart from, the nation state” (p. 31).

Giddens (2002; 1998) argues that a government has a principal role to play in facilitating the successful globalisation of capital and to provide assistance to its citizens to cope with the resultant consequences of this globalisation through education, training, and employment subsidies. He further claims that the Third Way embraces a mix of market and interventionist policies as a way of restructuring social democratic doctrines in an attempt to meet the demands of globalization and the knowledge economy. He suggests the need for synthesis between government and democratic institutions if a market economy is to flourish. This synthesis revolves around creating relationships between individuals and the community. Thus it is claimed Third Way policies is a viable alternative to the fundamentalism of neo-liberalism and, to the previous Keynesian cradle-to-the-grave welfare state.

Clark (2000) claimed that her Third Way Government would address the issues that resulted in neo-liberalism in NZ failing. She later indicated that NZ had made a “fresh start” by embracing the rubric of Third Way political philosophy (Clark, 2002, p. 7). By adopting Third Way policies it would achieve a better balance between the market economy and the needs of a fair society; it would offer opportunities for all who were prepared to grasp them; and it would provide security for all. She further claimed that this approach was not detrimental to the Government’s commitment to an open and competitive market linking the above rhetoric to social democracy.

However, although Larner (2005) concedes that the Clark Government has moved away from a strictly market-focussed ideology, she argues that Clark's Third Way is not so much a 'fresh start' as an attempt to "articulate neo-liberalism to social democratic aspirations" (p. 11). Larner (2005) and Kelsey (2002) claim that the Third Way is not so much a transformation from failed neo-liberal policy directives but rather short-term political management resulting in a more "deeply embedded form of neo-liberalism that perpetuates the tensions which the Government was elected to relieve" (p. 50). Kelsey (2002) further claims that the Third Way was not so much an attempt to "revisit the neo-liberal economic paradigm" but rather an attempt "to build on" (p. 51) neo-liberal policy directives already in place. Similarly Callinicos (2001), an ardent critic of Third Way ideology, claims "far from renewing social democracy, the Third Way amounts to an attempt to mobilize the political capital of the reformist left in support of a project that abandons substantial reforms altogether and instead embraces neo-liberalism" (p. 123).

Larner (2005) claims there are different configurations of neo-liberalism and implies that the Third Way is merely one such configuration but that "contemporary policies continue to draw on highly economic language" (p. 9). However, with this different configuration comes dialogue tailored to promote the aims of the Third Way. Rose (2000) claims that "it is the language of community that is used to identify a territory between the authority of the State, the free and amoral exchange of the market, and the liberty of the autonomous rights-bearing individual" (p. 1400). Alcock, May, and Rowlingson (2008) argue that the Third Way generated a new "political language" (p. 92) and that in addition to creating new phrases such as 'a hand-up not a hand-out', there was an active redefining of

existing words and imputing them with new meaning. They argue Third Way political language can be summarized as the “rhetoric of reconciliation” and “inclusion and responsibility” (p. 93).

The lexicon of Third Way dialogue increasingly uses the ambiguous term ‘partnership’ in an attempt to improve the State’s relationship with communities. Kelsey (2002) however, claims the term ‘partnership’ is a “political technique that aims to pacify, more than to deliver” (p. 84). She contends that what the community sector wants is actual change to processes and procedures that would ensure effective community participation in government policy and decision-making. Thus, she suggests, the term ‘partnership’ is a misnomer whereby the State confers responsibility without power thereby embedding hegemonic characteristics in policy directives.

The education sector provides a fertile field for the exploration of these changes in policy direction and thus an interesting example of the projected partnership in action. While formally situated in the public sector, State schools are, by mandate (their respective charters), community governed. But, as noted earlier, governance and what it represents when associated with the provision of a public good, namely education, was relinquished in favour of ‘corporate governance’ and all this term encompasses in the provision of commodities in the private sector.

The partnership in education as a manifestation of the Third Way in action is discussed in the next section.

3.7.1 Education and the Third Way

A common element to both neo-liberalism and the Third Way ideology towards public sector management was the purported empowerment of the community through the devolution/redistribution of responsibilities. An example of this redistribution of responsibility in the education sector was the Tomorrow's Schools initiative, in which there was a stated intention to assign greater degrees of autonomy and self-management to local communities. Kelsey (1997) describes these attempts at devolution of power and responsibility as the "privatisation of dependency" (p. 291) whereby volunteers and the community at large are expected to plug the gaps in funding shortfalls. However, Boston et al., (1996) suggest that the term 'decentralisation' would better describe the transfer of power from the State to the community because despite devolution being a stated objective of the education reforms, the Education Act 1989 provides the Minister of Education with the power to remove a school BOT, and to amend or withhold approval for a school charter; thereby, providing the mechanism to withhold funding.

Under Third Way ideology a new partnership model was developed between the funder (the State) and the provider (BOT) and the local community. Harris and O'Sullivan (2000) suggest that community-based paradigms could be developed which would engage this triangular relationship to create a 'new' organisational form where all parties could contribute and play an active role. Advocates (see Clark, 2002), claim this partnership model represents an example of a return to social democratic aspirations, whereas critics (see Kelsey, 2002) argue it is simply neo-liberalism repackaged. Larner and Craig (2002) suggest that Third Way partnerships required more than a superficial understanding "of the communities"

they are serving but require a deeper understanding “about the communities” (p. 27). They contend that this point represents the difference between the contractual partnership agreement under neo-liberalism doctrine and contractual partnership agreement under Third Way doctrine. They further argue that Third Way partnerships, including those found in the education sector, represent a new form of governance where the intention is to build “social connectedness...linking New Zealand based activities and organisations into the flows and networks of global capitalism” (p. 28).

I suggest that the form of governance as articulated and imposed on schools in Tomorrow’s Schools, in the context of NZ secondary education, needs further examination because it has the potential to greatly affect the provision of education, which as noted earlier by Laughlin et al., (1994) can have “profound effects on individuals” (p. 82). Larner and Craig (2002) suggest that this new form of governance appears “quite fragile around the edges” (p. 29) and may not yet be fully formed. None the less, as the momentum towards local partnerships gathers, such partnerships and resultant governance arrangements need further investigation.

3.8 Discussion

The reform of the education sector during the 1980s was heralded as a radical departure from a highly centralised and controlled structure (Ferlie, FitzGerald, & Ashburner, 1996; Gordon & Whitty, 1997), based on the ideological preference of those holding political power. The provision of education and associated education governance mechanisms of the 1980s is justified as a rational response to adverse economic conditions.

A second conclusion that can be drawn from the information found in Table 3.1 is that the issue of ideological preference is a misnomer. Indeed, it could be argued that 'ideological preference' is a response mechanism to prevailing economic conditions. Thus these two factors (a) economic issues and (b) ideological preference are inextricably linked and will be examined next in relation to their impact on education and education governance in an historical context.

In periods of harsh economic conditions and financial hardship there appears to be a deliberate policy of veering away from a centralised system of control in favour of a community-based governance system. Resource allocation decisions are made at a community level in an attempt to get 'best value for money' (Ezzamel & Willmott, 1993); *Tomorrow's Schools* contains an implied notion that communities, and their representatives (BOT), possess a uniformity of ability and vision. Currently, local communities in the form of Boards of Trustees (*Tomorrow's Schools*) are invested with the responsibility for the effective and efficient running of their respective schools (Smelt, 1998).

In periods of financial stability it would appear that the State indulges the luxury of viewing education in a benevolent light, under which it sees itself as the great 'social equaliser' (Renwick, 1986). In doing so, it engineers a very centralised system where all children, allegedly, are taught on a 'level playing field'. However, this has led to claims that the system only focuses on the needs of the academically inclined students as opposed to being a mechanism for aiding social equity (Adams et al., 2000).

Education, and education governance, while inextricably linked to the financial health of the country is simultaneously linked to the ideological response to the

prevailing economic conditions that the State endorses. Thus, in periods of harsh economic/political conditions the ideological preference is for education to be seen as a commodity like any other capable of being bought and sold regardless of resulting social inequities (Osborne & Gaebler, 1992; Smelt, 1998; Waslander & Thrupp, 1995). Coupled with this view is the idea that by giving the ‘power’ to run education to the local community, a more efficient and effective system will result (Ezzamel & Willmott, 1993; Harrison, 2004). However, the reform of the education structure also contains embedded hegemonic characteristics in policy directives and legislation whereby the State sets the governance parameters, the funding for schools and required school BOT to comply with State-determined objectives and goals.

Conversely, in periods of economic plenty the ideological preference is for education to be seen as a public good to be administered by a central structure to ensure equality of opportunity of education (Adams et al., 2000). Under this view, the governance of schools is so important to the future financial and social stability of the country that it must be administered by an impartial central body rather than risk having schools ‘captured’ by special interest groups (Cave, Dodsworth, & Thompson, 1992).

To what extent the State attempts to equalise opportunities appears to be dependent on the degree of economic ‘plenty’ enjoyed at the time. According to the Ministry of Education (2004), the education system is to promote “equality of educational opportunity for all New Zealanders, by identifying and removing barriers to achievement” (Goal No. 2). However, Harrison (2004) claims that the

Table 3.1 Identifiable Characteristics of Education and Governance Mechanisms in the New Zealand Education Sector

	Education For All 1877-1989	Tomorrow's Schools 1989-1990s	The Third Way 1990s-to the present
Key Education Legislation	Education Act 1877 Education Act 1914	Education Act 1989 and amendments	Education Act 1989 and amendments
Ideology driving the Provision of Education	Social Equity, Equality of Opportunity in Education (Adams et al., 2000)	Power of the Marketplace (Cave, 1990; Keep, 1992)	Power of the Marketplace (Kelsey, 2002)
How Education is Viewed by the State	Public Good (Renwick, 1986)	Economic Commodity (Waslander & Thrupp, 1995)	Economic Commodity (Adams et al., 2000)
Fiscal and Administrative Responsibility and Control	Highly Centralised System 1877-1914, Levelled at the Education Boards (Adams et al., 2000) 1914-1989, Levelled at the Department of Education (Minogue, 1968)	Decentralised System Levelled at the Local Community in the form of Boards of Trustees (Smelt, 1998)	Decentralised System Levelled at the Local Community in the form of Boards of Trustees (Larner & Craig, 2002)
Resource Allocation Decisions	1877-1914 Made at the Regional Level (Cumming and Cumming, 1978; Adams et al, 2000). 1914-1989 Made at the Central Level (Caldwell, 1998)	Made at the Local Level (Gordon and Whitty, 1997)	Made at the Local Level (Boston et al., 1996; Kelsey, 1997)
Prevailing Economic Conditions	Although this time period spans the 1930s Depression and two World Wars it was essentially a time of plenty particularly in the 1950s and 1960s (Tizard, 1974).	Unfavourable, New Zealand badly affected by OPEC-led oil price increases (Pollitt, 1990) and a substantial increase in the world money supply (Tizard, 1974).	Unfavourable, New Zealand struggling to meet the demands of globalization and the knowledge economy (Kelsey, 2002).

phrase ‘equality of opportunity’ is often used as a “slogan, a moral trump card or as a cloak for producer interests” (p. 76).

The evidence provided by the literature review indicates that education and education sector governance is predictable and that the reforms of the 1980s are not as radical as the majority of contemporary writers contend. Furthermore, education and education governance structures, and the ideological leanings of the NZ Government are a predictable response to the prevailing economic conditions of the time. Very little research has been conducted from the perspective of BOTS and stakeholders such as parents and caregivers. The content of existing research on education governance tends to have been generated from document analysis and/or focuses on structural limitations and fails to critique the impact of the ‘human element’ (Fiske and Ladd, 2000; Murphy, 1992; Smelt, 1998; Wiley, 1997).

The variation of meaning surrounding ‘governance’ as revealed in Chapter Two, and of how education governance is actioned in practice, has the potential to challenge the validity of the State’s rhetoric on emancipatory ideals and participatory process. However, there is little discussion in the literature of what the consequences this variation may bring. My research will fill this gap in the literature.

3.9 Summary

This chapter attempts to capture the essence of how and why education and education governance has developed in NZ. Our current education system represents quite a transformation from the system in place immediately prior to the public sector reforms. The current system, known as Tomorrow’s Schools,

has been fashioned in line with the ‘hidden hand’ production template of private sector market philosophy. I posit that it was because government officials were so convinced that private sector market philosophy was the best approach to reform the education sector that they chose to ask a very successful private sector entrepreneur to head a taskforce to review education administration, resulting in the Picot Report (1988).

The Picot Report (1988) recommended a departure from the existing highly centralised and controlled education sector to an equally highly decentralised educational structure whereby schools’ governing bodies have more autonomy, community involvement and far wider accountability. In line with this restructuring were significant changes in the governance of schools. However, as indicated by Table 3.1, the provision of education and associated education governance mechanisms of the 1980s are neither ‘new’ nor ‘radical’.

The central tenet of this research is that the broad ideals of education as promoted by the early proponents of a State-funded education system, emancipation of the individual and the strengthening of the social fabric of society, is in conflict with the neo-liberal re-visioning of public education currently operating in New Zealand State schools. The current governance process does not represent a harmonious meshing together of the espoused aims of devolving governance to the local school community and the re-visioning of public education provision as a ‘free’ market. The conflict represents tension between an assumed community-shared understanding of what is meant by education, the representation process, and ‘good’ governance (as implied in Tomorrow’s Schools policy directives) and the situation in practice where members of a community may hold very different

aspirations for their respective schools. The tension highlights how the State-mandated governance process works to exclude certain factions of a school community and can generate a crisis leading to a critical interruption in the governance process.

Boards of Trustees were created under the Education Act 1989 to provide governance or strategic direction for schools at school level. Under the 1980s reforms schools were expected to be run along private sector lines and to define themselves in terms of inputs and outputs. It is at this point, in the history of NZ education, the term ‘governance’, more commonly associated with the provision of public goods, becomes ‘corporate governance’, a term more commonly associated with the provision of commodities in the private sector. However, public sector entities often have models of performance far more intricate than private sector entities that frequently encompass multiple objectives. A further difficulty is that corporate governance theory, as a private sector concept now adopted by the public sector, is “not robust or well-rooted” (Clarke, 1998, p. 63). Indeed, as indicated by the findings of Chapter Two, there is no academic consensus as to the theoretical foundations of the term itself.

This chapter has provided the background information on education governance that will act as the foundation for this research. The next chapter will discuss the research strategy that has been adopted.

Chapter Four

Methodology and Method

Methodological awareness is a valuable mental resource (Seale, 1999, p. 465)

4.1 Introduction

The issue of ‘good’ governance of schools is of vital importance for New Zealand (NZ) school children because prudent management of educational processes and resources can impact greatly on idea[1]s of justice and equality of opportunity in education. To conduct an investigation of any kind it is necessary to choose a research method. Implicit in the choice of research method(s) are assumptions about the worldview of the researcher. In this chapter I explore the implications of the ontological position I have taken in this research. I draw out the implications of this positioning for the choice and design of a research method to address the research question:

What are the connotative meanings academics and research participants assign to the term ‘corporate governance’ which serves as a variant of the term ‘governance’ now adopted in the governance of public institutions?

Seale (1999) argues that methodological awareness is a “valuable mental resource” (p. 465). He suggests that discussing the methodology that supports a piece of research is the equivalent to “a sort of intellectual muscle-building exercise, time out in the brain gymnasium...hopefully [making the researcher] a little stronger and more alert” (ibid, p. 475). The task of becoming aware necessarily includes a reflection on self – the self that frames the research. The

idea of the research, the extent to which one involves others, how the range of ethical issues and accountabilities are to be included, are responsibilities of the researcher. Who am I? What am I assuming about myself, my framing of this project and about the people I will invite in?

Polonius, in William Shakespeare's *Hamlet*, advises "To thine own self be true". But, in the context of social research, what is it to be 'true to self'? Reason and Marshall (2001) suggest that research is a very personal yet political and social process. The suggestion to be self-conscious, to be aware of one's 'self' in the process of research, has found increasing attention in methodology literature (see Marshall & Reason, 2007; Seeley & Reason, 2008).

Deeply held beliefs may impact not only on what a researcher chooses to research but also on why he or she is conducting the research in the first place. It is these very beliefs that Denzin and Lincoln (1998) claim "attach the user to a particular worldview" (p. 4). Such worldviews are believed to be embedded in a researcher's subconscious and, because of this, the assumed influence of the subconscious affects not only the way the research question is framed but also what research methods are selected and actioned. Just as the subconscious is always 'at work' in the activities of the researcher, so too will it be active in the actions of the research participants.

If conclusions are to be considered valid or trustworthy the research methods undertaken for any project must be consistent with the foundational assumptions of the chosen paradigm or worldview. In Chapters Two and Three the literature pertaining to the making of meaning, corporate governance, and NZ education history, was reviewed through the dual theoretical lenses of social constructionism

and critical theory. In those chapters I wove themes of human emancipation through my examination of the discussion surrounding the notion of equality of opportunity in education espoused in education policies actioned by successive NZ governments. In order to investigate the contemporary commitments to, and achievements of, this ideal through this research project I outlined the barriers to the achievement of this objective. I agree with Rohmann's (1999) suggestion that "our understanding of the world is not an interpretation of what is, but a summary of attitudes formed by social interchanges within the present historical context" (p. 364).

The organization of this chapter is as follows. First, I review how academics have attempted to explain what is meant by a paradigm or worldview before addressing the issue of self-reflection. This is followed by the working definition of a paradigm or worldview from which I have generated my research orientation and design. I then discuss what I believe are the methodological implications that flow from the assumptions I have made. The methods selected to address the research question is case study, interviews, and narrative thematic analysis – the latter used to frame the actors' experiences and identify their deeper motivational content and reflective processes. Finally, I outline my own demographics and the approach I took to minimise the impact they might have on my research findings.

4.2 Paradigms

Kuhn (1970) uses the terms 'paradigm' and 'disciplinary matrix' to explain his understanding of the social determination of what comes to be understood and trusted as 'truth claims'. He suggests that a paradigm has four elements: symbolic

generalisations²²; shared commitments²³; shared values²⁴; and shared exemplars²⁵ and that these four elements can be used to encapsulate, for description, a particular worldview or social grouping.

Among the many writers who have extended the work of Kuhn, Gioia, and Pitre (1990) argue that a paradigm is a set of propositions that explain how the world is perceived from a particular point of view. As such, these propositions crafted together may be used to form, establish or impose a particular belief system. Bogdan and Biklen (1992) endorse this idea. They suggest that a paradigm may be thought of as a “loose collection of logically held together assumptions, concepts, or propositions that orient thinking and research” (p. 33).

Guba and Lincoln (1998) argue that the rudimentary beliefs underpinning assumptions, concepts and propositions are “basic in the sense that they must be accepted simply on faith (however well argued); [as] there is no way to establish their ultimate truthfulness” (p. 200). They further claim that a paradigm “represents a worldview that defines, for its holder, the nature of the ‘world’, the individual’s place in it, and the range of possible relationships to that world and its parts” (ibid, p. 200). In their explanation, Guba and Lincoln usefully draw our attention to the fabricated qualities of such paradigms and worldviews. They argue that all paradigms are “inventions of the mind and hence subject to human error. No construction is or can be incontrovertibly right; advocates of any

²² Symbolic generalisations are those expressions that are employed by members of a paradigm. Examples in accounting would be double entry and current asset/fixed asset classification.

²³ Shared commitments are beliefs that help members of a paradigm to determine what may be accepted as a problem solution. Examples in accounting would be the notion of going concern and the matching principle.

²⁴ Shared values guide the behaviour of paradigm members. Examples in accounting would be conservatism and materiality.

²⁵ Shared exemplars establish procedures and precedents for members of a paradigm to follow. Examples in accounting would be textbooks and the content of university courses.

particular construction must rely on *persuasiveness* and *utility* rather than *proof* in arguing their position” (ibid, p. 202). Authors and users of paradigms have available to them previously established truth claims. These may be consciously or unconsciously reproduced or challenged in scholarly work, policy or practice.

Guba (1990 cited in Denzin & Lincoln, 1998, p. 26) provides a metaphor of a paradigm serving as a ‘net’. This metaphor is one I like. It allows me to posit that paradigms are ideas and practices ‘contained’ in some way – in a porous container; an intellectual boundary that captures a researcher’s ontological,²⁶ epistemological²⁷ and methodological premises²⁸. As human constructions paradigms are not open to confirmation in any conventional sense and must, as stated by Guba and Lincoln (1998), be “accepted simply on faith” (p. 200) relying on the persuasive rhetoric of their champions. Through their own reification of these conceptual schemas, however, Guba and Lincoln generate a misleading grammatical form through which the authority of the architect and his/her responsibility is obscured. Each paradigm proffers an intellectual perspective through which a different view of social reality can be expressed and endorsed (Alvesson & Skoldberg, 2000; Burrell & Morgan, 1979; Chua, 1986; Creswell, 1994; Guba & Lincoln; 1989; L’Huillier, 2008; Morgan & Smircich, 1980).

So what then are my own overarching beliefs as the researcher guiding this project? I believe that attempts to explain cause and effect consequences of events, relationships or decisions in terms of measurable variables using

²⁶ Ontological premises are beliefs about existence, and about physical and social phenomena within a given paradigm

²⁷ Epistemological premises are articulations about what passes as ‘truth claims’ concerning such phenomena and how we can ‘know’ them

²⁸ Methodological premises are a study of the appropriateness of a particular method(s) within a given paradigm and the validity of findings generated by that method

mathematical/statistical representations cannot adequately address complex social processes. Humanity is so complex and multi-dimensional that understanding social processes involves understanding those generating the processes. Thus my paradigm or worldview needs to possess an elastic quality to enable me to respond and adapt as the course of my research evolves.

4.3 Methodology

Methodology refers to the study of a research process or set of principles used by proponents of a discipline to accept or reject the validity of proposed contributions to what becomes accepted as knowledge. Morgan and Smircich (1980) and Llewellyn (1993) assert that methodology precedes and, ultimately, should provide the guiding strategy for the research design and selection of research methods adopted in a course of study.

Aitken and Gaffikin (1987) emphasise that methodological study is not just a study of techniques and methods but rather a study of a discipline's principles. They suggest that it is only through methodological studies that research in any discipline can "learn to accept or reject [what comes to be trusted as] knowledge" (p. 5) at a given time and place. Such emphasis on the necessary examination between philosophy and action in research is not new. Machlup (1978) contends that only 'literate' people use the word 'methodology' correctly in connection with philosophy. 'Semiliterate' people use the term 'methodology' in an overly simple connection with methods and techniques. The meta-theories applied to this research are social constructionism and critical theory as discussed earlier in Chapter Two 2.3 and 2.4.

4.4 Choice of Method

The selection of a research strategy depends on the current understanding of a topic. I have found little research on how (corporate) governance, as understood and actioned in the management of schools, is associated with the emancipatory intent of education. Previous research tends to focus on understanding the impact that Tomorrow's Schools introduced to school management and governance in NZ. Case study research is particularly well suited to the proposed inquiry, for although factors surrounding the purpose and intent of (corporate) governance in the education sector have been discussed in the literature, this has been done with little evidence from the 'coalface'.

I aim to extend previous research by engaging in qualitative research practices to examine how stakeholders interpret, endorse or challenge the governance of a NZ State High School. By engaging in narrative discussion with stakeholders I seek to discover the motivational intent behind their decision-making processes. A qualitative approach to the research issues to be examined by this thesis requires an in-depth understanding of human action within the context of historical and social practice. Qualitative research consists of two conditions: (a) the use of close-up, detailed observation of the natural world by the investigator(s) and, (b) the attempt to avoid prior commitment to any theoretical model (Morgan and Smircich, 1980). Social processes are not captured in hypothetical deductions, covariance, and degrees of freedom (Rosen, 1991). Instead understanding social process involves getting inside the world of those generating those social processes. Thus the qualitative method I use seeks to explore and understand complex social phenomena (Yin, 1989). Case study allows me to retain the holistic and meaningful characteristics of real-life events. To explain the

phenomenon within the context, I need to understand the dynamics present within a single setting and the meanings that participants assign to them (Orlikowski and Baroudi, 1991).

4.4.1 Case Studies

Osland and Cavusgil (1998) argue that in-depth case studies are an effective approach when investigating dynamic organisational processes such as performance goal setting and evaluation and in creating theory that incorporates the participants' constructs and frameworks, rather than the researcher's. They state that a case study can provide insights that "would not have been uncovered from structured questionnaires used in traditional surveys" (p. 201).

There are a number of advantages for using case study as a research method. Case study method is preferred in examining contemporary events where the relevant behaviours cannot be manipulated (Yin, 1994). The researcher can control the scope and time of the examination allowing the researcher to gain primary data within a controllable timeframe. Examining the phenomenon of interest in a natural setting from the perspective of the participants allows the researcher to understand the dynamics that are present (Eisenhardt, 1989). This method may help explain the links in real-life governance interruptions that are too complex for a survey or experimental strategies (Yin, 1994). A further advantage of adopting case study method of research is that it has the potential to provide a creative insight that may arise from the comparison of contradictory or paradoxical evidence (Cameron & Quinn, 1988). Given that theoretical direction for this research comes from critical theory and the use of power for transformative intent I believe case study method provides useful opportunities to enhance school governance along the lines of an espoused emancipatory mandate.

However, before I could engage with stakeholders from the school selected as my case study an identifiable critical incident occurred that had a considerable impact on my research method and will be discussed next.

4.4.2 Critical Incidents

The Critical Incident Analysis Group (2010) defines a critical incident as “an event that has the potential for causing social trauma and undermining social trust, creating fear that may have impact on community life and even on the practice of democracy”²⁹. It is an event or happening that occurs outside the normal scope of routine operations requiring swift, decisive action involving multiple components in response. There are critical moments in the history of any organisation including schools. Such moments are not emotionally neutral and are highly contextual in nature. Critical events or moments represent self-contained stories within more complex stories.

But what do I mean by a ‘critical incident’ in the context of this thesis? In the school selected as my case study the critical incident (discussed in more detail in Chapter Five) was governance difficulties faced by the BOT which culminated in the passing of a vote of ‘no confidence’ in the school Principal, the senior management team and the BOT by the PPTA at a branch meeting held at the College (Waikato Times, 2008, December 13). The ex Chairperson of the BOT indicated this was a key deciding incident that led to the resignation of the Board of Trustees as it was the consensus of opinion that without the confidence of the schools’ teachers the mandate to govern the school was irretrievably weakened (Interview 1, 2009). The BOT resigned on February 20, 2009 and the State appointed a Commissioner to take their place.

²⁹ <http://www.healthsystem.virginia.edu/Internet/ciag/>

This called for a re examination in the way to instigate my chosen method. It became obvious that it was no longer possible to maintain the school's anonymity as radio, television and newspaper mediums reported extensively on the events occurring at the school. I approached the Commissioner to enquire if he was prepared to be interviewed and when an affirmative answer was received I then re-contacted, the now ex chairperson of the BOT to re-issue my invitation to participate in my research. While she agreed to participate in my research other members of the ex BOT did not to respond to the invitation.

By selecting a school in the throes of such a critical period of its existence it provided me with a 'way in' to study governance issues from a current viewpoint as opposed to a retrospective perspective. By electing to focus my attention on this one particular school it makes it more likely that the "perceived criticality of the events will make them easier to recall" (Cope & Watts, 2000, p. 108) within a context "developed entirely from the subject's perspective" (Cassell & Symon, 2004, p. 47).

A critical incident is a complex occurrence that does not occur in isolation and can, as suggested by Cope and Watts (2000) influence or change the perception and awareness of the actors involved. By focusing on the 'here and now' as opposed to retrospective accounts of a school experiencing governance difficulties I seek to provide more contemporary insights into the issues facing a school's governing body.

4.4.3 Interviews

Myers (1997) suggests that interviews are a common method for gathering information but as noted by Cicourel (1964) they are, none-the-less, manufactured

and thus have an artificial quality about them. Patton (1990) suggests that an interview can be quite an invasive process which “lays open thoughts, feelings, knowledge and experience...to the interviewer” (p. 353). King (1994) captured the very essence of the interview procedure when he stated that the objective of interviews is “to see the research topic from the perspective of the interviewee and to understand how and why he or she comes to have this particular perspective” (p. 14). I am seeking to engage with participants to discover, based on their own perspective and understanding, the meaning of (corporate) governance, education as an emancipatory process, and how they perceive it is actioned in practice.

When deciding upon an interview structure it is essential that the research question dictate the type of interview structure to be adopted. Both Yin (1994) and Kvale (1996) emphasised the need for quality interviews in order to provide quality data for analysis. Indeed they both indicated that, particularly in case study research, the quality of interviews is vital to the validity and indeed reliability of the study and ultimately the research process itself. Yin (1994) suggests that the process of analysing case study evidence is problematic and poorly developed with the task made even more difficult if the evidence collected is of inferior quality.

Jones (1985) observed that the researcher has a number of interview structures from which to choose from ranging from the totally non-directive interview structure to the fully structured and defined questionnaire. When looking at the range of interview structures available I, the researcher, must make a judgement call as to which method would suit my purposes best. For example, Cicourel (1964) observed that when using a formal pre-structured method I would have to

accept a possible loss of spontaneity and informality, which may have led to unexpected beneficial insights into the research question. On the other hand by adopting a formal pre-structured format I would be less likely to gather data that might be deemed unnecessary and superficial to the research question at hand.

In order to seek insight into the research question I entered into two types of intentional engagement. The first type is a semi-structured narrative interview between me and the participants, and the second type is follow-up conversations that were deemed appropriate or necessary. These conversations were not structured and of a more informal nature.

Both Whyte (1982) and King (1994) provide useful advice on how to improve the quality of the interview process. Whyte (1982) emphasises the need to be careful not to interrupt an interviewee or to pass judgement on anything said during the course of the interview. King (1994) also cautioned the interviewer against imposing his or her perceptions on the interviewee either deliberately or subconsciously. The quality of the interview will be further enhanced by engaging in dialogue in a manner or language that reflects the informant's style (Merriam, 1988).

White and Epston (1990) contend that narrative interviews do not typically involve pre-set questions being asked. But rather a set of preliminary 'starter' questions are designed whereby the participant is encouraged to comment on the issues that hold the most meaning for them. Indeed narrative methodologies share a basis with the social constructionist position - that we are language beings. Tomm (1989) suggests that people not only 'story' their lives as a means of

conferring meaning to their life experiences, but also act in them in ways that either frees or shackles them.

Thematic analysis of narratives involves setting up an ongoing dialogue between the participant and the researcher. Bird (2000) suggests that the on-going nature of such dialogue can result in unique outcomes and a re-authoring process that can be refined over several exchanges and which frequently involve reflective processes on the part of the interviewee.

Through the use of semi-structured interview guides, I obtain information in the informant's own words, gain a description of situations and draw out specific detail. In this way I, as the interviewer, allow for the surfacing of new material. Narratives from individuals sharing similar experiences are combined to produce thematic templates for collective experiences. The method for producing these templates is discussed next.

Where possible I transcribed all my interviews on the day they were conducted. In addition, for all those who did not wish to have their voices digitally recorded I wrote up the notes I had taken during our conversations within 24 hours. After reading each transcription I wrote up what appeared to be the central themes or issues that emerged from each of the interviews and conversations. When I felt I had exhausted my list of participants to interview or converse with I then organised the themes according to stakeholder groups. I then re-read my transcriptions to ensure I had not overlooked an issue or theme and that my assessment of the key themes surrounding the interruption to the governance of Fairfield College was a valid finding.

Follow-up conversations with the participants sought to refine or confirm my writing and interpretation of their experiences and thoughts. Participants were given the opportunity to read over preliminary reports and to discuss this material verbally or in writing. Participants' feedback was sought on themes I identified and opportunity was provided for them to add their own themes. I intended to enter into an semi-structured interview method with stakeholders of a North Island co-educational State high school. Guiding questions used during the course of my semi-structured interviews and any, more informal conversation I entered into with stakeholders can be found in Appendix Four.

4.5 Ethical Considerations - Establishing a Code of Behaviour

The procedures and boundaries that will be defined in this Code of Behaviour will draw upon established qualitative research practices to ensure that the focus remains on the research question. The benefits of establishing this code include:

- Reducing the likelihood of gathering unnecessary information
- Identify and neutralise/minimise researcher bias or make it explicit i.e. that I hope to contribute to enhancing 'good governance'
- Ensure a consistent approach is adopted during case analysis
- Provide a clear audit trail of work/procedures carried out thereby lending weight to case study findings.

The school selected for this study is from the Waikato area in order to keep this research affordable for the researcher. I initially approached the school's BOT chairperson (via phone) approximately one week before further contact with

Board members and other stakeholders was envisaged. I then contacted her more formally by means of a letter of introduction and invitation to participate in this study (refer appendix 1). The Chairperson duly tabled this letter at the next Board meeting. The purpose of this approach was to expressly 'invite' the Board of Trustees to participate in the study. Care must be taken when making this first contact in order to create an interest in participating in the study as well as setting the tone for the study. The chairperson, on behalf of herself and the BOTs agreed to participate in the study.

In order to have a consistent approach when making the initial approach to potential schools I prepared a form to guide me through my 'invitation' to the potential interviewee. This guide is found in Figure 4.1.

Figure 4.1 Guide Sheet for Initial Approach to a School's BOT Chairperson

- Obtain a contact name and details
- Introduce myself
- Explain why I have approached his/her school
- Explain what I am trying to do and why
- Explain why I would like his/her school to participate in the study
- Advise the anticipated duration of the study
- Advise the anticipated time needed for an interview and that there may be a need for a follow-up conversation.

- Advise that interviews will be taped³⁰ to minimise the likelihood of a misunderstanding on the part of the researcher when analysing the interview.
- If the phone conversation is positive immediately arrange to provide the BOT with a letter of introduction and invitation to participate in this study (as noted earlier the template for this letter can be found in Appendix One).
- If the phone conversation is negative thank them for their time but leave contact details with them should they later decide they would like to be a part of the study
- Record the time/date of the telephone conversation.

I made a tentative list of the people I initially felt I would need to interview, the Principal, the Commissioner, the ex Chairperson of the BOT, teachers, parents and caregivers. The list grew as people were mentioned during the course of various interviews. In particular, representatives of the Whānau Support Group were not on my original list simply because I was, initially, ignorant of their existence.

Once I was assured that I would have access to key stakeholders, I set about contacting people on an individual basis. I provided them with an information sheet detailing my intended course of research and contact details (refer Appendix Two), and set up interview times. Before agreeing to participate in my research the Whānau Support Group requested that I attend a support group meeting held at the Fairfield College wharenuī (meeting house) and introduce myself which I

³⁰ Tape recording will ensure that the whole interview is available for the data analysis process (Merriam, 1988) and will allow the researcher to concentrate on the interview with the participant rather than concentrating on taking detailed notes (Patton, 1990).

duly did. Those members who were willing to participate in my research indicated their willingness to do so at this meeting and I was provided with their contact details which I later used to set up interview times. The number of participants and how they were categorised for the purpose of this research can be found in Table 4. 1.

As indicated by Table 4.1 no members of the Whānau Support Group that I engaged with were currently a parent or caregiver of a student at Fairfield College. The Whānau Support Group was represented by the school's Kaumātua (Māori elder) who had some years earlier been a teacher at the school, an ex teacher (of Māori descent) and her husband (European descent) who have a niece attending the school and two other individuals of Māori descent who previously had children at the school or who currently have a grandchild at the school. I also engaged with two parents who were of Māori descent but did belong to the Whānau Support Group. No other group or organisation attempting to address governance issues was found to be operating at Fairfield College.

I acknowledge the limitation of so few teaching staff and those previously or currently in charge of the governance of Fairfield College prepared to engage with me regarding this research. None-the-less I believe the engagement I did have merit inclusion in this research and in my findings as there was no evidence to suggest that the views held by these individuals were not representative of the groups they represent.

Table 4.1 **Categorisation of Interview Participants**

Participant	Parents/Caregivers not of Māori descent	Parents/Caregivers who were of Māori descent	Whānau Support Group Members	Teaching Staff	Those previously or currently in charge of the governance of Fairfield College	ERO Representative
1.					✓	
2.						✓
3.					✓	
4.	✓					
5.				✓		
6.	✓					
7.				✓		
8.	✓					
9.	✓					
10.	✓					
11.	✓					
12.	✓					
13.			✓			
14.			✓			
15.			✓			
16.			✓			
17.			✓			
18.				✓		
19.	✓					
20.	✓					
21.	✓					
22.					✓	
23.		✓				
24.	✓					
25.	✓					
26.	✓					
27.	✓					
28.	✓					
29.	✓					
30.	✓				✓	
31.	✓					
32.	✓					
33.	✓					
34.		✓				

4.6 Case Study Visit

It is important to decide before the interview process starts what resources are needed to enable the smooth flow of interaction between the participants and the interviewer. Furthermore, by demonstrating you have ‘done your homework’, re-background information about the school and the interviewee, you are more likely to develop a rapport with the informant which can aid conversation flow.

When the stakeholders that are to participate in this study were identified and interview times set I then set about compiling the following list of physical resources that I would need.

- A letter of introduction from my PhD supervisor(s)
- A tape recorder (fresh batteries) and spare tapes
- Background information about the school/participant in question
- Informed consent confirmation forms³¹ (refer Appendix Three).

In addition to the above I took care to arrive on time and was tidily dressed as a good first impression is invaluable in setting the tone of the study (Guba & Lincoln, 1981). Although interviews are manufactured and thus have an artificial quality about them they are still an observable social interaction (Cicourel, 1964). Thus it should be noted that the interview process can encompass sensitive issues which I strove to handle with care.

Merriam (1988) emphasised the need to convey very clearly to the participants that all data acquired would be treated with the strictest confidence and that the data itself would only be used for research purposes. Additionally, Merriam

³¹ Upon arriving at the interview site it is important that verbal agreement to participate in the study is formalised by the signing of a consent form.

(1988) also emphasised the need to reassure the informant of anonymity. With this in mind, it was important for me, as the researcher, to be conscientious in guarding the interviewees' right to privacy and free choice. By adhering to 'good' ethical practices I believe I lent weight to the value of my findings. As the school was identified it was impossible to ensure the anonymity of the Principal and the Commissioner but all other participants' names were withheld.

Not all participants I engaged with wished to have their voices digitally recorded nor were some of the engagements I entered into pre-arranged involving a semi-structured interview format. Some engagements came about merely by a chance encountered and could more correctly be termed conversations. On each occasion I requested that I might take notes during our conversation and that the participant sign a consent form so that I might have a robust audit trail of work performed. However, while the participants had no objection to me taking down their details and making notes during our conversations, few agreed to sign a consent form. They greeted my explanation that all information pertaining to our conversations would be kept confidential, with considerable cynicism. None-the-less I believe it was important that they had the opportunity to have their voices heard but, when it came to including a direct quote in my thesis findings, only those who were prepared to sign the consent form were eligible for inclusion.

4.7 Researcher Limitations

I was aware that my own ethnicity, and possibly gender and perceived socio-economic status, may have influenced the responses given by research participants. Therefore, I believe it is useful for the reader to know my background and the approach I took to minimise the effect of these demographics.

I am a middle aged, middle class woman of European descent born and educated in New Zealand. Although I was educated through the State system my husband and children attended private schools (although my second son did attend Fairfield College for two terms in Year 13). I value Eurocentric qualifications but am aware, through my husband's and children's struggles to obtain such qualifications that they are not, nor should be, a defining aspect of who a person is.

I was initially concerned that my research participants would simply see me as a Pākehā (non Māori) woman conducting research with a textbook understanding of governance issues and with limited sensitivity to their need to be heard. In response I respected those participants who did not wish to have their voices digitally recorded or who were uncomfortable with signing a consent form. I demonstrated that I genuinely wished to provide a means in which their voices could be heard. As I was conducting this research while the critical interruption was still on-going, as opposed to retrospective research, I found research participants valued an opportunity to share their views with me. I do not believe my ethnicity or gender affected the participants from telling their stories about the governance difficulties experienced by Fairfield College.

4.8 Summary

In this chapter I explain my understanding of what is meant by the term paradigm and provide the working definition of a paradigm from which I have generated my research orientation and strategy. I also discuss the methodological implications that have flowed from the assumptions underpinning this definition.

Theoretical direction for this research project comes from social constructionism and critical theory as I am interested in investigating the ideals of emancipation

and equality of opportunity in public education in NZ. I selected case study, interviews, and thematic analysis as suitable methods to address this particular research goal. In the next chapter (five) I will introduce the school selected to be my case study that is experiencing governance difficulties and the critical incident that occurred at the time I made the initial invitation to the Board of Trustees to participate in my research.

Chapter Five

Fairfield College

Dum Spiro Spero [While I Breathe I Hope] (Fairfield College School Motto)

5.1 Introduction

The origin of publicly provided and funded education in New Zealand (NZ), and the changing governance ideology surrounding the provision of education were examined in Chapters Two and Three. The Tomorrow's School regime was envisaged by the State as a system of parent volunteers elected onto Boards of Trustees. These volunteers would bring with them a variety of skills and experience necessary in order to assume the responsibility for the policy direction and governance of their respective schools. The essence of Tomorrow's Schools was summarised in the case of *Hobday v Timaru Girls High School Board of Trustees* [1994] ERNZ 724 where it was stated:

[it] is the ongoing maintenance of a very high and comprehensive level of co-operation, respect, goodwill and trust between the Board of Trustees, its Chief Executive (the Principal), the Principal and her/his management team, teaching and other staff employed at the school, students, their parents and such parent organisations as the PTA, and the wider community of which a particular school forms an integral part.

In simple equation form the partnership relationship between Boards of Trustees and Principals was envisioned by the Ministry of Education as:

“Competent Board + Competent Principal = Good Governance and Management”

(Education Law Update, 2008, p. 108).

As described in Chapter Three, a Board of Trustees (BOT) is a recognised legal entity and, as such, is invested with rights and responsibilities under the law. A BOT is responsible for how funding for the school is spent and must prepare budgets and is held responsible for the preparation of audited accounts. BOTs have considerable freedom to function, based on school charter objectives that have been prepared in consultation with the Principal, staff, and the community the school serves. The only formal restriction is that funding provided for teaching salaries cannot be diverted to operational accounts, and vice versa.

In the previous chapter I introduce the methodological implications for this research and my choice of research methods (case study, interviews, and narrative thematic analysis). In this chapter I introduce the high school (Fairfield College), whose BOT initially agreed to participate in this study.

Due to the publication of a number of articles in the local and national media it became public knowledge in NZ that the Fairfield College BOT was undergoing governance difficulties. Members of the Board were invited to participate in my research and initially they all agreed to being interviewed. However, soon after this agreement, a ‘critical incident’ occurred that led to the members of the BOT withdrawing their earlier consent to participate.

A critical incident is “an event that has the potential for causing social trauma and undermining social trust, creating fear that may have impact on community life and even on the practice of democracy”³². It is an event or interruption that occurs outside the normal scope of routine operations requiring swift, decisive action involving multiple components in response. The critical incident that

³² <http://www.healthsystem.virginia.edu/Internet/ciag/>

occurred at Fairfield College was the PPTA passing a vote of no confidence in the BOT. The ex Chairperson of the BOT indicated this was the deciding incident that led to the resignation of all members of the Board of Trustees as they felt that without the confidence of the schools' teachers their mandate to govern the school was irretrievably weakened (Interview 1, 2009). At this juncture it became necessary for the Minister of Education to exercise her powers of intervention under the New Zealand Education Act 1989 Part 7A, which provides for the appointment of a Commissioner to take charge of the school.

In this chapter I provide background details on the school and its 'special character'. I also profile the community it serves and present the publicly espoused ideals it aspires to. I then outline the critical incident as it was reported in the popular media, to give the reader an understanding of how the media portrayed the situation at Fairfield College. Finally, I report on the crisis, culminating in the resignation of the Board, from the perspective of the BOT and relevant government officials.

5.2 Fairfield College

Fairfield College in Hamilton has a student population of 1292 as at 12 March 2009. One of only four co-educational State high schools within Hamilton's city limits, Fairfield College opened in 1957. The land used for the school was originally part of a 20 hectare farm that the Department of Education purchased in 1951. I have not found any official document that would indicate the school was specifically established to accommodate the needs of any particular ethnic or socio-economic group of that era. Rather, it appears to have been commissioned

and built simply to accommodate the secondary school educational needs of a growing city.

The founding Board of Governors commissioned the design of a school coat of arms (Figure 5.1) setting forth the aspirations of the school's founders. Key aspects of this coat of arms and its associated motto are outlined below. The aspirations espoused in both are still adhered to by the current generation of management, staff, and students, and are expected to be enduring. These aspirations are the values the BOT steward, in conjunction with their legal obligations.

Figure 5.1. Fairfield College coat of arms and motto



To reflect the co-educational aspect of the school both masculine and feminine features were included in the crest, with the lion representing the masculine element and the flowers representing the feminine element. The lion was also intended to represent courage and strength and the three manuka flowers to represent “purity of ideals in a New Zealand setting” (Fairfield College, 2007, p. 9). The white star was intended to give “a point of aim” (ibid). The English translation of the school's Latin motto is “While I breathe I hope” and symbolises

determination and the notion that “so long as one is able to breathe there must be no thought of abandoning hope” (ibid).

This school and its espoused ideals were developed in a time of economic plenty (Tizard, 1974), when education was viewed in a benevolent light and regarded as a great social equaliser (Renwick, 1986). The crest and accompanying motto are symbolic, therefore, of the time period in NZ where the ideology driving the provision of education was that of social equity and equality of opportunity.

The recently resigned BOT had previously initiated research to identify what the school community thought about the school and what aspirations community members had for their children’s education. One of the results of this research was the introduction in 2008 of the R.E.S.P.E.C.T. code (Fairfield College 2009 Prospectus, p. 12). This code, found in Table 5.1, complements the school crest and motto. The bilingual articulation, whereby each word of the acronym is translated into Māori in the school’s prospectus, reflects a more recent commitment in education to the implications of a State responsibility to the Treaty of Waitangi (Te Tiriti o Waitangi). An implication of this responsibility has been to formalise the Māori language as an official language of NZ.

Table 5.1 **Fairfield College Respect Code**

R.	E.	S.	P.	E.	C.	T.
Responsibility Haepapatanga	Engaging in learning Aro ki te ako	Self- Management Whakahaere ko koe ano	Pride Manatanga	Excellence Kia tiketike	Co- operation Mahi tahi	Trust Whakawhirinaki
Managing your own behaviour and learning appropriately	Getting active in learning	Making good decisions/being prepared	Feeling good about yourself and your school	Completing tasks to the best of your ability, striving and aiming high	Working with others positively and respectfully	Being honest and reliable in all that you do
Taking ownership	Giving learning your best		Look good, feel good, do good	Achieving your personal best		Being dependable
				Raising our expectations “Better than Before”		

Source: Fairfield College 2009 Prospectus (p. 12).

5.3 The Brewing Crisis – as Reported in the Popular Media

Former Board member John Wilkinson was reported in Waikato newspaper to have said that based on National Certificate of Educational Achievement (NCEA) results, Fairfield College was an underperforming school “compared with similar decile schools” (Waikato Times, December 16, 2008, p. 3). In support of his claim it was reported that in 2006 less than half of Fairfield College students (39%) achieved NCEA Level One (Waikato Times, December 13, 2008).

As reported in the local media, the Board believed it was given a clear mandate to appoint a Principal who possessed good financial management skills and was not

afraid to make hard decisions in the pursuit of improving student achievement³³ (Waikato Times, February 28, 2009). The school BOT duly appointed Mrs Julie Small³⁴ to be the new Principal of Fairfield College.

Mrs Small took up the position of Principal at the beginning of 2007 and, with the support of senior management and the BOT, almost immediately instigated changes intended to raise student achievement in terms of NCEA results. These changes were hailed as a success when, in 2007, there was a 30% improvement in the number of students achieving NCEA Level One³⁵ (Waikato Times, December 13, 2008; Waikato Times, December 20, 2008). Chairperson of the BOT at the time, Mrs Anne Pouwels, stated that the changes also appeared to be endorsed by the May 2008 ERO report which “clearly mandates the direction we have set as being educationally sound for taking our college forward” (Waikato Times, December 18, 2008, p. 3).

The improvement in NCEA results reported in 2007 did not come without cost. It was reported in the local media that there had been some months of friction between Principal Small and other staff members during the 2008 school year. Claims were made that there was resistance by some staff members to the changes instigated by Principal Small and the Board to “raise the bar academically” (Waikato Times, December 13, 2008, p. 1). Former board members Michael Crawford and Winston Pinkerton also claim that the drop in NZEA Level One passes in 2008 to 29% was the result of:

³³ In terms of NCEA results

³⁴ Previously Mrs Small had been the principal of Auckland’s Rodney College for three and half years.

³⁵ 51% passed NZEA Level One

a campaign by some teachers resistant to change to undermine the authority and leadership of the Principal and the board...They [some heads of departments and teaching staff] began a campaign to undermine the school board and Principal, including character assassination of the Principal, bullying of other staff and misinformation to media and members of the school community. (Waikato Times, February 28, 2009, p. 1)

Counter claims were made by teaching staff and students that “favouritism was shown to the children of senior management”³⁶ (Waikato Times, December 16, 2008, p. 3). It was also reported that after the implementation of a review of support staff and leadership structure four support staff were made redundant and another staff member took voluntary redundancy. Deputy Principal of Fairfield College at the time, John Tylden,³⁷ claims that these redundancies led to the failure of a lot of administration systems that had been operating in the school. The jobs were re-instated and were duly filled by “two wives of boards members, or immediate past members of the board” leading to claims of a conflict of interest (Waikato Times, February 28, 2008, p. 1). Furthermore, it is also alleged that some aspects of promotional material authorised by Principal Small was disrespectful to the previous Principal and staff, and that she and her team bullied teaching staff which created an “atmosphere of fear” (Waikato Times, December 15, 2008, p. 3). Teacher turnover has been high – 47% in the two years 2007-2009, since Principal Small has been in office (Waikato Times, February 28, 2009).

³⁶ Ms Small’s son was appointed head boy for 2007 after spending less than a year at the school.

³⁷ John Tylden retired as deputy principal of Fairfield College in 2008 after having worked at the school for 32 years.

The friction between the two factions culminated in the passing of a vote of no confidence in Principal Small, the senior management team, and the BOT by a PPTA branch meeting held at Fairfield College (Waikato Times, December 13, 2008). In response to this vote, the Minister of Education appointed John Carlyon to “facilitate a working party to address the problems” (ibid). The BOT announced that it would also approach a specialist advisor to assist and advise on employment issues (Waikato Times, December 18, 2008). However, on December 19 it was reported that the working party set up by the BOT to examine the governance issues facing Fairfield College had disintegrated (Waikato Times, December 19, 2008).

In response to the breakdown of the working party, the Ministry of Education announced on December 20, 2008, the appointment of Mr Dennis Finn to work with the Fairfield College BOT. His role was to assist the Board “to work through a process to consider the way forward” (Waikato Times, January 22, 2009, p. 1). However, on Friday February 20, 2009 the Fairfield College BOTs resigned en masse (Waikato Times, February 21, 2009). The following Monday Finn was appointed Commissioner to run the school. The Secretary of Education, Karen Sewell, has indicated that Commissioner Finn would “continue working with the school to improve the quality of governance, teaching and student achievement” (Radio New Zealand Newswire, February 23, 2009, p. 1).

5.4 The Brewing Crisis – From the Perspective of the Board and Relevant Parties

The ex-chairperson of the BOT for Fairfield College believes that the governance issues that the school was experiencing were “completely inflated” and were “escalated” by media coverage and the manner in which the issues were played

out in the press (Interview 1, 2009). She recounted how a TV van pulled up outside the front of the school and after some rapid text messaging between students approximately 170 students from the junior school come out of the classrooms and surrounded the camera crew and van. The media then proceeded to report this incident as a mass student strike.

Mrs Pouwels believes the issue of staff redundancies was also negatively portrayed in the media, which helped to inflame already heightened emotions about the governance of the school. She indicated that it was portrayed as a Board decision but the Board was required to engage in a cost-cutting exercise in relation to staff numbers as Ministry of Education documentation stated that they were overstaffed (seven employees) in relation to student numbers. She states “it is worked out on a set formula [by the Ministry of Education]...we were trying to work within the scope that we had to work with” unlike the “era of bulk funding when...[we] could definitely make a decisions on who [we] had in [our] school” in the form of teaching and support staff (Interview 1, 2009).

Mrs Pouwels suggests that she and her fellow Board members knew there were “undercurrents for a while and [that] things weren’t happening; if anything things were getting worse as far as some of the issues – there were lots of little issues - which became completely inflated” and that what was needed was another avenue to move forward with the least interruption to student learning (Interview 1, 2009). Commissioner Finn (2009), although not privy to the attempts the BOT were making to resolve these issues, acknowledges that they were “having a bit of difficulty in terms of trying to find the traction they wanted” and that they

resigned because they felt they “can’t move it forward” (Interview 3, 2009). Mrs Pouwels confirmed this in her comment that:

what we as a Board were constantly mindful of is the student. We wanted the students to be getting the deal that they were needing to be getting, what they deserved. We wanted the teachers to be happy. We were of the opinion that happy teachers equated to happy students. (Interview 1, 2009).

5.5 Summary

In the previous chapter I introduced my methodological perspective and my choice of research methods (case study, interviews, and narrative thematic analysis). In this chapter I have introduced Fairfield College, the school that was selected as my case study. I have described its special character, the publicly espoused ideals it aspires to in the form of the school motto, coat of arms, and R.E.S.P.E.C.T. code. In order to give the reader a more complete picture of the school, leading up to the resignation of the BOT, I have provided a review of how the school’s governance difficulties and the subsequent resignation of the Board were reported in the media. The ex-Chairperson of the BOT was in no doubt that how the school’s difficulties were portrayed in the media negatively impacted on the Board’s ability to govern the school.

In the next chapter I present my findings as themes that were identified using narrative thematic analysis (refer Chapter Four). I provide a selection of excerpts from my interviews with a variety of Fairfield College stakeholders. These excerpts communicate the different perspectives through which key issues relating to the governance of Fairfield College is interpreted, endorsed or challenged.

Chapter Six

Findings: Same Play – Different Scripts

6.1 Introduction

Critical theorists seek to analyse and expose the *interruption* between the actual and the possible by examining both the existing order and a potential future state of harmony. They posit that all knowledge is historically conditioned but that issues can be addressed from a critical perspective that embraces future possibilities. Horkheimer (2002) for example, argues that there “can be no formula which lays down once and for all the relationship between the individual [and] society...history cannot be seen as a uniform unfolding of human nature” (p. 202). On the other hand, as noted in Chapter Two, theorists like the American sociologist C. Wright Mills (1956) hold that the media, education, and direct political institutional forces, such as government agencies, can and do influence the formation of identities of individuals and society, and the relationship between them.

Habermas stresses that language is one of the crucial media through which the relationship between the individual and society is mediated. Language may be used to mediate between an understanding of history and that which is posited as ‘a reality’ and ‘the possible’. Language may be used to conceal as well as reveal what individuals understand of the world around them. Indeed, what is not said can be just as important, or more so, than what is expressed overtly.

In the previous chapter I provided a background of the school that serves as my case study and provided a review of how the school’s governance difficulties, and in particular, the resignation of the Board of Trustees (BOT), were reported in the

media. I share with the reader what I believe are important observations and statements made by various actors regarding the very public governance crisis they were experiencing. In this chapter I present my findings following the use of narrative thematic analysis. I provide excerpts from my interviews with Fairfield College stakeholders which, in the next chapter, will be discussed regarding implications for governance in education in general.

As far as space allows, these excerpts have been chosen to tell of the interruption to potentially harmonious governance relationships that the college has been presented with and to provide an insight into stakeholders' aspirations for 'the possible'. I am mindful that many people with whom I engaged with did not want to be identified or to have our discussion taped. Some of these conversations came about serendipitously. These unplanned conversations are just as important to my understanding as those undertaken with people who were prepared to go through a more formal research approach involving set appointment times and who were willing to have their voices digitally recorded. What follows is an attempt to represent the different perspectives through which the governance of Fairfield College is 'seen' by various stakeholders.

I begin with the viewpoints and insights of members of the Whānau Support Group. To clarify some of the issues raised by these participants I provide background information regarding the Treaty of Waitangi, government policy direction regarding Māori student learning and governance, and Fairfield College's espoused commitments to the Treaty. In subsequent sections I provide excerpts from teachers, parents and caregivers and those who are responsible for the governance of Fairfield College.

6.2 Treaty of Waitangi (Te Tiriti o Waitangi)

The indigenous people of New Zealand (NZ), organised in sovereign tribes, are now collectively known as Māori. In 1840 representatives of various Māori tribes signed the Treaty of Waitangi (Te Tiriti o Waitangi). The Treaty outlined the terms and conditions of British governance of this new nation and acknowledged the rights of Māori to maintain direction over their own affairs and cultural preferences (Orange, 1992). Māori are now referred to as Tāngata Whenua - indigenous or first people of the land. Pākehā/Tauīwi or late comers, are those who are non-Māori (Stuart, 2009). Neither group can be considered homogenous categories as there is much diversity in both groups and much intermarriage between them. Reid and Robson (2007), writing within the context of Māori health, content that the Treaty of Waitangi gives Māori the right to monitor the Crown and to evaluate the impact of Crown action or inaction on the lives of Māori people, their lands and their taonga (or treasured possessions as defined by them).

The Education Act 1877, as discussed in Chapter Three, established a fully funded national system of education coupled with a statutory requirement for all children between the ages of 7 and 13 years to attend school. But as early as 1845 the British Government sent a directive to the then Lieutenant Governor of NZ, and the Legislative council, to specifically promote the education of Māori (Cumming & Cumming, 1978). Although Māori are a Treaty partner no specific provision was made for their input into how education was to be delivered or administered (Cumming & Cumming, 1978). Education delivery arrangements were modelled along British lines and the curriculum was Eurocentric (Walker, 1991).

Alleged breaches to the terms and conditions of the Treaty of Waitangi have been hotly contested in recent years including the policy of banning, throughout the first half of the twentieth century, of Te Reo Māori (the Māori language) in schools (Barr, 1994; Fry, 1985; Simon & Smith, 2001). Calls for the Māori language to be taught in schools culminated in a petition of more than 30,000 signatures being presented to the State in 1972 but it was not until 1987, with the passing of the Māori Language Act, that Te Reo Māori was given official language status. The manifestation of language as a Treaty right has deep practical and symbolic meaning with regard to the recognition of NZ as a bi-cultural nation and the implications of this for governance by the State and its composite organisations.

6.2.1 Māori and the Governance of New Zealand

From the time the Treaty of Waitangi was signed, Māori involvement in governance of NZ was slow. Māori pressed for political representation throughout the 1850s and 1860s as a right of British citizenship. However, it was not until 1867, 27 years after the signing of the Treaty of Waitangi, that four Māori seats were established in the House of Representatives (two Māori members were appointed to the Legislative Council in 1872). The number of seats did not increase until a change in NZ's voting system saw the introduction of Mixed Member Proportional (MMP) representation with the number of Māori seats increasing to five in 1996 and seven in 2002. It was nearly 100 years after Māori were appointed to the Legislative Council that sufficient pressure had been applied by Māori activist groups such as Ngā Tamatoa, that alleged injustices and breaches of the Treaty were being brought into the political foreground. These

include demands by Māori to have a greater say in governance issues affecting Māori.

Durie (2003) suggests that where there has been Māori participation in governance fundamental changes have been brought about whereby:

mono-cultural attitudes and assumptions have been replaced by a set of cultural values and protocols that more appropriately reflect New Zealand as a nation in the South Pacific with its own unique heritage. While the Westminster system is still clearly the basis for governance, a New Zealand style that is able to incorporate the Māori dimension within a unitary framework has emerged...increasingly the measures of good governance are being constructed in terms that go some way towards recognising Māori aspirations and Māori advancement. Although achieving the best outcomes for all New Zealanders is a fundamental governance goal there is also recognition of an obligation to actively promote Māori culture, language and well-being. In meeting that objective, the need for more than a single set of measures has become apparent. (p. 139)

In a speech delivered in 2007, by the then Minister for Education, Steve Maharey outlined his government's plan for Māori in mainstream education. He stated that strategies are in place to "ensure the needs of Māori learners are prioritised...reinforcing that Māori success in New Zealand's success". The current government appears to support these goals.

The Fairfield College Charter and Planning Documents (2009) states:

We acknowledge the dual cultural New Zealand heritage and the concept of partnership deriving from the Treaty of Waitangi. We seek to enable all students to learn from within the security of their own cultures and their shared culture...we celebrate diversity. (p. 4)

and

The unique position of Māori as tāngata whenua/the indigenous people of Aotearoa New Zealand and the importance of the principles of the Treaty of Waitangi are recognised...We acknowledge the mana of Māori as Treaty Partner to the Crown. (p. 5)

6.3 The Whānau Support Group and the Governance of Fairfield College

Māori make up 36% of the Fairfield College student population. The Whānau Support Group was first established in the early 1980s for the purpose of supporting the Māori community (students and whānau) at Fairfield College (Interviews 15, 2009). Although leadership within this group indicates that its current role is now to support the entire school community it quickly became apparent that the primary focus is on the well-being of Māori students (Interviews 13 & 14, 2009). When I made a comment to this affect, members agreed that the focus is primarily on Māori students' learning, achievement, and welfare. One Whānau Support Group member stated "us, as a group, [are] predominantly for Māori students in the school" but also pointed out that the group had gone to great lengths to be welcoming and inclusive to other cultural groups, particularly the Somalian community (Interview 13, 2009).

At the height of the governance issues with the BOT (around the time of the BOT resignation in February 2009) Whānau Support Group-led hui (meeting) were

well supported not just by Māori, but by all sectors of the school community with estimates of several hundred people in attendance (Interview 14, 2009). The focus of these hui were to allow parties to air their views concerning the direction in which the BOT and the Principal were taking the school. As the 2009 year progressed the hui were not so well attended and were generally attended by representatives of different Māori groups and members of the current administration. Three reasons were suggested for reduced attendance. First, with the resignation of the BOT and the appointment of a Commissioner people felt their voices and concerns had been heard and were prepared to adopt a ‘wait and see’ approach to the new governance regime. Second, there was far less negative media coverage following the appointment of the Commissioner. Finally, people were less inclined to attend evening meetings when the weather was bad.

I attended a hui on August 4 2009 held at the Fairfield College wharenuī (meeting house). I was invited to introduce myself and to explain what I was attempting to achieve. There were less than 20 people in attendance including me, the Principal and her deputy, and the school’s Commissioner.

6.3.1 Theme 1: Explanation for the Defining Critical Interruption in the Governance of Fairfield College

I asked various members what they thought had gone wrong with the governance at Fairfield College and they all indicated an autocratic communication style coupled with a non-existent or flawed consultative approach were to blame.

When asked to elaborate they responded by saying:

I totally believe in partnership. I actually believe that the community and individual schools, every school throughout the nation, needs to be working with the community, whatever that community mix

is...There is lots of documentation about community schools – partnership for want of a better word; collaboration all that sort of stuff. But consultation with the community just wasn't happening. It was more a situation of 'we're now going to do this, this and this' and that was their idea of communication and consultation...is this how a family treats one another? Julie [the Principal] had her way of doing things and sometimes that meant without collaboration, consultation and then people started - things started to fail...systems started to fail - to break-down, and for us as a community what made it very difficult for us was that she was no longer working well with our leader of learning of Māori programs in the school...communication had broken down. I suppose she has that right as a Principal but there has got to be a collaboration...there has got to be a working together...a coming together to find a unified way for it to all work. (Interview 13, 2009)

Communication seemed to be one way – them to us, almost in a combatant sort of way as if the school was under siege – it was just awful. (Interview 16, 2009)

For a school to be most effective it does need to have a really good communication strategy - that it's really hearing the community. It's not just about Māori but, Māori are a significant portion of Fairfield. I guess from a Māori point of view when you have a BOT and senior management that listen to you and are engaging with you and saying 'Hey I want to try this - what do you guys think about this? and you go 'Ah yeah that could work, or, why don't you try it this way? Or, you want to shift our wharenuī? – don't even go there'. I know the Government has requirements on BOT and government entities to consult with the community but as to what that is and how they do it and whether it is effective or not, that can all be covered up by ticking the box. (Interview 14, 2009)

This notion of box-ticking, although expressed using different words, was also raised by another member of the Whānau Support Group:

If you don't feel that what you have to say is being heard then you feel marginalized and powerless. Worse is where you believe the governing body is going through the motions to be seen to be listening to what you have to say and going through the motions to be seen to be consulting with the community but then dismiss out-of-hand everything you have to say. And you come to the realization that they had already made their minds up before you've had a chance to utter a word. Now that is gutting. (Interview 17, 2009)

Four of the people I conversed with indicated they felt uncomfortable, verging on the feeling of being threatened, when they received letters from the school's Commissioner (Dennis Finn) after they had raised issues with him, the Principal, or the senior management team. They referred to these letters as 'the Dennis letters' (Interviews 13, 14, 15, & 17, 2009). I asked if I could see one of these letters but only one person from the Whānau Support Group was in a position to oblige. Examining this letter through an educated Pākehā's eyes I was not able to detect threatening undertones. The letter in question appeared to me to be a simple confirmation of what had been discussed and agreed upon at a meeting held earlier between Commissioner Finn, Principal Small, and the recipient. When I commented to this effect I was told:

Māori don't like to get things in writing. We don't like reading letters especially one of those 'Dennis Letters'. We have an oral tradition where what we say and agree on verbally is all that is needed. To get a letter is the Pākehā way and seems to be telling us we don't trust you to keep to your end of the bargain. So we feel uncomfortable, even threatened. (Interview 13, 2009)

The Māori way is to talk over a problem or issue and then once an agreement is made then it's made, end of story. No need to write it down. Māori have an oral tradition. Documenting everything, now that's the Pākehā way of doing things. (Interview 14, 2009)

In Māori culture if we have a problem or issue to resolve we have a hui to talk it over, then once a consensus is reached on to the next issue. Our culture is not based on a written medium – we are oral-based. To put things in writing, to get a 'Dennis Letter' tells me he doesn't trust me. That I will 'forget' what was decided, that I would say such-and-such was agreed upon when it wasn't. Where's the trust? But we know what was and was not agreed to. We don't need a piece of paper to remind us! (Interview 15, 2009)

I find it personally offensive. I had my meeting – a decision was made and as far as I am concerned that's it. When I got the 'Dennis Letter' I was not happy. Because how can you sum up in a few words on a piece of paper what happened in an hour long meeting? I felt somehow I was distrusted by Dennis because he felt he had to put it in writing. (Interview 17, 2009)

Traditionally this school is the lowest performing school in Hamilton in terms of NCEA results, but particularly worrying for the Whānau Support Group is the very low Māori student retention rate compared to the national average. Information is not available to calculate Māori student retention rates for individual year levels. However; retention rates are available for two specific age groups of Māori, 16.5 years and 17.5 years, and are presented in Table 6.1 and Table 6.2.

Table 6.1 New Zealand Secondary Schools Retention Rates for Māori Students Aged 16.5 Years

	2005	2006	2007	2008
NZ State Schools	63%	61%	62%	65%
Fairfield College	47%	50%	36%	48%

Source: Rob McIntosh, Deputy Secretary of Strategy and System Performance, Ministry of Education, file reference QIA 375751. Information requested under the Official Information Act 1982.

Table 6.2 New Zealand Secondary Schools Retention Rates for Māori Students Aged 17.5 Years

	2005	2006	2007	2008
NZ State Schools	39%	39%	39%	40%
Fairfield College	31%	35%	28%	22%

Source: Rob McIntosh, Deputy Secretary of Strategy and System Performance, Ministry of Education, file reference QIA 375751. Information requested under the Official Information Act 1982.

A noticeable drop in Māori student retention rates can be seen from 2007 onwards. However, retention rates in 2005 and 2006 were also noticeably less than the national average although a modest increase can be seen between the two years.

Fairfield College is one of only two State high schools in Hamilton that is not zoned and thus will take students from outside its immediate constituency.³⁸

One of the problems with Fairfield [is that] it's made second class by the Ministry of Education (MOE) because it is what they call 'a magnet school'. So you don't have to be in zone for Fairfield. So basically, if you can't get in anywhere else my understanding is...that Fairfield had to take some of those students...even those who had been excluded from other schools for whatever reason. (Interview 14, 2009)

I asked if they felt whether this 'open-door policy' regarding student enrolments had an impact on past and present NCEA results.

Well yes, I believe it does. Students have to attend school – no-one disputes that but it seems to me like the Ministry uses Fairfield as the dumping ground for disruptive students excluded from other schools. Not only do they not do well in NCEA but they disrupt the learning of existing students. The Ministry should provide extra resources to, not so much compensate, more to provide these beautiful young people with the extra help, tuition, counseling or whatever it is they need. (Interview 13, 2009)

Yes. But then I believe anyone should be able to attend Fairfield who wants to be there and not just kids who can't seem to cope or fit in at other schools. (Interview 15, 2009)

Yes. It is the Ministry's attitude toward Fairfield College - that we are somehow a ghetto school because we are located in Fairfield, a lower socio-economic community. So get them to take the out-of-control kids and free up the 'better' schools from the riff raff. It's just not right. No one denies that kids have to go to school – but give the school the resources to help these young ones. They're our future and many of them are so unhappy because of family problems or feel dumb

³⁸ Currently, 41 schools feed into Fairfield College.

because they can't read. The Ministry needs to step up to the plate and acknowledge this and provide these kids with the specialist help and resources they need and not just expect Fairfield to absorb them.
(Interview 17, 2009)

6.3.2 Theme 2: BOT Representation Tension

When I spoke with members of the Whānau Support Group concerning the governance issues faced by Fairfield College they all, without exception, indicated their dissatisfaction at the lack of Māori representation on the now-resigned BOT, in the current senior management team, and in teaching staff at the school. They also indicated how dissatisfied they were at what they perceived was a lack of a sympathetic ear under the current governance regime regarding their concerns for Māori students' well-being. One member stated:

We expect the Ministry of Education to honour and enforce the promises made under the Treaty of Waitangi and recognise its mana, through the implementation of a true partnership between the State and Māori. This means an equal sharing of power – and yet there were no Māori on the last BOT and there are no Māori in the school's senior management team. And when we indicate that we expect, at the bare minimum, to have one Māori in a governance role it is thrown in our face that BOT are democratically elected and if we want Māori representation we have to vote them in like every other member is. But Māori don't like attending meetings or reading self promotion blurbs about candidates. The Māori way is where we have a hui - get together as one big Whānau, we talk a lot and then we choose a leader. (Interview 15, 2009)

In the Fairfield College Whānau Support Group Solutions Matrix (2009) it states one of the goals of the group is to “increase Māori representation at governance and senior leadership team (SLT) levels to 36% by 2010; to 50% by 2012” (p. 10).

When asked if these percentages were based on current and projected Māori student numbers at the school a Whānau Support Group member indicated it was for 2010 where an estimated 36% of the student population was expected to be of Māori descent. However, she added that the ultimate goal was for 50% Māori representation in governance positions (Interview 13, 2009). Another Whānau Support Group member also claimed that 50% representation was appropriate and initially used the political debate surrounding Māori representation for Auckland's super city to support his claim:

Māori are looking at the Treaty of Waitangi...if you go over the principles of the Treaty of Waitangi we should have at least half of those seats! And Pākehā think we've got a cheek asking for three. Māori are shocking voters!...you could throw it at Māori parents and the Māori community and just say they are apathetic...and that would be completely true. But it's still a Pākehā system...there are a whole lot [of parents] who are working class Māori – they're just not into that. Maybe that makes them bad parents but certainly it's a cultural thing...people don't know much about Māori culture. (Interview 14, 2009)

Another stated:

I would suggest that the governance group needs to be representative of the community - not necessarily voted on. I know that in Fairfield College's history everybody that has been voted on. But, most people that have been voted on have been non-Māori. (Interview 13, 2009)

6.3.3 Theme 3: Governance Focus of Fairfield College

The primary issue that the Whānau Support Group is concerned about is the changes in direction, focus, and ethos that the BOT (who resigned in February 2009), the Commissioner (who replaced the BOT), the Principal and her senior

management team are striving for at Fairfield College. Frequent references to ‘before and after’ attitudes and policy-direction of the school’s governing body and, in particular, the changes made by the new Principal were made. I was told consistently that the school’s governance was fine under the previous Principal and previous BOT; that the school did not need the changes the ‘current’ BOTs (who resigned in February 2009), the Commissioner and the new Principal were pushing through. The Whānau Support Group see the changes in question as being:

- a much stronger focus on teacher accountability linked to student learning outcomes as framed by the State in terms of NCEA results. Teachers were expected to engage in intensive and ongoing professional development; staff felt their existing skills and teaching experience was being undervalued or under appreciated.
- a much stronger focus on examination results at the expense of an appreciation for cultural diversity and the celebration of cultural differences.
- significant numbers of students being stood down (over 60) under s27 of the Education Act 1987 in 2009 (without sufficient follow-up procedures to ensure these students returned to mainstream education) leading to the perception that those in governance positions were attempting to ‘middle class-ise’ the school.

One example regarding the issue of professional development and ‘before and after’ attitudes and policy direction was the acceptance of Fairfield College to take part in the Te Kotahitanga program. This program, which began in 2001, is a collaborative response between the Ministry of Education (MOE) and the School of Education at the University of Waikato to address the rising problem of

underachievement among Māori students in mainstream education. Its aim is to equip teachers with new knowledge and practices to build more effective teaching and learning relationships. It seeks to challenge deficit teacher beliefs and to build collegial professional learning communities³⁹. It specifically targets those schools with a significant Māori student population to “improve pedagogy, which would ultimately result in reducing [educational] disparities through improving student achievement” (School of Education, 2010, p. 1).

The national research team associated with this program developed an Effective Teaching Profile (ETP), which then formed the basis for the Te Kotahitanga professional development program. A fundamental component of this program was for teachers to express their professional commitment and responsibility to bring about positive change in Māori students’ educational achievement. Teachers are to demonstrate this on a daily basis by caring for students as “culturally located individuals...and are able to, in a range of discursive learning interactions with students or facilitate students to engage with others in these ways; they know a range of strategies that can facilitate learning interactions” (ibid).

To be a part of this program a school’s governing body puts together a proposal for submission to the MOE. Fairfield College has had the opportunity to be a part of this program for some years. A retired leader of Māori learning and Whānau Support Group member had been given the distinct impression prior to his retirement that the school had forwarded on the necessary paperwork to apply to be a part of this program some years earlier and was quite shocked to discover this

³⁹<http://www.minedu.govt.nz/NZEducation/EducationPolicies/MāoriEducation/Initiatives/TeTereAurakiMāoriInMainstreamTeKauhua.aspx#TeKotahitanga>

was not the case⁴⁰. However, it was only in 2009 that the necessary proposal was submitted by those currently responsible for the governance of the school (the Commissioner and the Principal) and accepted by the MOE.

All those who I conversed with from the Whānau Support Group felt there was an underlying agenda driving the changes at Fairfield College. When asked to elaborate they all indicated that they felt the changes were being brought about to make the school more appealing to those families from the new north-eastern suburbs representing a higher social-economic income bracket. They believe that until a new high school was proposed at Rototuna, the Ministry of Education was not too concerned about Fairfield College's academic results. They also believe that the governance decisions surrounding the 'new' emphasis on NCEA results, the number of students being stood down under S27 of the Education Act 1989⁴¹, and what they perceive as a downgrading of cultural diversity,⁴² was a Ministry orchestrated attempt to 'grow' Fairfield College so that the proposed new high school at Rototuna would not be needed. All respondents indicated that they believed the governing body was being pressured by the Ministry of Education to make the school more appealing to middle class European parents.

Participants said:

Who decided that Fairfield College was going to go middle class?...they were trying to make Fairfield more middle class, more acceptable to the people out there because it has this huge new community out at Rototuna, Flagstaff - all the north-eastern districts.

⁴⁰ He was unable to give me a specific year.

⁴¹ In 2008 65 students were stood down generally for unacceptable behaviour during school hours. Of the 65 students only 35 returned to the school after the required stand down period. No information was available to determine whether the other 30 students ever resumed their high school education.

⁴² There are 42 cultural groups represented amongst the Fairfield College student body.

There have been changes made now [solely] to improve the image of the school. (Interview 14, 2009)

[They] said that the issues of bad management in the school were happening before Julie came. Well I actually disagree with that. Totally disagree with that, and in fact I would say that within the last 18 months...is when the problems set in – in 2008 everything dropped away...when the school's vision changed from celebrating cultural diversity to focusing on academic achievement to make it more appealing to the middle class. [But] if a child is feeling loved and valued and accepted it doesn't matter about culture or academic ability. You feel that then even if you leave without qualifications from school your thoughts are 'I can go back to learning'... 'that teacher told me I can do this' and others will come back and say 'I did well because I had teachers who believed in me'. (Interview 13, 2009)

It should be noted that the Hamilton Secondary Schools Area Report (2006) prepared for the Ministry of Education indicates that Fairfield College, in relation to its existing buildings, has spare capacity to accommodate an additional 180 students but that it is “Hamilton Boys’ High School...[that] has the potential to offer the greatest number of places to Year 9-13 students” (p. 1) with space available to absorb an extra 219 students.

Total existing ‘spare’ capacity within the 10 State and integrated high schools in the Hamilton area is 1,633 students; however, this figure includes an estimated capacity of 661 at ‘non-local schools’ (ibid). None-the-less it is estimated that there will be a shortfall of 450 Y9-13 student places for 2011, 1,050 Y9-13 student places by 2016 and an estimated shortfall of 1,835 Y9-13 student places by 2021 (Hamilton Secondary Schools Area Report, 2006 p. 2). “Projections indicate that the current proportion of students from the Rototuna area in

particular, who are attending Fairfield Intermediate and College, is likely to increase rapidly, placing increased pressure on the capacity of these schools” (Hamilton Secondary Schools Area Report, 2006, p. 20).

Fairfield College does have sufficient land to expand and, should additional buildings be provided by the Ministry, the school could quite conceivably grow to accommodate more than 2,000 students. If Fairfield College were to ‘grow’ to its estimated maximum there would still be a student placement shortfall.

The issue raised by Respondent 13 that there is more to education than a single set of measures, and that school governance should reflect this, warrants further investigation. As noted earlier in this chapter, Durie (2003) suggests that Māori possess a different set of attitudes and assumptions that contrasts with settler mono-cultural attitudes and assumptions based on the overriding importance of qualifications. When I enquired further of Whānau Support Group members on this issue of governance and the connection with performance measures, all agreed that qualifications were important but that the holistic well-being of the student should be the overriding focus of governance decisions. They also all agreed that governance decisions should keep in mind the need for students - to feel good about themselves, to feel good about the learning process, and to “feel comfortable in their own skin regardless of what colour that skin was” (Interview 17, 2009). They also felt that students should leave school with an appreciation of cultural diversity.

6.3.4 Theme 4: The Future Direction of Fairfield College

When asked what direction they felt the school should take, one respondent was particularly clear in how he envisioned the future for Fairfield College. He said:

To allow Māori students to be Māori and to achieve success as Māori means to me having subjects like Te Reo Māori as a core subject staging it in of course so that it's...no longer uncool to be Māori. Things like Māori performing arts you know - have that as a same standard as drama or music...people don't know much about Māori culture, don't understand what a role Māori performing arts has with culture...this school could easily become a school known for performing arts, especially Māori and Pacific Island performing arts. (Interview 14, 2009)

Other respondents commented:

We don't want this to become a racial issue. We are hoping to achieve a safe healthy learning environment that promotes academic achievement [but] if people haven't got a 'like' vision then there is going to be conflict. If there isn't a planned way forward, a unified planned way forward, then there is going to be conflict with that. I think that anybody who is involved in the governance of a school needs to have a like mind to where they are journeying and also how they are going to journey there...the school needs a set of values embracing well-being and embracing difference. (Interview 13, 2009)

Governance – vision for the school shouldn't be based on a Māori vs. Pākehā view. Yes, the school should strive for academic success but it should base its governance decisions on what is best for the students' overall well-being. And if that means making decisions that favour cultural issues before academic performance, then so be it. A person is the sum of his cultural understanding - not a piece of paper saying he or she has passed some exam way back when. (Interview 15, 2009)

Major policy decisions regarding the direction of the school should be decided after consultation with the community. It is for the school community to decide the way forward for Fairfield. (Interview 17, 2009)

When asked if they felt Fairfield College had been run as a business along private sector lines respondents agreed that schools (including Fairfield College) have to watch the ‘bottom line’, much like any other business. One respondent noted, however, that there are a variety of business models to choose from. She said:

[If] businesses run with a focus on the whole sense of well-being and care for one-another and keeping the integrity of the individual - valuing each other, will often have a better outcome for the community. For the business, if you are actually looking after people that way as opposed to hammering and saying ‘Here’s the outcome, how come you haven’t reached that?’ and ‘You are not doing your job’...that’s the better model to follow. (Interview 13, 2009)

Another respondent said:

When you talk about governance I think of people. I think of running an organization for people. But when I think of governance and Fairfield College I think of dollars and cents, NCEA pass rates. Governance of Fairfield, and in fact all schools, is now all about making good business decisions. It’s like the human element has been taken out. (Interview 16, 2009)

In the following section I introduce teaching staff who were prepared to engage with me over the governance issues that Fairfield College has faced and is currently facing.

6.4 Teaching Staff and the Governance of Fairfield College

Only three people I approached who were currently teaching at Fairfield College or who had only recently left a teaching position at the school were willing to discuss the governance of Fairfield College. The following is their interpretation of what has happened at Fairfield College.

6.4.1 Theme 1: Explanation for the Defining Critical Interruption in the Governance of Fairfield College

When asked if they felt there were problems with the governance of Fairfield College, all three teachers expressed dismay at the decision by the BOT to restructure the school and, in particular, the senior management team, so quickly. They believed that existing members of the senior management team were encouraged to either retire, take up another position elsewhere, or to take on a different role within the school. In doing so, the vacant positions were then filled by people who had no previous association with the school. However, Commissioner Finn (the school's Commissioner) informed me that two of the senior management team retired in 2008, which was 15 months after Principal Small had taken up the position of Principal, and also that a current member of the senior management team was a teacher who had been at the school some time (Interview 3, 2009).

Further on this issue the three teachers stated:

One of the biggest issues – problems with the management at our school - was a real blurring between governance and government. And I think our BOT actually had lost their way and failed to understand their role in terms of the governance of the school. Now, where things reached a critical period was that when Julie Small was first appointed Principal. A completely new leadership team was

brought in. These appointments, I think, have been the event or the catalyst to the crisis in terms of the management of the school. The actual problems of management and governance of the school remain while we have the current leadership structure that we do. [And] I don't see the current management structure of the school as being particularly robust or capable - we actually underwent a fundamental restructuring which de-stabilised the entire operation of the school.
(Interview 18, 2009)

I think the primary issue is that when the BOT employed a new Principal she effectively brought in a new senior leadership team principally from outside the school. So people who had worked at Fairfield for a number of years were overlooked for these positions and that immediately caused, I think, justifiable resentment.
(Interview 7, 2009)

The BOT brought in a Principal who wanted to start afresh with a new senior management team rather than work with the existing team and basically looked outside the school to make up most of her 'new' team. In addition, long-standing support staff were made redundant and they took with them a wealth of experience of school systems.
(Interview 5, 2009)

Asked if they could identify what they felt they was a key element or elements that was wrong or not working under the current governance regime, the three teachers indicated a non-consultative approach with regard to decision-making, poor communication channels, and a lack of confidence in the current senior management team. When pressed further on these issues they stated:

I don't see the current management structure of the school as being particularly robust or capable. The new senior management team does not have a 'let's embrace the diversity of the school' view nor do

they invite input from staff who have many many years of teaching and administration experience at the school. (Interview, 18, 2009)

The new [senior leadership] team lack experience in a school of this nature – they lack credibility. We know this school and the community it serves but our input is not listened to. (Interview 7, 2009)

Communication seems to be one way – down! Decisions that affect our teaching in the classroom are made without our input. I feel very undervalued – that my teaching experience and skills count for little. (Interview 5, 2009)

6.4.2 Theme 2: BOT Representation Tension

The teachers all indicated that they felt there was an on-going problem with representation on the now-resigned BOT and possible future BOT.

We have over 41 contributing schools to this college so we are bringing students to this school from a very wide and diverse background. I don't think our BOT reflected the diversity of this community nor do I think it will in the future as it tends to be one cultural group that actively seeks this role - middle class Europeans. If you look at our actual BOT it was a white upper middle class group of individuals who all had, I think, a number of vested interests in shaping the school as they saw it to be shaped. But that doesn't represent the community. (Interview 18, 2009)

This school has a very diverse community that it is serving and the BOT simply did not reflect this diversity. In order to get a BOT that truly represented the community you might actually need to co-opt particular people. (Interview 7, 2009)

The BOT comprised middle class Europeans but, Fairfield College serves 41 identifiable cultural groups. How can such a BOT appreciate the school's cultural diversity? Promote cultural diversity? Celebrate cultural diversity? (Interview 5, 2009)

6.4.3 Theme 3: Governance Focus of Fairfield College

When asked what governance model they felt the school's governance team now adopted and whether or not the term should more correctly be 'corporate governance', the teachers displayed a surprising depth of emotion in response. They all felt that the 'governance' being implemented by the new senior management teams was indeed 'corporate governance' – a governance model based on business principles whereby the human component of celebrating cultural diversity and individuality was substituted for market-style mechanisms in the shape of NCEA results. In addition, all indicated that Fairfield College was a school that traditionally did poorly in external exams, primarily due the core community it served.

What they essentially did was that they went through a 1980s business model of seeking to restructure the school to initiate – kick-start – fundamental change. What they looked to do was to actually put their model on top of the school, regardless of whether that model fitted the parameters of this school. This school exists both physically and in its totality within the community and it must reflect that community that it 'lives' in. Everything that was here previously was undervalued. The only thing that was valued was new, bright and shiny - if you needed to pay for something that made it better than anything else. And I think in the end the school became a victim of its change model. (Interview 18, 2009)

A school is not a business whereby you make a product and sell it. We are talking about young people and their education. The new team is attempting to transplant a business template to the school and it is not working, and will not work. This school is situated in a lower socio-economic community but caters for a diverse range of students – two groups really, the underachievers and those that do very well at school and will go on to some form of tertiary study. You have to cater for that diversity in the governance of the school. NCEA is not the be-all and end-all to some students and their families. To some it is more important to be seen to value their cultural heritage. (Interview 7, 2009)

The new team and Dennis Finn seem to think that the nature of education lends itself to a numbers game – that NCEA results are all that matter. Of course they matter. But there are those who will never get NCEA and those that do extremely well in NCEA. The team's governance style needs to be mindful that young people are not simply clones. We want them to be confident and proud of who they are, their heritage and to be able to think critically and to apply themselves. (Interview 5, 2009)

6.4.4 The Future Direction of Fairfield College

I asked them how they thought the school could move forward both in terms of a future BOT and in governance policy directives.

[The current change model] has no depth and it actually had no philosophical basis...I think schools need to look at the not-for-profit model. If you look at businesses that are not-for-profit there are some very successful business models there, they organise themselves quite differently. We are not in the business of turning out a product. We are in the business of human relationships. And how do we measure human relationships? I certainly see a very strong case for it [makeup of the BOT] to be education professionals...our community doesn't like electing people. Our community doesn't work by saying

'Here is a meeting, go to it!' The informal networks out there, in particular your Whānau Support Network, they're strong...[there is] a lack of democracy around the processes by which a BOT is elected. (Interview 18, 2009)

The current system of elected BOT is flawed. It doesn't end up a true reflection of the school community. It will always favour the European educated class because it is a system supported by voters of the same mindset. But many in our community are uncomfortable with such a formal system. I believe the way forward is for education professionals to have greater representation on the BOT as they are at the coalface of education and know what is needed and the value of less formal networks such as the Whānau Support Network. I also believe that the only way forward is to admit they've got it wrong and look to the not-for-profit sector for an appropriate governance model as schools are not businesses and shouldn't be expected to function as a business. (Interview 7, 2009)

The current system of voting in a BOT doesn't always result in the best people assuming governance roles. The community that Fairfield College serves is quite diverse but few, if any, people from the immediate lower socio-economic community ever get voted in. (Interview 5, 2009)

When I asked about the fluctuating, yet still quite low, NCEA pass rates all three teachers claimed that the 30% improvement in NCEA results in 2007 were not due to the measures Principal Small had introduced but were the result of changes brought about by the previous Principal. They chose not to elaborate on what those changes were. However, they indicated that the subsequent fall in pass rates can be attributed to the changes enacted by Principal Small, the BOT, Commissioner Finn and the new senior leadership team. One teacher went so far as to state:

I would expect NCEA results to remain poor at this school for the next five years, because we have a very de-stabilised Year 9 and Year 10 and we will continue to reap those rewards. (Interview 18, 2009)

When I raised this possibility that NCEA results would not improve in the next five years with the other two teachers neither were prepared to commit to such a view but neither did they make any attempt to contradict or temper this view.

The next stakeholder group I introduce are parents and caregivers who are not members of the Whānau Support group and who wished to share their views on the governance issues that Fairfield College has faced and is currently facing. I spoke with a number of people but only three parents were prepared to have our engagement formalized on tape. However, a number of other parents and caregivers were prepared to speak with me and allow me to write down various comments that they made regarding the governance of Fairfield College.

6.5 Parents and Caregivers and the Governance of Fairfield College.

As the BOT are elected by parents and caregivers I believe it is appropriate to canvas this group of stakeholders as to what their understanding was of the governance issues faced by Fairfield College. All 21 parents and caregivers indicated that their understanding of the word ‘governance’ is linked to process. They described it as meaning how the school was to be run, what its focus was, the direction it was to take, and what areas money would be spent on.

6.5.1 Theme 1: Explanation for the Defining Critical Interruption in the Governance of Fairfield College

A number of parents and caregivers indicated that they had no ‘inside knowledge’ of what was happening in terms of governance issues at Fairfield and felt they were basing their opinions on what was reported in the media. The parents and caregivers I spoke to were extremely skeptical that those reporting on the school’s governance issues were in fact unbiased, and indicated that they felt the media was fuelling the debate with inflammatory reporting. However, one parent (of Māori descent but not a member of the Whānau Support Group) believed that Principal Small had:

Rubbed the teaching staff up the wrong way and they resented it. After all, they had had little interference in the way they taught or in their teaching results for years and now were finally being held to account for poor NCEA results. I do know I spoke to one teacher who really resented the manner in which professional development was being handled and the way their teaching was being appraised. She had been at the school for years and was perfectly happy with the status quo. (Interview 34, 2009)

Another parent stated:

The new Principal and the BOT made changes to the direction of the school - and teachers and the Whānau Support Group didn’t like it. I think maybe they didn’t inform them what these changes were to be far enough ahead of time for them to sink in. I think also under the old Principal, teachers and the Māori group had too much say in how the school was to be run. (Interview 6, 2009)

6.5.2 Theme 2: BOT Representation Tension

I asked the parents and caregivers for their views on the manner in which BOT were elected, namely publicly held elections of nominated candidates with those securing the most votes being elected to the BOT. I was particularly interested in their views on Māori and community representation.

I think the system is fine as it is. If you want to get involved with the running of the school you put your name forward, speak at meetings and take your chances in the Board elections. I went along to one meeting, heard what they [the candidates] had to say, but then forgot to vote. But that's my fault - not the system. Māori make up a good part of the school but that does not entitle them to a seat on the Board. They should get voted on like everyone else. I would vote for the people I thought were the best, not based on a culture or gender thing. (Interview 6, 2009)

I have no problem with the system. I am not interested in being on the BOT myself but I think it is quite fair and democratic although I couldn't be bothered to vote myself. I don't think Māori are entitled to a seat or seats on the Board. If they are that keen to get on the Board and make a difference then they should put candidates forward, come to public meetings and get voted on. (Interview 24, 2009)

The system is democratic, although I am aware that it is a certain type of person who puts his name forward – educated white middle class. But if they are prepared to give their time and energy to being on the BOT well, good on them I say. And the same goes for Māori representation. If I thought a person was the right one for the job I would vote for them regardless of their ethnic background. (Interview 26, 2009)

The system is fine. It's just that some people don't like the democratic side of it – you don't just get on the Board because of the colour of your skin, you have to go through a formal process that doesn't provide any guarantees. I don't want the BOT to get caught up with the PC race card. If Māori, such as me, want to get involved we can. I think it is a bit insulting really to say that if you are Māori you're not good enough to get voted on so you have to be given a seat. (Interview 34, 2009)

6.5.3 Theme 3: Governance Focus of Fairfield College

All parents agreed that qualifications should be the primary focus of a high school. They believed that qualifications ensured that their young people were in a position to either get a job when they leave school, go on to some other form of study at Wintec or University, or to be in a position to go into a trade. With registered unemployment rates reported in December 2009 of 168,000 people or 7.3% of the workforce⁴³ employment related issues is an understandable concern for parents and caregivers.

In recent years there has been a considerable resurgence of interest in New Zealand's indigenous culture and strong demands from Māori leaders that students, at all levels, be instructed in Māori culture and practices particularly in areas that have a high Māori population. As 36% of the student population at Fairfield College is Māori I asked if an appreciation for cultural diversity and awareness, and a concern for students' overall well-being existed at Fairfield College and whether these were compatible with the need to obtain external qualifications. I received a number of quite heated responses:

⁴³http://www.stats.govt.nz/browse_for_stats/work_income_and_spending/Employment/HouseholdLabourForceSurvey_HOTPDec09qtr.aspx

Bollocks! School is all about qualifications. Culture stuff, yes that is important because you can't get away from it in NZ. But, it is not and should not be the focus. If you want it to be the focus then send your kids to a Māori Pacific school. (Interview 24, 2009)

Rubbish! My kids need to be able to get a job when they leave school and they won't get a job if the only thing on their CV is that they were in the kapa haka group! (Interview 6, 2009)

Absolutely not! I know it is PC that we encourage our kids to learn Māori stuff and Pacific Island stuff but it won't get them a job – qualifications will! (Interview 25, 2009)

If you mean that they come out of school without being racist then yes because we are part of a multi-cultural society. But, if you mean that cultural activities and soft subjects get better funded and given more time than academic subjects then no, cultural appreciation is not on a par with actual qualifications. High school is about getting NCEA. (Interview 26, 2009)

My sons enjoy the Kapa Haka group and my daughter is learning about Māori culture but I send them to school to get the skills and qualifications to get a job. My sister who works for the Government says that you are more likely to get a promotion in a government department if you can demonstrate cultural sensitivity by being able to talk-the-talk but you still need qualifications to get your foot in the door. (Interview 34, 2009)

I am part-Māori and while I think it is good to learn about Māori culture and others. I send my kids to school with the view that school is a stepping stone with employment as the end goal. And they won't get meaningful employment, well-paid employment, if they don't have any qualifications. (Interview 23, 2009)

I sought feedback from parents and caregivers that some of the changes enacted by Principal Small and Commissioner Finn were designed to increase teachers' professional development and to introduce more robust appraisal mechanisms linked with the notion of accountability with NCEA results. All participants indicated that they were aware of the school's reputation as the poorest performing school in Hamilton in terms of NCEA results and that any measures Principal Small puts into place that helps improve these results has their support. However, two parents provided a note of caution:

She [Principal Small] has to put these changes in place but, and there is always a but, she needed to do so without pissing off the teachers. Because it is the teachers that stand in front of our kids everyday and she has to find some way of bringing them on board. (Interview 24, 2009)

Improvements had to be made. But it has turned into a PR nightmare. Maybe the manner in which the changes were made or the way it was all communicated was wrong for this school. You know, some of these teachers have been at the school since forever and needed the soft glove treatment to get them on side. For the changes to work you need the teachers on your side and I don't think that has happened and now both sides have their backs up. (Interview 26, 2009)

I sought feedback on the notion that the changes that have been put in place are the result of a decision to make the school more appealing to those living in the north-eastern suburbs (middle class households). Plans to build a new high school at Rototuna that would serve this community had been announced by the Ministry of Education and land had been bought and set aside for this purpose. However, it would make economic sense to utilize existing schools (including providing

additional buildings and teaching staff) to cater for students coming in from this area as opposed to building a new school.

May well do. But these changes should have been put in place years ago. The school has been on the bottom of the scrap heap for far too long. I personally don't care if there is an underlying agenda. If the changes improve the school I say go for it! (Interview 6, 2009)

Probably. Nothing would surprise me. But at the end of the day if the changes improve the school what difference does it make if they were just introduced to save the government money? (Interview 23, 2009)

If this was the case, and we will probably never know for sure, then I think the Board should have come clean right at the beginning instead of keeping us in the dark. Either way if the changes help the school and the kids that attend it I don't really care if there is a hidden agenda. (Interview 24, 2009)

Well that might explain the timing of the changes but even so they [the changes] still needed to be made. (Interview 26, 2009)

6.5.4 Theme 4: The Future Direction of Fairfield College

I asked these individuals if they felt Fairfield College was being run as a business as opposed to the traditional idea that it is providing a public service and, if so, was this appropriate. There were mixed views from the parents over whether they felt it was being run along business lines.

The sad fact of the matter is that there just isn't enough money to go around and do everything everyone would like. So of course they have to work out what areas should get funding based on the biggest payoff for the buck. But it has always been that way. I remember when I was at school we had to do fundraising because there was no money for this activity or that activity. Whether it is appropriate – well I am not really sure if there is any alternative. (Interview 6, 2009)

Yes, I think it has to be run along business lines because it is, after all, taxpayers' money and someone has to account for it. If it wasn't run as a business you might end up with a number of truly daft funding decisions being made. (Interview 25, 2009)

No, I don't think it is being run like a business because they are not selling a good or service for profit. (Interview 26, 2009)

No, because it's not like they're selling something for profit. All they're doing is trying to spread the money about as best they can. (Interview 34, 2009)

When I pressed individuals further and asked for their views on the way forward for Fairfield College, all indicated that Principal Small and her team needed to simply carry on and weather out the storm. One person was very emphatic stating:

If Mrs Small and her team cave in under the pressure, interest groups at other schools may see it as a license to push through their own ideas. (Interview 6, 2009).

The next stakeholder 'group' I introduce are those who assume governance positions at the school.

6.6 Those Responsible for the Governance of Fairfield College

Under the Education Act 1989 the BOT and the Principal fill the governance role in NZ State High Schools. Upon the resignation of the Fairfield College BOT in February 2009 a Commissioner was appointed to assume the role of the BOT. I believe it is appropriate to record the reflections of these parties together in the next section of this chapter.

6.6.1 Theme 1: Explanation for the Defining Critical Interruption in the Governance of Fairfield College

I asked the ex-chairperson of the BOT for her reflections on the governance issues that faced her Board that ultimately resulted in her and her fellow board members resigning *en masse* on Friday February 20 2009. She stated:

We were concerned about the new school possibly developing out in the Hamilton North area and that was a major contributing factor to 'We have to seriously look at where we are and what we're going to do' and we certainly approached the Ministry of Education and asked for some funding etc for more buildings [but] could not access this funding from the Ministry. They said that if our roll grew - and it would need to grow because there was room in our school [in terms of land area] and there was all this talk of the school in the northern Hamilton area out Rototuna way - that what we needed to do was make our school more attractive basically to the north-east of Hamilton. (Interview 1, 2009)

When asked if this 'attractiveness' was merely at the surface level of paint and paper she did acknowledge that

If there was a new school out in the northern suburbs people would like to send their students to a new school rather than a school that is 30 years old...[however] we needed to provide what was needed for all of the students who were coming to the school - for all the cross-section of students who were coming to the school or who could be coming to the school. (ibid)

However, she refuted the notion that the school was gearing up to compete for students. Rather, she believed that the BOT was very focused on meeting the learning needs of students by ensuring that mechanisms were in place and that resources were available to meet a variety of learning styles and "in a large secondary school with the diversity of teaching staff you can address that quite

well, usually” (ibid). When asked if she felt Fairfield made a conscious effort to address NCEA and learning issues, she stated “one of the major hallmarks of Fairfield College is its focus on the individual and the desire to ensure that students are treated and respected for their individuality” (ibid). She felt that education was not a mechanism to be used for social engineering – to provide an equal playing field for NZ’s young people because:

Then it would turn out a whole lot of clones of the same thing. But really I think if you are targeting or making a conscious effort focusing on individuality then I would say all of the students feel that they are valued and will rise to the occasion. About the time that Carolyn Bennett [former Principal of Fairfield College] made the murmurings that she was going to retire...the Board saw this as an opportunity. That we need to be looking at the person who’s coming in here is going to have to run with this vision and make sure it happened basically for the students. In the meantime we were getting the NCEA results because they were starting to filter through with the implementation of NCEA. And so there was quite obvious things that needed to be addressed from our point of view. (ibid)

When I enquired about these ‘obvious things that needed to be addressed’ she indicated a need to support staff with additional professional development as “we wanted the teachers to be happy; we were of the opinion that ‘happy teachers = happy students’ and it wasn’t always necessarily the case” (ibid). It was at this time the Board found it was overstaffed by seven people according to the Ministry of Education staffing formula and restructured accordingly.

When I asked if the Board engaged in community consultation regarding the direction of the school and the qualities needed by the incoming Principal she felt “although there is always room for more consultation I think we did a fair bit of

consultation - probably more than most Boards do” (ibid). When asked to elaborate I was told that the BOT enquired of parents when they came to parent interviews to give them feedback. In addition they ran a forum with the staff on two occasions “one was to do with how [the saw] the school could be grown and one was more on how they saw the school going, what they think needed changing in the school, what sorts of qualities the Principal coming in would need to have – that kind of thing” (ibid). She emphasised how important it was for the Board to know what the community felt and what the community’s focus was. In addition to consulting parents and staff, there was initially a Māori representative on the board and when he was unable to attend due to health issues another Board member attended Whānau Support Group meetings. So the BOT felt confident that, as they had feedback from several difference sources, they were in touch with what the community felt and wanted for Fairfield College.

She felt the Board, at that time, was very focused on the needs of students for stability and that the media’s portrayal of issues was giving them, their parents, and caregivers a very jaundiced view of the school.

We knew there had been...undercurrents for a while and things weren't happening. If anything, things were getting worse as far as some of the issues – there were a lots of little issues which became completely inflated and that there really was a time for ‘OK it's not going to be resolved’ so there really needed to be another avenue to address these things. (ibid)

6.6.2 Theme 2: Governance Focus of Fairfield College

When asked if she felt that the Government’s vision for schools to run along business lines - so the governance of schools is more akin to private sector

corporate governance, she commented that because schools handle large sums of money there is a need to:

Have proper structures in place and thus a business kind of perspective going on. But, there is also something different about schools. They are as a people related an industry as we can probably get...you are dealing with our young people...so the focus is different. I think all schools are probably going a little bit more corporate governance perspective because the Board is responsible for the finances and the whole appointing of a CEO and all their policies, everything, the vision for the school all of that has to be incorporated. I think it has certainly changed over the years, there used to be the governance role and that 10 years ago that was to rubber stamp what the Principal was doing and not necessarily what the Board, as representatives of the parents, thought. It was possibly a little bit more of Principal-vision and I think that's what's probably very pronounced from Tomorrow's Schools – it gave Principals a lot of power. And especially in the era of bulk funding when they could definitely make decisions on who they had in their school and it wasn't just somebody they were sent from the Education Board in the main city. So, I think there has been that sort of, kind of, a power shift from the Principal to the Board more so since this kind of corporate governance thing has come about or has kind of surfaced more. (ibid)

When asked what she felt was the most important aspect of the governance of high schools, she replied:

The students are our future. We want them to be having what they need to be able to open the doors of opportunity for them. The Board was always of the intention of the greater good of everybody and everybody being able to work for the fulfilment of the students, for them being able to make sure that they have things that were going to

improve their learning achievement for them and their whole building as a person as a holistic kind of individual. (ibid)

When asked about the current mechanism for voting in BOT she felt there were some disadvantages because all of these people are volunteers, many of whom have significant commitments to their own work aside from the needs of the school. However, under the old system there was a risk of having professional managers on the Board who might have had the academic qualifications and the expertise to do what was required but might not always have been the right person for a particular school. The idea was mooted that a blend of professional manager and a democratically elected BOT could be the way forward but that it came down to the personalities involved and how well they would “mesh together” (ibid).

When the BOT resigned in February 2009 the Minister of Education appointed Dennis Finn as Commissioner to run Fairfield College under Section 78 of the Education Act 1989 dealing with statutory intervention. Fairfield College was one of 47 schools in 2009 where the Ministry of Education intervened - four times the number in 2007 (Nash, 2010).

I was informed by Graeme Kitto (School’s Development Officer for the School Performance Team for the Central North Region), who is a governance ‘troubleshooter’ for the Ministry of Education, that statutory intervention is the highest level of intervention. He also informed me that as Commissioner, Dennis Finn’s job or role was to address the specific issues that Fairfield College faces and to essentially take the place of the BOT (Interview 2, 2009); a job description later confirmed by Commissioner Finn (Interview 3, 2009).

Commenting on the role of BOT in terms of governance of a school, Commissioner Finn stated:

If you look at Section 75 of the Education Act, [BOT are] to control the management of the school as they see fit. What does that mean? It means that in the bigger picture framework they consider the direction of the school, they endorse that direction by resolution. They discuss all facets of that and decide how that is going to be managed and then, having approved it, they then put it in the Principal's hands to manage it on a day-to-day basis...reporting back to the Board. The Board also holds the role as the employer of all staff. Now that is a key critical area because, quite frankly, the employing authority for every staff member that works in the school is the Board of Trustees...in terms of employment relationships it sits between the BOT and the teachers...the responsibility for the school and the direction it takes, the work that is done, the relationships that are built all the things that work there...the buck stops with the Board!
(Interview 3, 2009)

I asked whether this governance responsibility should more accurately be termed 'corporate governance' because schools were now expected to run as a business along private sector terms and the term is more commonly associated with the private sector. He agreed, stating:

Within the Crown Entities Act [BOT are] required to meet the needs or the prescription outlined in the State Sector Act around good employment practice so, you know, there is a complex set of legislation that gives the Board direction in terms of their work...I think their [BOT] role has been played down. You see, I think there was a huge emphasis put on...you know the Boards' role is just governance – you can't involve yourself with this and that and the other. But, if this, that and the other went wrong the end result of that is that the Boards carry the can. (ibid)

I asked Commissioner Finn whether members of a school community are, in general, an appropriate group of people to assume the governance role of a school and the possibility that lower decile schools are at a disadvantage.

I think the theory behind it of course is that they are volunteers from the community but that is no different to district councillors or city councillors that occupy their seats in terms of that role. These people put their name up, they've got a responsibility – they have got to understand what that responsibility is without going over the top and then in 90% or more of schools that's going to work...where it is understood, of course, it works quite well because the Boards are very effective in terms of setting its direction. So strategically they've got an eye on the ball and they know what is happening and they see their responsibilities managed through that process...some of our low deciles have got very effective Boards. (ibid)

I asked him to elaborate further over this issue of the role of governance asking if a BOT 'job' is simply to fulfil statutory requirements.

The role is much deeper than that. They are actually responsible for the outcomes of statutory requirements such as the preparation of financial statements...And if the outcomes aren't right, if the financials are all to hell, the Board is accountable. So they are not just responsible for seeing that they are in place or that they are done, they are responsible for actually seeing how they're managed and that they're managed effectively – that is a key point. (ibid)

I asked Commissioner Finn why he felt the governance situations at Fairfield College had reached such a low point that the BOT felt they had to resign.

I think they were having a bit of difficulty in terms of trying to get the traction they wanted and they had a discussion – I wasn't privy to any

of that as that was prior to my engagement - but they had that level of discussion and they came to a conclusion. (ibid)

6.6.3 Theme 3: The Rights of the Community and Governance Responsibilities

In relation to whether stakeholders of Fairfield College such as the Whānau Support Group have the right to question and even challenge decisions made by a school's governing body, Commissioner Finn stated:

Of course they have that right – it is no different than to question the decisions made by city councillors. Of course they have the right to have their concerns addressed. But ultimately, BOT like city councillors, have been voted in to do a job and the buck stops with them. Just because you don't like a decision and protest about it doesn't mean to say you will get your own way - otherwise nothing would get done. Decisions have to be made. At the end of the day boards, and Commissioners for that matter, have to make the final decision and take responsibility for that final decision. Like city counsellors, if you don't like [BOT] decisions you vote them off next elections. That's how the system works. (ibid)

I asked about the governance decisions he was making and in particular the direction the school was now taking.

This school has had problems dating back a number of years. Systemic problems⁴⁴ that need to be addressed, and are being addressed. The school can trace the origins of these problems back a number of years. Schools need to be in a position to cater for the educational requirements of the students. That means professional development and accountability. These problems are systemic and they take time to overcome but they will be overcome. (ibid)

⁴⁴ Mr Finn declined to be specific about these problems preferring the generic terms of 'accountability and responsibility' issues. However, my research indicates performance appraisal issues, resistance to professional development, and financial management issues.

I asked about the issue of performance measurement and the suggestion made by Whānau Support Group members that there was a need to focus on celebrating cultural diversity and the pastoral or holistic well-being of students as opposed to simply NCEA results in governance decisions.

I would agree that you have to cater for the holistic needs of students – of the need to appreciate difference. But, it needs to go hand-in-hand with academic qualifications. We are not just about the education of students for the here and now; we are educating them for when they leave school. Now, whether that means some form of tertiary study or trade is up to the student. But Boards have a responsibility, with the resources they have to work with, to make decisions that will give their students the best opportunity to succeed in terms of qualifications. (ibid)

Julie Small took up the position of Principal of Fairfield College at the beginning of 2007. I asked Principal Small what is meant by ‘governance responsibility’ in schools.

High School governance is about BOT setting the direction of the school through various methods of consultation...meeting with a range of stakeholders...so for this particular school the Whānau Support Group would be one of those stakeholders but there are other reference groups. So, for example, when I first came here we sent up a group of Year 9 parents and a group of Year 10 parents – in fact at each year level and call them a year level forum. They were groups we could consult with about different educational opportunities for students at their respective levels. This is an example of how you can draw on stakeholders’ information. Also, your staff and your students. As I am passionate about having a student voice in there. (Interview 30, 2009)

I commented on how many stakeholders had mentioned to me that the direction the BOT chose for the school involved changing the ‘culture’ at Fairfield College and asked Principal Small for her views on this claim.

The culture of schools must be about teaching and learning and the core business of the Principal, of course, is leading that teaching and learning and so when you are looking at the culture of a school you are looking at the learning relationships that go on between teachers and students. The actual ‘how you are getting to effect learning in the classroom’, and it seemed to me, that the culture since about 2000 had shown that the results had not been – performance results - had not been where perhaps a school of Fairfield’s decile could be. So part of that culture needs to look at ‘well what do people think about achievement? Is teaching and learning the most important priority of the culture?’ And I would say at Fairfield that it happened but I don’t think it was examined how it was happening. And I think the new curriculum drive is about pedagogical change. So whether or not we wanted to change the culture of Fairfield, we didn’t have a choice. The new curriculum is driving a shift in teacher practice. That doesn’t mean our teachers are not delivering well, it’s just that our kids need to be engaged in different ways now...and that comes down to teacher development. So in terms of changing the culture of the school I wouldn’t like to say we are throwing out [everything]...because there are a lot of great things about Fairfield...the diversity across the student body - that is an attraction to this school. But it is about meeting all of those needs...I think even those students who were doing well at Fairfield perhaps I would say were not doing as well as they could have had the culture been more focused on teaching and learning. (ibid)

6.6.4 Theme 4: The Future Direction of Fairfield College

I commented to Principal Small that parents and caregivers of the school’s student body were divided in what they felt was the primary purpose of a high school,

with those from an academic background - very focused on academic achievement (in terms of NCEA results). While those who were perhaps not so academically inclined themselves or, who were firmly rooted in Māori cultural norms believed formal schooling should focus on helping young people to feel good about themselves and to broaden their understanding and appreciation of cultural diversity. In response Principal Small stated that the goal for students who attended Fairfield was that they should be happy, safe, and learning.

When asked to comment on claims that attempts were made to ‘middle class-ise’ the school to appeal to those parents living in the north eastern suburbs she acknowledged that the Ministry had approached the ex-BOT with a view to growing the school to cater for up to 2,000 students to accommodate predicted growth in the north of Hamilton. She commented that Fairfield attracted students from many parts of Hamilton and disputed the claim that the changes made at Fairfield were to ‘‘middle class-ise’ the school. She felt the school would still attract its core student community comprising those students living in the immediate geographical location (a lower socio-economic community). She felt it was not so much about ‘middle classing’ the school but about a mixing of all people.

She speculated that they would lose potential students from the northern suburbs as another school (unnamed) had received approval from the Ministry of Education to widen their zone to include some areas formally served by Fairfield College. She went on to suggest that such approval may have occurred due to the media’s negative portrayal of the difficulties, including governance issues, the school had recently faced. She also speculated that the proposed new high school

at Rototuna will go ahead and possibly more quickly than originally intended, due to the intense negative media coverage Fairfield College had received.

If the Rototuna High School goes ahead Principal Small predicts the impact on Fairfield College will be quite pronounced and anticipates a drop in the school's roll to that of 700 or 800 students and an accompanying lower decile rating. With the reduction in student numbers Mrs Small also anticipates a loss of cultural diversity and of the 'flavour' that is a very important part of Fairfield's culture.

Principal Small was in agreement with Commissioner Finn's assessment that there were 'systemic problems' or, as she expressed it, a

systemic cruise-ness - it is every area of governance...legislatively, attendance, curriculum...in the self review processes right across the board....I inherited a huge deficit of over \$300,000, due to incorrect staffing numbers for the students we had. And the staff never knew about it. (ibid)

A specific example cited of the systemic problems is the sidelining of the opportunity to access the Te Kotahitanga program that would have assisted teacher development. Although this program had been presented to the previous senior management team it appears no effort was made to gather the necessary information and file the appropriate paper work with the MOE, nor was the then-BOT informed of this program.

Principal Small confirmed the BOT brought in outside consultants to assess the management of the school and the restructuring requirements to correct the staffing imbalance (according to the MOE criteria) but disagrees with claims that the new senior management team were all 'outsiders' to the school. One of the

new team members had been a long-serving member of staff. However, she did acknowledge that the new team was predominantly made up of people from outside the school because they were deemed the best people for the job by the BOT.

I asked Principal Small if she had her time again at Fairfield what she would have done differently. She replied that she felt that the pace of change enacted by her and the BOT was too fast for some stakeholders to cope with and if she had her time again she would still make the changes but over a slightly longer period of time. She also felt that she may have been too transparent in what she was trying to achieve and, citing the overstaffing and debt level of the school as examples, she noted that when she made this information public it was viewed as a criticism of predecessors. She identified professional development as being a key issue of contention, with a number of staff indicating that such programmes were unnecessary or not applicable to them even though such programmes are a normal part of teaching practice throughout New Zealand schools.

When I asked Principal Small about the lack of Māori representation on the BOT she referred to the election process and the fact that although many feel Māori should have representation as a right under the Treaty of Waitangi under current legislation they need to be voted on to the BOT or seconded by the BOT⁴⁵. However, she also acknowledged that there are people who think BOT do not

⁴⁵ The ability to co-opt people to the BOT is addressed by the Education Act 1989 section 94 (1) (d) (i) dealing with the Constitution of boards of State schools
94(1) Subject to sections 94A, 94B, 94C, and 95(1), the board of a State school shall comprise—
(d) a number (determined by the board) of trustees either—
(i) co-opted by the board;

have the right to second people, making for a “very difficult situation all round” (ibid).

When asked for her view on governance in schools in general Principal Small was emphatic that it is about:

BOT setting the direction of the school; of having robust discussions with the Principal about issues facing the school – not about rubber-stamping decisions made by a Principal. In order for that to work you need a strong chairperson of the BOT and challenging and robust debate...having that level of professional robust debate is very healthy...that’s what leadership is all about. I think also people don’t understand what the role is of a BOT or even a Principal. Depending on the issue or area I have the final say as CEO under the legislation⁴⁶ and the same goes for Dennis [Commissioner Finn]. Ultimately BOT can consult with stakeholders but when a decision has to be made they have the final say. And there are people at this school, for example, who don’t understand that. For a school to function it requires teamwork. For governance to work people need to understand what the role of governance is, what the role of BOT is and what the role of a Principal is. (ibid)

The key issues perceived by the four stakeholder groups as critical to the way governance of Fairfield College is interpreted and/or endorsed are presented in Table 6.3. They will be discussed in greater detail in Chapter Seven.

⁴⁶ Under the Education Act 1989 section 76

Principals

(1) A school's principal is the board's chief executive in relation to the school's control and management.

(2) Except to the extent that any enactment, or the general law of New Zealand, provides otherwise, the principal—

(a) shall comply with the board's general policy directions; and

(b) Subject to paragraph (a), has complete discretion to manage as the principal thinks fit the school's day-to-day administration?

Table 6.3. Themes Identified as Critical to the way Governance of Fairfield College is Interpreted and/or Endorsed

Themes	The Whānau Support Group	Teachers	Parents and Caregivers	Those in charge of the Governance of Fairfield College
Explanations for the Defining Critical Interruption in the Governance of Fairfield College	X	X	X	X
BOT Representation Tension	X	X	X	
Governance Focus of Fairfield College	X	X	X	X
The Rights of the Community and Governance Responsibilities				X
The Future Direction of the School	X	X	X	X

6.7 Summary

In this chapter I have attempted to identify and recount, through the eyes of those stakeholders who were prepared to engage with me, the issues surrounding the *interruption* to potentially harmonious governance relationships at Fairfield College. The existing order, of conflict between the school's stakeholders, demonstrates how different social institutions and forces influence individuals in how they construe and enact ideals of governance (of education). Participants' dialogue provide lived examples of the different relationships between individuals, individuals and society, and the perceived issues fuelling the interruption between the 'actual' and the 'possible'. A pivotal point in the interruption to potentially harmonious governance relationships was the resignation of the elected Board of Trustees in February 2009. The interruption serves to expose the contradictions and disconnections between the espoused aims of devolved governance to the local community and the neo-liberal re-visioning of public education.

I identified a number of themes using narrative thematic analysis method (as detailed in Chapter Four) for each stakeholder group during the course of my engagement with participants. Where appropriate additional information was provided to expand or explain themes. Themes between stakeholder groups do not necessary overlap. What is evident is that the school's stakeholders do not share a common understanding of what is meant by education, processes of representation, and of 'good' governance. This divergence of understanding concurs with the assortment of connotative meanings for corporate governance discussed in Chapter Two. Discussion of key issues impacting on governance relationships will be expanded upon in the following chapter.

Chapter Seven

Discussion

Sometimes doing your best is not good enough; sometimes, you must do what is required. Winston Churchill (1874-1965)

7.1 Introduction

Choosing quotations that are most illustrative of themes and issues to be discussed in a report based on research interviews is affected by the ontological orientation of the researcher. This research has been generated from my understanding of critical theory and social constructionism. I am interested in how the various stakeholders construe and enact idea(l)s of governance (of education). Combining the understanding of social constructionism (that together we create and manifest our social world) and the values encouraged by critical theorists (who seek the exposure and redress of injustice), the opportunity arose to create a dialogue around the critical interruption occurring at Fairfield College at the time I began my research. My reflection, in this chapter, will be of immediate relevance to the stakeholders of Fairfield College. My reflections on governance of Fairfield College have implications for the governance of education and other State-controlled but community-governed organisations.

I take as subheadings for this chapter the five themes presented in the previous chapter as articulated in Table 6.3. I discuss the explanations for the critical interruptions in governance of Fairfield College provided by various stakeholders and the issues surrounding BOT representation they have raised. I then discuss stakeholder perceptions of the changes from a prior focus on cultural diversity to a more recently intensified focus on performance indicators such as NCEA results.

The rights and responsibilities of the community and of the Board are examined followed by the future direction of the school. Finally, I discuss the issue of governance for Fairfield College with ‘an eye to the future’ and ‘an eye to the past’.

I reflect on the different perceptions surrounding the critical interruption in the governance of Fairfield College and the expectation of representation by members of the Whānau Support Group and how this expectation is perceived by other stakeholder groups. I consider the extent to which (through the direction of its governors) education is focused on prioritisation of job/market aspirations expressed by parents and caregivers, and the State (and its agents, the BOT, the Principal, and the Commissioner).

7.2 Explanations for the Critical Interruption in the Governance of Fairfield College

Each of the four stakeholders I conversed with had their own perspective on the issues leading up to the defining critical interruption that took place at Fairfield College – the resignation of the BOT in February 2009. The Whānau Support Group and the teachers I spoke with both indicated that an autocratic communication style and a lack of consultation on the part of those in charge of school governance as being fundamental flaws in the governance of Fairfield College. They suggest these factors were the stimulus that led to inflamed emotions surrounding the changes being made at the school such as staffing issues and the refocusing of the school’s direction (a perceived shift from a school celebrating cultural diversity to a school focusing on academic achievement). These stakeholders were of the view that there are two issues that ultimately led to the interruption to governance relationships. The first issue is the communication

approach adopted by those in charge of governance. The second issue is the lack of meaningful consultation surrounding the perceived re-focusing of the school's governance aspirations from celebrating the individual and cultural diversity to focusing on external performance indicators in the form of NCEA results. Although there is a link between these two issues I believe it is important to address each issue separately in order to gain a better understanding of each factor. Therefore, I will first discuss the issue 'communication' then follow by discussing 'consultation'.

7.2.1 Communication at Fairfield College

The Whānau Support Group and the teachers I spoke with suggested that the communication style adopted by those in charge of governance was not an open or two-way process. They claim "communication seemed to be one way" (Interview 16, 2009) and that "communication had broken down" (Interview 13, 2009). All felt that for a school governing body to enjoy meaningful relationships with its stakeholders it needs to have a "really good communication strategy – that it's really hearing the community" (Interview 14, 2009).

Parents and caregivers did not identify the issue of communication style as being as big a factor in the breakdown of governance relationships as the Whānau Support Group and teachers did. Instead, parents and caregivers used expressions such as "rubbed the teaching staff up the wrong way" (Interview 34, 2009) and "didn't inform them...far enough ahead of time" (Interview 6, 2009) to convey that, from their perspective, the governing body's communication approach may have partially contributed to the breakdown of potentially harmonious governance relationships.

When I spoke with those in charge of governance (ex-chairperson of the BOT, the Principal, and the Commissioner) they believed that they had communicated adequately with the community. However, the ex-chairperson of the BOT did acknowledge that there were “undercurrents for a while” and “lots of little issues which became completely inflated” (Interview 1, 2009). This might suggest that the communication processes in place at the time did not allow for these ‘undercurrents’ and ‘inflated issues’ to be identified early enough to be understood, clarified, and/or addressed.

Commissioner Finn was very clear regarding the right and need for a two-way communication process. He indicated that stakeholders, such as the Whānau Support Group and parents and caregivers, have every right to question and even challenge decisions made by a school’s governing body. According to Commissioner Finn, this communication ‘right’ does not come, however, with a guarantee that the stakeholders’ concerns will result in a decision that meets with their approval. In his view, communication is where parties can express their concerns so that when a decision is made these concerns can be taken into account but, that ultimately, the BOT is elected to make and take responsibility for decisions being made. He indicated that there were some stakeholders who felt that the right to communicate their views and objections with the governing body equated to dictating the outcome of a situation and that is “[not] how the system works” (Interview 3, 2009). Principal Small concurred with Commissioner Finn, stating that effective communication is vital but that “when a decision has to be made they [BOT] have the final say and there are people at this school, for example, who don’t understand that” (Interview 30, 2009).

The Education Act 1989 s75 stipulates that Boards of Trustees have ‘complete discretion to control the management of the school as it thinks fit’. How a school’s governing body actions this ‘discretion’ is not monitored beyond the requirement to act within the law. However, State rhetoric would suggest that effective communication is a key factor in the successful governance of any quasi-public sector organisation. The Ministry of Education (2009)⁴⁷ states “good communication between the board and the PTA can help the two entities work together effectively” but does not stipulate how this is to be achieved. The Minister for the Community and Voluntary Sector, Tariana Turia (2009), states:

Strength lies in the quality of the communication that we rely on. When we understand each other’s needs and perspectives, it becomes possible for us all to deliver the best possible service to the people that we serve – our communities. Listening to each other rather than talking past one another.

(<http://www.beehive.govt.nz/speech/national+communitygovernment+forum>)

From the perspective of the Whānau Support Group and teachers there is a weakness in the quality of communication with the governing body. Each stakeholder who commented on this matter indicated that they felt they were not being listened to and that communication was more akin to a monologue rather than to an interactive process. Mirroring Turia’s (2009) sentiments one respondent stated “for a school to be most effective it does need to have a really good communication strategy – that it’s really hearing from the community”

⁴⁷ <http://www.minedu.govt.nz/NZEducation/EducationPolicies/Schools/SchoolOperations/SchoolFinances/FinancialInformationForSchoolsHandbook.aspx>

(Interview 14, 2009). One respondent went even further, stating that “if you don’t feel that what you have to say is being heard then you feel marginalized and powerless” (Interview 17, 2009).

To prevent, or effectively manage, future interruptions to governance relationships at Fairfield College those occupying governance roles would find it beneficial to evaluate their existing communication protocols to determine if they are meeting the needs of the school community. If they are not meeting the needs of the community then they need to be modified accordingly. This need not imply that stakeholders will ‘get their own way’ in regard to decision-making but rather that their desires are well respected and reasons for any disagreement are transparent and well understood. This process will help to ensure that members of the community do not feel ‘marginalized and powerless’ thus threatening society’s social cohesion and resilience (L’Huillier & Humphries, 2009).

The second issue is consultation, which is regarded as an important issue leading to the defining critical interruption that took place at Fairfield College and linked to communication, is discussed next.

7.2.2 Consultation at Fairfield College

The Whānau Support Group and teachers I conversed with felt very strongly that “consultation with the community wasn’t happening” (Interview 13, 2009) and “decisions that affect our teaching in the classroom are made without our input” (Interview 18, 2009). One parent suggested that “they didn’t inform them [teachers and Whānau Support Group] what the changes were to be” (Interview 6, 2009), suggesting an acceptance to a non-consultative approach to decision making. When the ex-chairperson of the BOT was asked about the level of

consultation that had taken place she acknowledged that “there is always room for more consultation” but that the Board had done “a fair bit of consultation” and that in her opinion they had done “more than most Boards do” (Interview 1, 2009). These sentiments imply that community consultation is occurring in the education sector but on an ad hoc basis depending on the individual BOT.

Principal Small was confident that the Board had engaged in a variety of methods of consultation with a range of stakeholders. The Ministry of Education states Boards of Trustees must decide on the strategic direction of their respective schools “in consultation with the Principal of the school, parents and other stakeholders”⁴⁸ and that “community consultation is an important part in education...to consider what the community wants, the education needs in their area and how to achieve this”⁴⁹. However, the depth and breadth of community consultation is left to the discretion of individual BOT as borne out by the comments made by the ex-chairperson of Fairfield College’s BOT.

According to the Education Review Office (ERO) Report on Fairfield College (2008)⁵⁰ a consultation process had taken place with teachers regarding the school’s strategic direction. However, teachers and Whānau Support Group members were adamant that the consultation process that the BOT and Principal Small engaged in was more of a box-ticking exercise, whereby those in charge of governance merely appeared to go through the motions of consulting with the community but then would “dismiss out-of-hand everything you have to say...that

⁴⁸ <http://www.minedu.govt.nz/Boards/EffectiveGovernance/WorkingInPartnership.aspx>

⁴⁹ <http://www.minedu.govt.nz/Boards/EffectiveGovernance/FlexibilityBoardStructures/SchoolingStructuresAndGovernanceOptions.aspx>

⁵⁰

[http://www.ero.govt.nz/ero/reppub.nsf/0/5D648AA50037A539CC257464000E2A47/\\$File/129.htm?Open](http://www.ero.govt.nz/ero/reppub.nsf/0/5D648AA50037A539CC257464000E2A47/$File/129.htm?Open)

they had already made their minds up before you've had a chance to utter a word" (Interview 17, 2009). One teacher stated they did not "invite input from staff who have many many years of teaching and administrative experience at the school" (Interview 18, 2009).

The issue of consultation, like that of communication, appears to be a grey area in terms of guidelines. In the case of Fairfield College consultation processes did take place and were felt to be sufficient by those in charge of the school's governance. In addition, the ERO report on Fairfield College in 2008 acknowledged that consultation with stakeholders was taking place. However, the consultation mechanisms used left some parties feeling it was more of a compliance issue than a genuine attempt to engage with the community, and it left others feeling their skills and experience were undervalued. As noted earlier in connection with the issue of communication, I suggest that to prevent, or effectively manage, future interruptions to governance relationships it would be beneficial to evaluate existing consultation mechanisms to determine if they are meeting the needs of stakeholders.

7.3 BOT Representation Tension

At the outset of my PhD research I had not anticipated that various stakeholder understandings of the Treaty of Waitangi (Te Tiriti o Waitangi) would impact my research to the extent that it did. My two early literature reviews had not provided any indication that perceived Treaty obligations and alleged breaches to these obligations would be considered a major issue in the governance of Fairfield College. Yet every member of the Whānau Support Group that I conversed with expressed considerable dissatisfaction over the lack of Māori representation on

Fairfield College's BOT and also that Māori representation on Boards of Trustees in general was not guaranteed under legislation. They all expressed concern that Māori were expected to adopt the Pākehā–Westminster system of electing candidates to Boards of Trustees when they felt that under the Treaty and, as a Treaty partner, they should have representation on school boards as a matter of right. Nor did they accept the notion of seconding Māori to a BOT as an alternative to guaranteed Māori representation on the basis that it would essentially be Pākehā selecting Māori based on Pākehā criteria, as opposed to Māori selecting Māori based on Māori criteria.

Members of the Whānau Support Group and teachers challenged the notion that the Westminster-based system, whereby candidates are elected using first-past-the-post criteria, is in fact democratic. They noted that all previously elected Boards of Trustees were dominated by educated middle class Europeans who did not provide an accurate reflection of the ethnic or socio-economic makeup of the school community. This view was also supported by parents and caregivers who, although indicating they were against guaranteed Māori representation, acknowledged that the system favoured a particular segment of society; namely, educated middle class Europeans. However, one of the parents I interviewed and who was of Māori descent was strongly opposed to guaranteed Māori representation outside the Westminster system suggesting that guaranteed representation denigrated Māori (Interview 34, 2009). This suggests that not all Māori support guaranteed representation as being appropriate and/or a 'right' under the Treaty.

The issue of only one cultural/socio-economic group being represented on the BOT was also raised by members of the Whānau Support Group, parents and caregivers, and teaching staff (Interviews 5, 7, 13, 18, & 26, 2009). Although outside the Treaty mandate, this issue was commonly raised in conjunction with arguments supporting guaranteed Māori representation on the school's BOT. The school's physical location is in a lower socio-economic area and the school serves an estimated 42 identifiable cultural groups suggesting a very diverse school community.

The situation at Fairfield College challenges both the State's claim that schools have a governance structure reflecting community representation (as linked to community partnership) and the rhetoric surrounding Māori as a Treaty partner. The Westminster first-past-the-post election system favours one particular group within a school community. Due to cultural differences when it comes to selecting leaders/representatives the Westminster system does not ensure an even spread of cultural representation and, in particular, Māori representation on Boards of Trustees. Nor does it result in Boards of Trustees that reflect those school communities, such as Fairfield College, that are situated in lower socio-economic areas.

Those in charge of the governance of Fairfield College did not identify BOT representation tension as a major theme that was critical to the way governance at the school was interpreted and/or endorsed. Instead, the ex-chairperson of the BOT, the Principal and the Commissioner indicated that because the Westminster election system is what they had to work with under legislation, issues

surrounding the expectation of representation by the Whānau Support Group and of meeting perceived Treaty obligations needed to be addressed at State level.

State rhetoric acknowledges the duality of New Zealand's heritage and the concept of partnership between the State and Māori. Te Reo Māori (the Māori language) is taught in schools and the Māori language is an official language of New Zealand (NZ) in acknowledgement of NZ's bi-cultural status. However, with regard to governance issues related to education, there are no clauses in the Education Act 1989 providing for Māori representation on Boards of Trustees. So whilst the State appears to be promoting the notion of partnership with Māori, it continues with the Pākehā-Westminster system of electing people to occupy governance roles on Boards of Trustees.

At the macro level, the Westminster election system adopted for the election of Boards of Trustees appears flawed in terms of encouraging a reflective range of community representation. At the micro level, Fairfield College has a student body comprising 36% Māori students and yet there was no Māori representation on the BOT at the time this research was conducted. Based on this case study I conclude, in terms of social justice and equity, NZ's education governance system perpetuates a class/cultural divide. I suggest that the current BOT election arrangement, based on the Westminster first-past-the-post system and lack of legislation to the contrary, encourages a particular type of individual to assume a governance position on NZ Boards. By virtue of their cultural and socio-economic background these individuals are less likely to challenge the status quo in terms of the discharge of governance duties – duties for which the State sets the parameters.

The governance of education in NZ and the State's claim to a commitment to Māori, as a Treaty partner, is tenuous. While a number of parents and caregivers indicated that they would vote for whom they perceived was the most appropriate person regardless of ethnicity, the cultural differences between how leaders/representatives are chosen impact on whether Māori take an active role in the election process. As noted in the previous chapter, all members of the Whānau Support Group are looking to the State to honour Treaty obligations in terms of power sharing and yet there are no legislative mechanisms in place to ensure Māori have a role to play in school governance.

The current system whereby members of a BOT are elected within the existing arrangement of State-set parameters appears to display elements of democracy; the freedom of any individual⁵¹ to stand for election, freedom for members of the school community to vote for the candidate(s) of their choice, and equality of individuals to put their names forward for election regardless of ethnic origin or background. However, the current system for electing a BOT, as perceived through the eyes of the Whānau Support Group, parents and caregivers, and teachers of Fairfield School is anything but democratic and is not reflective of the school community.

The election system, if intended to be reflective of a community mix, is flawed in that it favours a particular type of individual who will put their name forward for election to governance positions. It is these individuals, by virtue of their cultural and educational background, who are more likely to accept the status quo as dictated by the State. Those in charge, or have been in charge, of the governance

⁵¹ Except those persons deemed ineligible to be a trustee as stipulated by the Education Act 1989 s103.

of Fairfield College fail to recognise the undemocratic nature of the election process. The scales of social justice and equity are firmly tipped in favour of one sector of society (European educated middle class), in terms of decision-making.

The system of governance in educational institutions is a human creation which can be altered at the stroke of a pen. As noted in Chapter Three of this thesis there is little dispute that the governance of schools can be a mechanism in which communities become more involved in their local schools. But, it is failing in its goal to “reasonably...reflect the ethnic and socio-economic composition of the school’s student body” (Ministry of Education, 1989, p. 2). In addition, the current election process does not honour the State’s espoused commitment to the Treaty of Waitangi. Dispute surrounding representation issues have the potential to further interrupt governance relationships at Fairfield College if not addressed. However, representation issues cannot be resolved at the local level and need to be addressed at State level due to the legislative support given to the Westminster first-past-the-post BOT election system.

7.4 Governance Focus of Fairfield College

Fairfield College, like all state schools, must adhere to the governance requirements set out in the Education Act 1989. Essentially, this Act allows Boards of Trustees to run their respective schools as a separate and distinct unit of education but within the parameters of the overall objectives set by the State. Under section 75 of the Education Act 1989 a school’s BOT has “complete discretion to control the management of the school as it thinks fit”. The Act does not specifically stipulate what governance model or governance direction a BOT should follow but does provide guidance on various house-keeping matters

including eligibility of candidates, number of Board members, and the authority to second people to the BOT.

Schools also come under the mandate of the Crown Entities Act 2004, which requires their governing bodies to administer the respective schools along business lines and to meet the requirements outlined in the State Sector Act 1988. So while a BOT appears to have complete discretion to control its governance processes, this is a fallacy. In actuality, these processes are guided within a tight weave of legislation steering a school's governing body to incorporate a business focus in its governance process. The MOE provide support for this arrangement and provide optional BOT training seminars covering issues such as BOT statutory obligations. However, Commissioner Finn was quick to point out that a BOT role is not simply to fulfil statutory requirements stating that "they [the BOT] are responsible for the outcomes of statutory requirements...they are responsible for actually seeing how they're [schools] managed and that they're managed effectively" (Interview 3, 2009). The ex-chairperson of the BOT concurred with Commissioner Finn stating "I think all schools are probably [adopting] a...more corporate governance perspective because the Board is responsible for the finances and the whole appointing of a CEO and all their policies, everything, the vision for the school, all of that has to be incorporated" (Interview 1, 2009).

Regardless of the legislative guidance on a school's governance process, one of the most bitterly disputed issues amongst stakeholders with whom I conversed at Fairfield College is the governance process preferred and actioned by the ex-BOT and continued by the current Commissioner. All those interviewed from the Whānau Support Group and teaching staff indicated that they believed the ex-

BOT instigated what amounted to a paradigm shift from a school focusing on celebrating the individual and celebrating cultural diversity to a school focusing on external performance indicators in the form of NCEA results. In addition, this paradigm shift was accomplished by installing a governance regimen akin to that which is more common in the private business sector but where outputs, as productivity indicators, are measured in terms of NCEA pass rates rather than financial profit.

The ex-chairperson of the BOT acknowledged that the school had to take more of a corporate governance perspective and “have proper structures in place and thus a business kind of perspective” (Interview 1, 2009). However, she was adamant that while these structures were in place to ensure the effective and appropriate use of school funding it was not, nor ever intended to be, an attempt to undermine the “building [of a student] as a holistic kind of individual” (Interview 1, 2009) in favour of focusing on a limited aspect of a student’s learning, namely NCEA results.

The Whānau Support Group and the teaching staff I spoke with were equally adamant that the ex-BOT actively attempted to narrow the school’s focus in favour of external performance indicators (NCEA results) to the detriment of raising awareness and celebration of the individual student’s cultural heritage. Both the Whānau Support Group and the teaching staff indicated that they felt this change in governance direction by the ex-BOT indicated a cultural preference of European middle class parents for qualifications. “They [the ex-BOT] were trying to make Fairfield more middle class, more acceptable to the people...[in] the

north eastern districts...changes made [were] to improve the image of the school” (Interview 14, 2009).

The overwhelming sentiment expressed by these two stakeholder groups is that the change in governance focus was driven by the perceived need to attract and/or retain students from the north eastern suburbs following an announcement made by the MOE that a new high school was to be built in that area which would draw students from Fairfield College. They indicated that until this announcement the MOE was not too concerned about the academic results of Fairfield College.

Both the Whānau Support Group and teaching staff suggested that the MOE supported the ex-BOT efforts to make the school more acceptable (in terms of NCEA pass rates) to parents and caregivers in the north eastern suburbs. They contend that this support to ‘grow’ Fairfield College was an attempt to negate the need to build another high school, which would result in considerable savings in capital expenditure and operational costs associated with another school. Both the ex-chairperson of the BOT and Principal Small acknowledged that the MOE had approached the school’s governing body with a view to increase the school numbers up to 2,000 students. However, both dispute that the changes in governance processes were specifically aimed to ‘middle class-ise’ the school, suggesting that the changes in governance were for the “greater good of everybody” (Interview 1, 2009), not just for a specific segment of the school community.

Members of the Whānau Support Group and the teaching staff I conversed with believe that many of the decisions made by the ex-BOT and current Commissioner are based on a middle class vision of the role of education. They

suggest the ex-BOT adopted a business model that did not reflect the school's cultural and socio-economic community.

Although Commissioner Finn continued the governance process enacted by the ex-BOT he disputes the claim that the governance process he was now responsible for at Fairfield College was in any way related to the proposed building of another high school. He was quite adamant that the governance decisions he was making were within the legislative framework and with the view to addressing “systemic problems [in terms of] catering for the educational requirements of the students’...professional development and accountability” while simultaneously catering for “the holistic needs of students...that will give the students the best opportunity to succeed in terms of qualifications” (Interview 3, 2009). He also indicated that these problems had been around for at least six years. Although he did not elaborate on these problems, my research suggests they are overstaffing issues according to the MOE staffing formula; the school accumulating debt due, in part, to staffing issues; resistance to professional development initiatives; and resistance to robust self-review processes and professional accountability from teaching staff.

Parents and caregivers interviewed were equally emphatic that they were not concerned if there was an underlying agenda for the change in governance focus, as suggested by the Whānau Support Group and the teaching staff. They state “I personally don’t care if there is an underlying agenda. If the changes improve the schools I say go for” (Interview 6, 2009) and “if the changes improve the school, what difference does it make?” (Interview 23, 2009).

The Whānau Support Group and the teaching staff suggested that the most appropriate model for a school with the ethnic and socio-economic makeup of Fairfield College is that of a non-profit organisation. A not-for-profit model, they argue, would see governance focused on promoting intangible qualities of self-esteem and cultural pride as opposed to a private sector business model's focus on outputs in terms of academic qualifications. In support of this notion both groups suggested that academic qualifications were not a viable goal for all students at Fairfield College as the student body could be divided into two groups "the underachievers and those that do very well at school" (Interview 7, 2009). They suggest that a BOT needs to be supportive of both. Teaching staff were particularly adamant that "young people are not simply clones" and that the school needed to celebrate their individuality in terms of "their heritage" (Interview 5, 2009). All members of the Whānau Support Group and teaching staff I conversed with indicated that Fairfield College should link all future governance decisions to the students' overall well-being, rather than simply on academic success framed in terms of NCEA pass rates.

One of the parents and caregivers I conversed with was uneasy using terms such as 'governance models' and 'governance focus' but was very articulate in expressing his disapproval at suggestions of the need to incorporate cultural diversity and awareness as an integral part of the direction of the school. The majority I spoke with were unwavering in their view that "school is all about qualifications" (Interview 24, 2009), that "cultural appreciation is not on a par with actual qualifications" (Interview 26, 2009), and that the ultimate goal of education was "meaningful employment, well paid employment" (Interview 23, 2009). The parents approved of the changes that the BOT, Principal Small, and

Commissioner Finn had put in place if it helped improve NCEA pass rates but, were upset that it had “turned into a PR nightmare” (Interview 26, 2009) detrimentally affecting the school’s reputation even further.

When I spoke with the ex-chairperson of the BOT she indicated that she and her Board were very mindful of the needs of students and the need for celebrating cultural diversity and of the holistic needs of the individual. She felt that the governance focus of the BOT was “to work for the fulfilment of the student” in a holistic sense (Interview 1, 2009). Commissioner Finn and Principal Small were also very clear that the holistic needs of students are important. But, both indicated that a school’s role is about preparing young people for the next stage in their lives, whether that is further education in the form of tertiary study leading to employment or employment upon leaving high school.

There is quite an impasse between what the Whānau Support group and teachers believe the focus of the school should be (and accompanying governance configuration) and what parents and caregivers, Commissioner Finn, and Principal Small believe the focus should be. This difference between what Fairfield College stakeholders expect the governance focus of the school to be is depicted in Table 7.1.

Table 7.1 Fairfield College stakeholders' views on the governance focus for the school

	Governance Focus	Statements supporting each groups' governance focus
Whānau Support Group	Education governance should focus on celebrating cultural diversity – not necessarily on academic qualifications	<p>“A person is the sum of his cultural understanding – not a piece of paper saying he or she has passed some exam” (Interview 15, 2009).</p> <p>“[If] what is best for the students' overall well-being...means making decisions that favour cultural issues before academic performance, then so be it” (Interview 15, 2009).</p>
Teachers	Education governance should focus on celebrating cultural diversity and assisting the individual	<p>“There are those who will never get NCEA and those who do extremely well in NCEA...young people are not simply clones...we want them to be confident and proud of who they are, their heritage, and to be able to think critically and to apply themselves” (Interview 5, 2009).</p>
Ex-chairperson of the BOT	Education governance should attempt to balance the academic and cultural needs of the student	<p>“We want them [students] to be having what they need to be able to open the doors of opportunity for them...to make sure that they have things that were going to improve their learning achievement for them and their whole building as a person - as a holistic kind of individual” (Interview 1, 2009).</p>
The Principal and Commissioner	Education governance focus is about qualifications and future employment but should be mindful of the holistic needs of the student	<p>“We are not just about the education of students for the here and now; we are educating them for when they leave school...Boards have a responsibility, with the resources they have to work with, to make decisions that will give their students the best opportunity to succeeds in terms of qualifications” (Interview 3, 2009).</p>
Parents and caregivers	Education governance should focus on qualifications and future employment	<p>“School is all about qualifications” (Interview 24, 2009).</p> <p>“I send [my children] to school to get the skills and qualifications to get a job” (Interview 34, 2009).</p> <p>“I send my kids to school with the view that school is a stepping stone with employment as the end goal” (Interview 23, 2009).</p>

As can be seen from Table 7.1 there is a conflict centring on what the role of education is which in turn effects the governance direction each stakeholder expects the governing body to take. Parents and caregivers, the Principal, and the Commissioner view education in terms of tangible outcomes in the form of NCEA results and the link they make to aiding future employment prospects. The Whānau Support Group and teachers, although acknowledging the importance of qualifications, viewed education more in terms of intangible outcomes in the form of cultural awareness and cultural appreciation. The ex-chairperson of the BOT advocated a balance between the two views. These conflicting views on the role of education have an ongoing detrimental impact on governance relationships and demonstrate how individuals and groups influence the interruption between the 'actual' and the 'possible' in terms of harmonious governance relationships.

Herein lies a fundamental conflict of ideals and a lack of shared understanding of what is meant by governance. The Whānau Support Group and teachers generate their understanding of good governance from a stewardship model whereas those who are in charge of the governance of Fairfield College generate their understanding from an agency model. This conflict has the potential to fuel the contradictions and disconnections between the espoused aims of devolved governance and that which operates in practice.

7.5 The Rights of the Community and Governance Responsibilities

Only those who were in charge of the governance of Fairfield College clearly articulated the rights of the community and governance responsibilities as a key theme in the governance difficulties experienced at Fairfield College. The right of Fairfield College stakeholders to question and challenge decisions made by the

governing body and to have their concerns addressed was recognised by the ex-chairperson of the BOT, Commissioner Finn, and Principal Small. Commissioner Finn compared a BOT to a city council, saying that a BOT is voted in to perform a role and ultimate responsibility rests with the Board.

Both Commissioner Finn and Principal Small were adamant that BOT have the final say and must take responsibility for the decisions that are made. Both indicated that some stakeholders believed their right to question and challenge equated to ‘getting their own way’ and when they did not get their own way there was a fissure in what could have been potentially harmonious governance relationships. Linked to the issue of BOT representation tension, and drawing a comparison to city councillors, Councillor Finn stated “if you don’t like [BOT] decisions you vote them off next election. That’s how the system works” (Interview 3, 2009). Likewise, Principal Small stated “for a school to function...people need to understand what the role of governance is [and] what the role of BOT is” (Interview 30, 2009). However, members of the Whānau Support Group indicated that they believe they have a role to play in monitoring the actions or inactions of the school’s governing body in terms of cultural sensitivity and cultural awareness. One member stated:

We have a responsibility to make sure the needs of Māori and other cultures are being met; we have a responsibility to ask the hard questions, to not give up until we get answers, it is our right under the Treaty to ensure our young people know their culture, appreciate their culture, celebrate their culture and if that means challenging how governance of Fairfield is carried out well then, so be it. (Interview 17, 2009)

The above quote indicates a different understanding to that expressed by Commissioner Finn and Principal Small regarding the rights and responsibilities of the community. The quote indicates a non-acceptance of the notion that the BOT/Commissioner make the final decision (and take responsibility) for matters pertaining to the governance of the school.

7.6 The Future Direction of the School

One member of the Whānau Support Group was adamant that the way forward was to encourage Māori students to embrace their culture in both language and performing arts. Other members felt strongly that the way forward must not be based on a Māori vs Pākehā foundation but should be based on a unified approach that embraces cultural difference in its totality. However, all felt that cultural appreciation should be the driving force behind all governance decisions made at the school. Also, all members felt that a private sector business type model whereby outputs are measured in terms of external performance indicators (NCEA pass rates) is not suitable for Fairfield College. They suggest a way forward is for a governance approach to be adopted at Fairfield College that retains the “integrity of the individual” (Interview 13, 2009) and that those in charge of governance should look to the not-for-profit sector for a more appropriate governance configuration.

Teachers that I conversed with all felt the way forward was to re-examine the current business model in place at the school and suggest looking to the not-for-profit sector for inspiration:

[Schools] are in the business of human relationships...not in turning out a product...we still have some very difficult times ahead us. I

don't see the current management structure of the school as being particularly robust or capable. And we need to look seriously at the future direction and the structure that we currently operate.
(Interview 18, 2009)

Linked to this suggestion of a governance configuration based on the non-for-profit sector, is the call for a re-examination of the BOT election process in favour of more education professionals on BOT as they “are at the coalface of education and know what is needed and the value of less formal networks such as the Whānau Support network” (Interview 7, 2009).

There was no consensus amongst parents and caregivers as to the future direction of the school and what the appropriate governance regime for the school should be nor could they agree on whether they felt the school was currently being run along private sector business lines. However, all felt the Principal should continue on as Principal and suggest the need to withstand pressure from interest groups as an important issue for the school if it is to avoid or minimises future conflict between the governing body and stakeholders.

When I spoke with Commissioner Finn and Principal Small about the future direction of Fairfield College both indicated that the changes that were made were necessary to address the systemic problems at the school and that the school would continue to address these problems. Both suggested that the primary purpose of a high school was academic achievement accomplished from within a safe, supportive environment. Neither party commented on the appropriateness of the current businesses model. Commissioner Finn expects his role as Commissioner to end in December 2010 with a new BOT taking over the governance of Fairfield College (Waikato Times, April 3, 2010).

It would appear that the stakeholders of Fairfield College believe the school is a viable educational institution with a future. What was evident in my discussion with the various stakeholder groups was the need to manage the governance of the school better if a repeat of the defining critical incident (BOT resigning) was to be avoided in the future. However, this issue of ‘managing’ is, at best, ambiguous as both teachers and the Whānau Support Group indicate ongoing concern with the governance process and in their expressed reservations as to the robustness and/or appropriateness of the current governance structure.

7.7 Fairfield College - An Eye to the Future and an Eye to the Past

Among the concerns that fuelled the debate surrounding Tomorrow’s Schools (refer Chapter Three) were the claims that equity was not being advanced by the existing system because it did not encourage a sense of community participation and that there was, in general, ‘middle class capture’ of the education system (Codd, 1990). Tomorrow’s Schools was hailed as a remedy for weaknesses in the previous centralised governance structure, including feelings of powerlessness at community level (Picot Report, 1988).

My findings suggest that, at Fairfield College, the alleged weaknesses in the governance structure prior to Tomorrow’s Schools have not been remedied, which has led to an interruption in governance relationships between the ‘possible’ and the ‘actual’. Claims are made by the Whānau Support Group, teachers, parents and caregivers that the Westminster first-past-the-post election process appears to favour educated European middle class individuals. These claims are not disputed by those in governance positions but accepted as ‘that’s how the system works’. The election process appears weighted in favour of individuals whose cultural and

socio-economic backgrounds make them less likely to challenge the status quo. Although there is no dispute that the community has the right to question and challenge governance decisions made by those in governance positions at the school, the community's ability to effect change is restricted to the election process. In addition, issues surrounding the expectation of representation by members of the Whānau Support Group, as a right, under the Treaty have not been addressed at legislative level, leading to resentment at the local level.

7.8 Summary

In the previous chapter I sought to identify and recount the issues or themes surrounding the interruption to potentially harmonious governance relationships at Fairfield College. In this chapter I have discussed these themes and how they have impacted on governance relationships by examining the explanations for the critical interruption in the governance of Fairfield College. I have examined the issues surrounding BOT representation, the governance focus of Fairfield College and the rights and responsibilities of the community and of the governing body. Finally, I have reflected on the governance of Fairfield College with 'an eye to the future' and 'an eye to the past'.

The conflict between the school's stakeholders leading up to the defining critical incident, the resignation of the BOT in February 2009, and the on-going interruption to governance relationships demonstrate how different social institutions and forces influence relationships between individuals, and between individuals and society. Fundamental to this interruption is a lack of shared understanding of what is meant and understood as 'good' governance. Two stakeholder groups (The Whānau Support Group and teachers) generate their

understanding of good governance from a stewardship model whereas those who are in charge of the governance of Fairfield College generate their understanding from an agency model. The implications of the key governance issues identified at Fairfield College and their applicability to other State-controlled but community-governed organisations will be discussed in the following chapter.

Chapter Eight

Implications

8.1 Introduction

New Zealanders, like many people in post-colonial countries, have looked to their governments for the provision of a fully funded integrated education system to educate their children – though the purpose of such education is interpreted in diverse ways. Early policy-makers, however, were clear in their articulation of the purpose of such public education – to enhance nation-building, encourage socio-economic development, and to facilitate the emancipation of its citizenry (Ball, 1869; Domett, 1849; Fox, 1871). The subsequent provision and governance of the New Zealand (NZ) State education system were to be delivered through a centralised bureaucracy.

Rather than manifesting the ideals expressed by some of the early parliamentarians, education in NZ has developed as a channel for maintaining a particular form of order (Codd, Harker & Nash, 1985). It is a form of order, researchers argue that privileges some interests over others and assumes aspects of social control that enhances and protects those interests. It supports forms of social reproduction that ensure the ongoing privileging of those privileged interests. In Chapter Three I argued that systemic privileging of particular interests over universal emancipation goes against the espoused values of democracy. Assuming that the aspirations of universal emancipation are the intended goals of State education, those who sense conflicts of interest embedded in the educational process – in governance and in pedagogy – may view the education domain as a site of struggle; a place of action that will lead to a greater

likelihood that their ideals will be achieved. Thus, in Chapter Three I reviewed the argument that public education in contemporary Western democracies may be subject to various social forces tied to the interests of what critical theorists interpret as the educational support for the existing hegemonic order. This order is perhaps more class-based than overt popular than governmental consciousness will admit to. My engagement with stakeholders regarding the governance of Fairfield College brings significant support to this more critical perspective. This chapter weaves together my analysis of the critics of public education and the observations that I have expressed in Chapter Seven.

8.2 The ‘new’ Governance Model for Schools

In the early 1980s those in charge of the governance of State education faced growing pressure to improve service delivery and to engage in ‘better’ governance practices (Harrison, 2004). In response to this pressure, as discussed in Chapter Three, the NZ Government embarked on an ambitious reform of the education sector. Kelsey (2002), writing on the reform of the public sector (including the education sector), wrote that New Zealanders were the “guinea pigs in a failed free-market experiment” whereby the “voices of capital” actively renegotiated the “regulatory boundaries they consider acceptable” benefiting the corporate elite (p. 49).

The governance of schools was reorganised and, according to Waslander and Thrupp (1995), infused with market principles. The reform initiatives sought to supplant established modes of governance by introducing a different governance arrangement, one likened to that of private sector corporate arrangements (Gordon & Whitty, 1997; Harrison, 2004) but was heralded as being a more democratic

community-responsive arrangement (Clark, 2002). The 'new' education governance arrangement, modelled on private sector market principles, was intended to make the governing bodies of schools more responsive to the needs of their communities, reframed as being akin to the 'customer' of the private sector. The rationale for the new governance arrangement was that accountability would improve, framed as predominantly financial human resource management notions taken from business models effectively turning a Principal from a colleague into a CEO. The new arrangement was to provide for what was deemed to be a more 'efficient' and 'effective' education system. Education was framed as a form of 'service delivery' and pass rates became the surrogate measure or currency of 'success' (Ferlie, FitzGerald, & Ashburner, 1996).

The 'new' corporate governance model for education, described as a triune partnership model between the funder (State), the provider (BOT), and the local community is based on fulfilling democratic aspirations (Clark, 2002). However, through my review of the literature and my findings described in Chapter Seven, I propose that the term 'partnership' is a misnomer which is more accurately read as an expression (conscious or unconscious) of hegemonic perpetuation. My investigations suggest that there is a significant divide between State rhetoric and what has happened at Fairfield College, where one cultural and socio-economic group appears to dominate the governance of the school and another group feels particularly aggrieved. Within the stakeholder groups I identified in my research design, very diverse opinions on a number of matters were expressed. This diversity suggests that the categorizations of stakeholders that might seem appropriate at the start of a project, categories that are familiar and pass easily into common conversation are not necessarily an indication of homogenous view

points. This diversity also suggests that stakeholder groupings might be considered in very different ways. In addition it challenges the implied notion that school communities share a common understanding of what is meant by education, processes of representation, and of 'good' governance. What is revealed by the critical interruption of governance at Fairfield College are unfulfilled expectations held by some stakeholders regarding the delivery of governance responsibilities.

Under the Education Act 1989 the State sets the parameters of governance responsibilities in which school Boards of Trustees must operate. These include the formation of legislative mechanisms and the shaping of mandated performance indicators. These performance indicators are now predominantly framed as NCEA pass rates. This 'pressure to pass' in a set of specific and increasingly 'skills-based' aspects of education is consistent both with State ideology surrounding the domesticating process of a future workforce to support the social arrangement, and with sentiments of organisational forms that serve capitalist interests, at times at the expense of other values. The governance processes that support such subjugation of civic and life education to market preparation is an issue for any community claiming democratic aspirations. Such processes are not an uncontrollable natural phenomenon, but a socially constructed system that can be both manipulated and regulated.

In the next sections I explore the extent to which my observations at Fairfield College support the claims of critics of State education who consider such education falls short of the espoused emancipatory ideals through the perpetuation of a domesticating process focused on the prioritisation of job/market aspirations

over all other potential educational values. In light of these observations I examine also the extent to which the governance of education can be viewed as serving existing class-based power relationships found in contemporary capitalist societies.

8.3 Employment, the Goal of Education?

All the parents and caregivers I conversed with indicated that the sole reason they send their children to school is so that they can get the qualifications needed to get a job. Comments made in support of this notion include:

School is all about qualifications. Culture stuff, yes that is important...but, it is not and should not be the focus. (Interview 24, 2009)

My kids need to be able to get a job when they leave school and they won't get a job if the only thing on their CV is that they were in the kapa haka group! (Interview 6, 2009)

I know it is PC that we encourage our kids to learn Māori stuff and Pacific Island stuff but it won't get them a job – qualifications will! (Interview 25, 2009)

Cultural appreciation is not on a par with actual qualifications. High school is about getting NCEA. (Interview 26, 2009)

My daughter is learning about Māori culture but I send [her] to school to get the skills and qualifications to get a job. (Interview 34, 2009)

I send my kids to school with the view that school is a stepping stone with employment as the end goal. And they won't get meaningful employment, well-paid employment, if they don't have any qualifications. (Interview 23, 2009)

When I talked with Commissioner Finn about the goals of high school education he commented that:

High school education is not just about the education of students for the here and now; we are educating them for when they leave school...Boards have a responsibility, with the resources they have to work with, to make decisions that will give their students the best opportunity to succeed in terms of qualifications...schools need to be in a position to cater for the educational requirements of the students.

(Interview 3, 2009)

Both Commissioner Finn and Principal Small also indicated that for a school to succeed in the area of equipping young people with these increasingly important qualifications the holistic needs of the student cannot be ignored. Although they did not provide details of what these holistic needs were, both indicated that for young people to successfully acquire qualifications they have to have a learning environment where their physical and emotional safety is assured.

Despite Commissioner Finn and Principal Small's indication that education should serve the holistic needs of students, the provision of high school education in NZ appears to have few educational obligations beyond preparing the student for working life. The Education Act 1989 s60A stipulates national education guidelines that encompass national education goals:

s60A 1(a)(i) statements of desirable achievements by the school system, or by an element of the school system;

s60A 1(a)(ii) statements of government policy objectives for the school system.

s60A 1 (c) iii dealing with national administration guidelines a school's governing body needs to "communicate the Government's policy objectives".

The Minister of Education, Anne Tolley (2010, May 4), speaking to the Auckland Secondary School Principals' Association, said the Government wants young people to "reach their potential" but then went on to say so that these students will "contribute to growing our economy...we have to ensure that our young people can fully access opportunities for work, training, or further education in the modern world". On April 7, 2010 speaking at the First Time Principals Conference, Tolley also spoke of the Government's desire that "every single child in New Zealand should have the best possible education, and that every single child should be given the opportunity to reach their potential" before she then launched into a discussion on the value of national achievement standards. Tolley equated failure in the education system with "violence, substance abuse or unemployment".

In each of the above examples there is positive rhetoric concerning the need for students to reach their full potential (egalitarian values) but this potential is qualified in terms of employability. "We want all our young people to stay interested in learning and to achieve their best, and we want them to leave secondary school ready for work, training or further study...our goal is to develop a broad range of pathways for senior secondary students to move into work or tertiary programmes...to meet labour market needs" (Tolley, 2009, July 3). Tolley (2009, August 12) is in no doubt that "recognised qualifications...lead to employment" and, "we need to raise achievement and improve results, if we want to lift the performance of our economy" (Tolley 2009, September 29).

The narrowing of education to a prioritization of vocational guidance is at odds with the ideals of egalitarianism and the emancipation of the individual. Lovat (2004), writing from observations about the Australian secondary school sector that are equally applicable to NZ, concludes:

[It is] increasingly recognised [by researchers] that a purely technical and/or vocational approach to competencies and outcomes is limited. The competencies than an individual requires for a full and meaningful life are many and varied, some at the technical end of the knowing spectrum but some also at the more aesthetic end. (p. 118)

The ideological role of education legitimising extant social and political order cannot be ignored in light of changing job descriptions and rising unemployment rates. Indeed, the narrowness of high school education in NZ only prepares students for an assumed career that may or may not eventuate. Education and educators, at all levels, perform a pedagogical function that is, as Aronowitz & Giroux (1993) state, “eminently political in nature” (p. 31). This view is supported by Kell (2004) who suggests that high school education is a tool used to serve the interests of the capitalist class and, in particular, the almost insatiable need for a passive, subservient workforce.

School governance was reorientated, driven by calculated government action (or inaction) to support a narrow set of social and political goals. The influence of business has become so dominant that high schools are now governed via a governance model geared to ‘corporate’ activity and reflective of business enterprise values. School BOT are expected to set the strategic direction of schools in line with private sector business models of efficiency and effectiveness

with all aspects of their governance function geared accordingly to an agency model.

For public education in democratic jurisdictions to contribute to the manifestation of the widely lauded values of universal inclusion and equal opportunity, governance and pedagogical approaches must be aligned with the emancipatory needs of good citizenship. Such an educational approach must be the very essence of nation building. While economic (and employment) concerns are, of course, of significance in such an alignment they should not dominate at the expense of other values. The contribution of the enrichment of cultural diversity to this process is at risk of being assimilated into a 'more market orientation', an orientation Habermas (1992) describes as a form of colonization of our 'life-world'.

By encouraging the next generation of secondary school students to embrace their respective cultures and ethnicity, in addition to preparing and supporting their capacity to cope with the complexities of 21st century life in NZ, they will be in a better position to take their place as members of a global village. In this position members are not merely interchangeable market widgets and part of an increasingly spendthrift consumer base, but thoughtful and responsible citizens of the world. This notion is of special interest to Māori who are, as central to their vision of equality, attempting to reclaim and reconstruct identities and relationships in a global movement of retrieval and assertion of indigenous values (Hoskins, 1997). The preparation of students (both Māori and non-Māori) to know and understand this movement, to be prepared as leaders for it (if this is their calling), takes a unique form in NZ. However, this notion of global

citizenship is akin to other movements around the world that emphasise honouring higher principles of justice that will take the aspirations of humanity beyond GDP growth as our main purpose in life.

Even though NZ schools are turning out students with NCEA passes the yearly unemployment rate continues to rise. It was reported that NZ's unemployment rate for May 2010 was 6% in 2010 up from 5.1% at the same time the previous year (2009) and 3.9% in 2008 (Statistics New Zealand, 2010). I contend that many students will face the prospect of a future that is jobless and gradually more commoditised. In adopting private sector styles of governance and strategic models in our high schools we fall prey to both the pseudo-scientific aspects of performance measurement applied in the private sector and the pseudo-philosophical rhetoric of the State pushing the capitalist barrow as a legitimising force.

For students to cope with the uncertainties of a shrinking, narrowing, job market schools need to value different human goals, different interactions, and different values. As stated by the ex BOT chairperson of Fairfield College:

we defeat the purpose of education if we think we are simply agents for social equalisation...because then [we are] going to turn out a whole lot of clones of the same thing...if you target individuality then I would say all of the students feel that they are valued and will rise to the occasion. (Interview 1, 2009)

By recognising and valuing only performance mechanisms in the form of NCEA pass rates, which were devised to measure the skills sought by prevailing (and perhaps erroneous) policy-maker views of immediate market needs, we risk making other parts invisible by negating them. Significant portions of society are

at risk of being rendered invisible and their hopes and aspirations ground down in the pursuit of narrowly-measured forms of achievement. Boyce (2004), Lovat (2004), and Thomson and Bebbington (2004) all contend that this marginalised view of education is flawed in that it fails to address social inequalities – a key concept of egalitarianism which was pivotal to the original call for a universal education system in NZ during the late 19th century.

8.4 Equality and Democracy vs. Class-Based Status Quo

Although Boards of Trustees are given the responsibility for setting the strategic direction of schools and for student performance, it is the Government, in the form of the Education Act 1989, that dictates the election process by which Boards of Trustees are elected; thereby, cementing its controlling position in the governance relationship. It is the State that calls for greater community participation in the governance of schools while simultaneously commoditizing education based on performance indicators in the form of NCEA results.

The extent to which the domesticating process of a future workforce serves as an instrument of a class-based capitalist market system negates the State rhetoric surrounding the concept of equalitarianism in education as a precursor to social equity and the establishment (and maintenance) of a just society. The findings from my case study suggest that the election ‘system’ for Boards of Trustees serving NZ State High Schools is stacked in favour of a particular element of a community (educated European middle class) to the detriment of Māori, other cultural groups, and other socio-economic groups. Yet this claim of ‘middle class capture’ was a key point in the Treasury Report (1987) that called for a major overhaul in the governance of schools.

Habermas (1976) uses the term ‘legitimising’ to refer to unequal power relationships. I suggest that the Westminster first-past-the-post BOT election system is a legitimising mechanism whereby the negative aspect of capitalism is legitimised through the use of democratic ideology rhetoric. The practices and rhetoric supporting the claim that the school BOT election system is a democratic process that reflects “the ethnic and socio-economic composition of a school’s student body” (Ministry of Education, 1989, p. 2) persist, in part, because of institutional denial of fundamental flaws in the Westminster first-past-the-post election system. Given the important role education plays in building knowledge, skills, and value systems it is essential that the community has an active role to play in setting the strategic direction and involvement in the policies and programs that affect our young people. I suggest, based on the findings of this research that the system breaks down when the legitimising process does not succeed in producing the expected participant-following and an interruption can be seen in governance relationships.

The Westminster first-past-the-post election system is also in conflict with the underlying tradition of Māori whose culture is based on a collectivist rather than individualist foundation (Gallhofer, Haslam, Kim, & Mariu, 1999). Education, infused with mono-cultural Eurocentric values and democratic ideology, is a major policy instrument of the existing hegemonic order. I believe my research findings indicate that the BOT election system is a manifestation of latent colonisation policies whereby Māori and other minority ethnic groups are disadvantaged by the election system in place.

Anne Tolley, Minister of Education (2009), referring to the governance of polytechnics, has indicated that she would like to see a change in the manner in which people in governance roles are selected. She states “we want to see many more highly skilled people who have successful experience in the governance of organisations putting their names forward, to fulfil our commitment to raising skills and productivity” (August 20). It is reasonable to assume that these sentiments extend, or will extend in the future, to the governance of high schools. This would suggest that amendments would need to be made to the current election process to filter the eligibility of candidates to further favour those candidates more likely to align themselves with government policy.

Members of a school community have very little opportunity to influence how their BOT govern their schools outside the election process. In general terms, members of the Fairfield College school community are expressing a desire for their BOT to engage in a higher level of consultation and an interactive communication process. Improvements in these areas stem from the desire to hold their BOT accountable for the impacts of BOT governance decisions beyond artificial boundaries - the school gates. Members of the Whānau Support Group, in particular, want the opportunity to have an input into the decision-making process.

8.5 Summary

As described in Chapter Three, contemporary policy objectives of secondary education in NZ are increasingly centred on the narrow goal of preparing students for work and meeting the needs of business. Clearly these objectives have become well integrated into public consciousness if the comments made by

parents and caregivers and the State's agents (Principal Small and Commissioner Finn) at Fairfield College are considered a measure of wider attitudinal change. That education is primarily focussed on performance indicators in the form of NCEA pass results and that the skills to be valued, taught, and assessed with the NCEA curriculum are those that serve a hegemonic outcome are strong claims. However, I would argue that the socialisation of parents and caregivers into compliance with the value system of the present social order is in sharp contrast with the ideals of egalitarianism espoused in NZ throughout various epochs (see Domett, 1849; The Currie Report, 1962) and around the world (Bhutto, 2008). In the final chapter I will focus on the implications of my findings for Fairfield College, for the governance and pedagogical directions of education more generally, and for populations that have been drawn in to trust – or at least not question - the marriage of democratic, but market driven, governance of our human affairs.

Chapter Nine

Interruptions as Insights into ‘Good’ Governance

9.1 Introduction

From the 1870s until the present day the purpose of publicly funded education in New Zealand (NZ) has been contested. For some, education was to provide for the full(er) development of the individual. As well as serving to build the skills needed for future employment, a broader aspiration was the enrichment of society from which future democratic leadership and governance capacity could be drawn. For others, the development needs of the country were understood primarily in terms of ‘preparation for work’ and interpreted by critics as the embedding of a class-based society. The neo-liberal rendition of the purpose of education, brought into effect in NZ from the mid 1980s, is framed as an expanded capacity for individual choice on the employment market and the means by which social equity will be achieved yet embedding hegemonic characteristics in policy directives.

The move in NZ to a market-orientated society has been a cornerstone of the State’s governance agenda since the Fourth Labour Government of 1984 and has since been intensified by all subsequent governments (McCulloch & Ball, 1992; Schick, 1996; Sullivan & Mararitis, 2000; Wood, 2005). I argued, in Chapter Two, that successive NZ governments embraced the philosophical belief of the “total rationality of the market” (Consedine & Consedine, 2005, p. 118). The State imposed market-compatible policies across all social and political domains (Scott, Bushnell, & Sallee, 1990) that were to be implemented, in part, through the radical reform of the governance of its public institutions (Boston, 1991; Boston,

Martin, Pallot, & Walsh, 1996). The market orientation of the State was to be manifest in the commodification of all State-provided goods and services delivered explicitly using an idealised business approach to guide practice.

In Chapter Three I reviewed the imposition of neo-liberal ideals and associated policies on all State organisations and argued that education was not immune from the effects brought about by this change in the political direction of NZ. I concluded that this redirection reflected not only how schooling would be governed and managed on a day-to-day basis, but would transform the very value of education to be expressed through the increasing market orientation in which NZ society was to be framed. I have posited this commodification as an interruption to the flow in the governance of education and commented on the impact of this commodification on the life opportunities of young people.

Of interest to me are those interventions by the State where discordant tensions expressed in a school community appear to threaten the ideological aspirations of the State. Through my research, I sought to address the following question: What are the connotative meanings academics and research participants assign to the term 'corporate governance' which serves as a variant of the term 'governance' now adopted in the governance of public institutions?

Theoretical direction for my study comes from a social constructionist orientation informed by my reading of critical theory from which I generated an interpretative research method described in Chapter Four. The combination of critical theory with social constructionism will serve to draw attention to the human act of creating multi-dimensional social processes that become embedded in the reality of the participants. I sought to reveal the contradictions between espoused aims of

justice and the flourishing of individuals and that which is practised. By giving a voice to those who feel their voices were are not being heard I sought to contribute to changes that would enhance justice and the flourishing of individuals.

I selected case study method, and worked with stakeholders at Fairfield College at the time the BOT resigned and a State-selected Commissioner was appointed, as described in Chapters Five and Six. In Chapter Seven I reflect on the different perceptions surrounding the critical interruption in the governance of Fairfield College. These different perceptions stem from the way the participants use language to create and give connotative meaning to the world around them and reveal the ideals and aspirations they hold for education in general, and for Fairfield College in particular.

The implications of the governance issues identified in my case study and their applicability to other schools were discussed in Chapter Eight. I found the Fairfield College community experiencing an impasse in ideals. Parents and caregivers in my study appear to have accepted the value system of the present social order; namely, the market-led orientations to well-being and social justice. However, members of the Whānau Support Group and teachers disputed these notions and claim that the present value system undermines students' emotional and cultural development to the detriment of their well-being and of social cohesion.

9.2 New Zealand Secondary Schools: Contemporary Context

The architects of the influential Picot Report (1988), summarised in Chapter Three, intended for schools to be run by volunteers from each community. By doing so, it was anticipated that schools would become more responsive to the

aspirations of a particular community - but achieved from within a governance framework set by the State. The rhetoric surrounding this framework suggests that communities, in terms of their BOT, can decide the direction of the education provided by their local schools. However, as argued in Chapter Three, the current governance framework contains hegemonic characteristics geared towards meeting the needs of the employment market in terms of qualifications, and the selection and assessment of a narrow band of student skills and knowledge. There is an implied notion surrounding the governance framework that school communities share a common understanding of what the purpose of education is, and of a shared acceptance of processes of representation and what is meant by 'good' governance. This variation of meaning and of how education governance is actioned in practice challenges the validity of the State's rhetoric on emancipatory ideals and participatory processes as evidenced by the growing number of critical interruptions in school governance resulting in State intervention.

In Chapters Six and Seven I report my findings that some stakeholders, particularly teachers and members of the Whānau Support Group, found the governance framework restrictive and constraining to the emancipatory ideals they held for education. Their interviews with me indicate that the governing body of Fairfield College was unable to balance the emancipatory ideals some stakeholders held for education with the market focus imposed by the State. Based on those interviews and the more informal conversations I entered into with stakeholders I suggest that it was in response to this realisation that the Board of Trustees resigned.

I hold that interruptions to a school's governance represent situations where some stakeholders reject the standardised governance template of the State. What is evident from this research is that the current governance framework for education assumes all stakeholders share a common understanding as to what is meant by 'good' governance. Those who view governance through the lens of stewardship are in conflict with those in charge of the governance of schools who generate their mandate to govern from an agency model perspective. This conflict indicates a diversity of thought as to what the concept of governance entails and helps to explain the divergenceness of governance practices found in democracy and in our public and quasi-public institutions.

Interruptions represent risk in educational provision that may, as stated by Laughlin et al., (1994), "have profound effects on individuals" (p. 82). As noted in Chapter One, 'interruptions' in this context refer to the discordant tensions that impact on the governing body's mandate to govern. Whether this impact is viewed in a positive or negative light depends on how stakeholders construct their understanding of the interruption and then respond as a result of this understanding.

The statistics indicate that there is a rising number of interruptions in the governance of NZ schools as outlined in Chapter One, although not all of these interruptions may necessarily be generated from deep discontent about the imposition of neo-liberal values. It is also not possible to comment specifically on how many other schools are experiencing governance relationship difficulties of the type experienced by Fairfield College. This information is not available. It may be reasonable to assume, however, that there are other school BOT who are

experiencing some form of governance disagreement, based on the increasing number of State interventions that have occurred in the past three years. There will be those for who the disagreement may come from a deep seated discordance between the hopes they hold for education and the framing that constrains fulfilling these hopes. Such individuals may not always articulate their concerns in this way, but none-the-less experience and report the manifestation of such constraints as frustrations in the achievement of such ideals.

The governance of schools as community-governed public organisations is envisioned as a triune partnership between the State, the governing body of the school and the community in which both the State and the Board of Trustees are devised to serve. The State, however, is responsible for serving all communities whereas BOT are established to serve their respective school communities.

A ‘partnership’ implies each party comes to the bargaining table with something to offer. When this triune partnership arrangement is applied to the governance of schools it is difficult to see what it is that the community and BOT have to bargain. It is the State who decides how and when BOT are to be selected and it is the State that sets the education curriculum according to prevailing policy directives – education focused on meeting the needs of the market. Individuals who serve on BOT on a voluntary basis are generated from a community of people who themselves have been strongly influenced by their own educational and wider experiences.

In the context of this research ‘the community’ (here represented by the Whānau Support Group and teachers) challenged the appropriateness of governing the school with a focus on NCEA pass rates. With the passing of a ‘vote of no

confidence' in the BOT, the PPTA of Fairfield College sent a sharp reminder to the BOT that teachers did not support the governance leadership and direction at Fairfield College. The Whānau Support Group indicated its support for teachers and organised numerous well-attended hui held during the end of 2008 and beginning of 2009 where members of the school community had the opportunity to share their views on the governance issues facing the school. The PPTA's motion of no confidence and the well-attended hui, indicate that 'the community' was not content that the Board of Trustees was satisfactorily representing community aspirations.

When members of a BOT decide they are unable to meet competing demands in the governance of their school and resign, the State assumes direct governance responsibility in terms of appointing a Commissioner to govern the school. At this point the triune partnership ceases. When this situation occurs community involvement is limited to those wishing to make representations to the Commissioner over issues they regard as important, with no power to independently effect change. In my research at Fairfield College, the Commissioner, while acknowledging the need "to cater for the holistic needs of students", was adamant that the role of secondary school education was "for when they leave school" (Interview 3, 2009) in terms of further education or employment and that secondary schools should be governed accordingly.

9.3 Constructions of 'Governance'

My engagement with stakeholders at Fairfield College revealed different aspirations for education which are reflected in the different constructions they assign to the meaning of 'governance'. Both the Whānau Support Group and

teaching staff expressed their vision of education in terms of supporting students in the development of self-worth, cultural awareness, and cultural appreciation and view governance through a stewardship model. They state that these emancipatory values should be weighted more heavily against the Eurocentric-based performance indicators currently expressed through the intense focus on NCEA pass rates. School governance, from their perspective, should serve as a semi-formal arrangement focused on fulfilling the community's aspirations for raising the students' sense of who he or she is – with an emphasis on cultural pride and sense of identity and self-worth.

Both the Whānau Support Group and teaching staff suggested that it was inappropriate to regard the governance of Fairfield College in terms of 'corporate governance', through an idealised business model as discussed in Chapter Three, with its associated focus on inputs and outputs. However, both groups suggest that is what has occurred. They both indicated that the school is inappropriately governed according to a performance-based business model more suited to the private sector. They also indicated, from their construction of the term 'governance', that the governing body should draw its inspiration from how they understood the governance-focus of the not-for-profit sector.

Parents and caregivers and those currently in charge of the governance of Fairfield College however, appear to concur with the evaluation of education in terms of performance indicators. Parents and caregivers were particularly adamant that education needed to act as a precursor to gaining employment. Although all agreed that the holistic needs of the student need to be catered for, the focus of education, and consequently its governance, should be on the future employability

of their young people. All stated that the overriding concern for education providers should be the attainment of qualifications that would ultimately lead to employment. They further contend that governance of Fairfield College school should be organised to maximise a student's opportunities to do well in NCEA in terms of pass rates.

Parents and caregivers, the Commissioner, and the Principal were adamant that the responsibility of the governing body was to set the strategic direction and govern the school as efficiently and effectively (in terms of performance indicators) as possible. All indicated that a school was not a business producing a product or service but that a private sector focus, in terms of corporate governance, was appropriate in the current political climate. Under this line of reasoning the 'outputs' (or products) appear to be NCEA statistics. The Commissioner indicated that the legislative framework surrounding the governance of schools supported the view of schools operating in a business-like manner. The melding of 'governance' to 'corporate governance' appears to be an easy transition for these groups. The meaning they assign to governance/corporate governance fits comfortably within agency theory reviewed in Chapter Two. They indicate the focus of governance should be on improving the school's organisational processes, procedures and structures to improve the school's NCEA pass record.

The ex chairperson of the BOT indicated a middle road between the aspirations of the Whānau Support Group and teaching staff, and of parents and caregivers and those currently in charge of the governance of Fairfield College. She suggests that education governance should focus on incorporating an even balance between the seemingly intangible goals valued by Whānau Support Group and teaching

staff, and the more tangible performance indicators of parents and caregivers and those currently in charge of the governance of Fairfield College. Thus her view of governance would sit comfortably within stakeholder theory as reviewed in Chapter two.

In this research example, the schism in education ideals and the directives of governance that is expressed in the interruption to the governance of this school provides an insightful case for the deeper understanding of what is to be understood as ‘good’ governance by any community at a given point in time. This research clearly demonstrates a heterogeneous understanding of what is meant by governance in schools that is at odds with the implied homogeneity of understanding found in the Tomorrow’s Schools rhetoric.

What has come to be considered ‘good’ governance of State education has apparently changed over time and yet holds an enduring element of social control. The clash of ideals surrounding the fundamental role of education lends itself to a fundamental disagreement in the governance of Fairfield College and in the way participants construct the meaning they assign to governance.

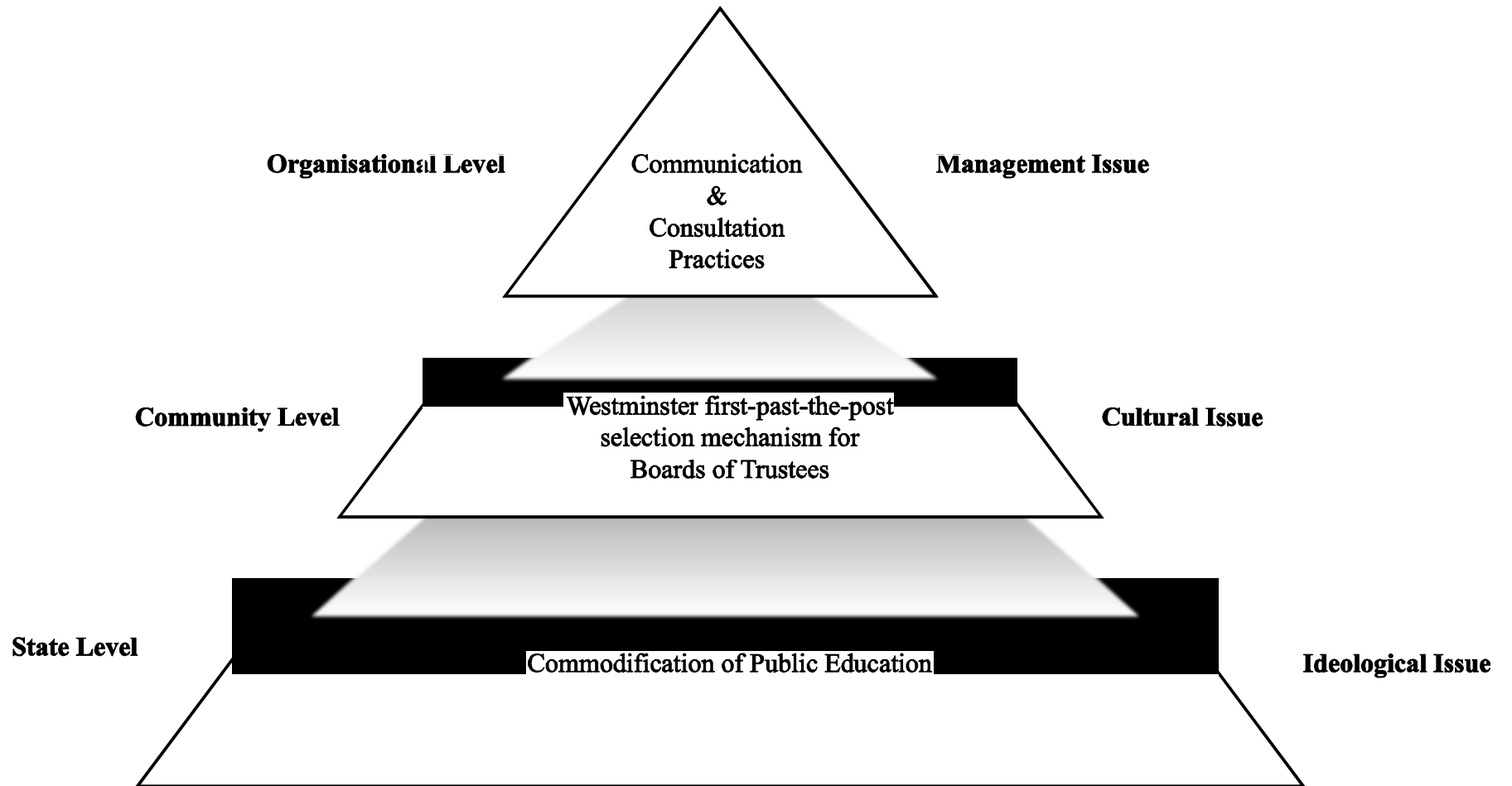
Based on my research into one high school that experienced a defining critical incident whereby the BOT resigned en masse and the State appointed a commissioner to run the school, there are four inter-connected issues critical to education governance. A diagram of the four pivotal issues suggested by the participants to be driving the interruptions to governance relationships is presented in Figure 9.1 as a three-tiered hierarchy. All three tiers are inter-linked, stemming from the global/State level ideological preference and belief in the rationality of the market.

The bottom tier represents the outcome of the macro global/State level ideological preference for market solutions; namely, the commodification of public education. The middle tier represents the micro community level outcome of this ideological preference and how it detrimentally impacts on cultural norms. The third tier represents the institutional level outcome of the ideological preference for market solutions namely its impact on management practices.

9.4 Implications for ‘Good’ Governance and Democratic Aspirations

The State has indicated that the corporate governance model for education is that of a triune partnership model between the funder (State), the provider (BOT), and the local community. As demonstrated by this case study the governance of schools has been reconfigured to be consistent with a business model, although promoted as a democratic community-responsive model. According to the corporate governance model the governing bodies of schools (BOT) would be more responsive to the needs of their respective school communities. However, this research finds quite the opposite in the case of Fairfield College. Although those in charge of the governance of Fairfield College had engaged in communication and consultation with the community Māori stakeholders, as represented by the Whānau Support Group, and teachers indicated that they did not feel their concerns were taken into account by the BOT or the Commissioner.

Figure 9.1 Factors Suggested as Critical to Education Governance



When one group dominates a governance process their value system will become embedded in that process. The implications for good governance is that the State's rhetoric of good governance does not link with what has occurred at Fairfield College, where one cultural and socio-economic group appears to dominate the governance process of the school and where other groups, who wish to be included in the governance process, feel excluded. In the case of NZ education I would argue that the governance of education has been arranged to support existing power relationships found in societies dominated by capitalist ideals.

The State sets the parameters in which school BOT must govern their schools, but these parameters are linked with performance indicators valued by the labour market. The current configuration for the governance of education in NZ does not stress aiding the emancipation of the individual – the need for students to reach their full potential as human beings. Rather, it is about governing education so that students can reach their full potential within a narrow vocational band to meet the needs of the labour market.

9.5 What are the Implications for Future Research?

I suggest further research needs to be conducted with other school BOT and public and quasi public institutions that are currently experiencing discordant interruptions to governance relationships. Questions that could be addressed are:

- a) To what extent are the communication issues reported by some stakeholders at Fairfield College experienced in other NZ State high schools currently experiencing interruptions to governance relationships?

- b) To what extent are the consultation issues reported by some stakeholders at Fairfield College experienced in other NZ State high schools currently experiencing interruptions to governance relationships?
- c) To what extent is the lack of guaranteed Māori representation on school BOT affecting other NZ State high schools currently experiencing interruptions to governance relationships?
- d) To what extent is the strategic direction of the school along Eurocentric and market-orientated values affecting other NZ State high schools currently experiencing interruptions to governance relationships?
- e) How does education governance apply to other public and quasi public organisations?
- f) To what extent do social dimensions such as socio-economic status, ethnicity or culture impact on our understanding of education governance?

9.6 Summary and contribution to knowledge

My literature review and fieldwork suggests that the commodification of education, imposed from 1984, is not about supporting students to reach their maximum potential with the resultant benefit of strengthening the social cohesion of society. Nor does the commodification of education serve the neo-liberal ideal of expanded individual choice, except in a narrow band of ‘potential’ job-related opportunities – largely framed by perceived employer needs. High school qualifications do not guarantee the individual student employment nor do they guarantee an improved quality of life, as witnessed by unemployment levels in NZ and around the world.

The commodification of education supports the prevailing social order by encouraging governance values that prioritise the preparation of young people in relation to the employment needs of the current and projected future job market. It does so by embedding the view that the value of education is in terms of employability as shaped by performance indicators such as NCEA passes.

I have come to the view that the current focus on meeting the needs of the market for a mass-generated, narrowly focussed workforce leaves little room for emancipatory goals of a nation priding itself on its social and cultural policies of justice, equity, and egalitarianism. The market approach increases the likelihood that the demands of the market will overwhelm, and dominate, the need for a well-educated citizenry. A citizenry capable of navigating and thriving under conditions of diverse, and sometimes incommensurate, values thereby weakening the social cohesion in necessarily pluralist societies. I suggest that the commodification of education has also led to discordant interruptions to governance relationships between BOT and some stakeholders.

Not all stakeholders are convinced that the way forward for an individual's personal flourishing lies with performance indicators in the form of NCEA results. Indeed two stakeholder groups in particular, the Whānau Support Group and teachers, have indicated that there needs to be more of a balance between the drive for qualifications and an individual's personal growth in terms of self-esteem, cultural pride, and positive attitudes towards learning.

Despite appearances, the prevailing governance regime in education does not foster robust community engagement. The Westminster-first-past-the-post election system does not ensure that a school's BOT reflects the ethnic and socio-

economic composition of the school's student body, as originally intended by the State (see Ministry of Education, 1989, p. 2). In addition, the election system conflicts with the traditional Māori leader selection process. I suggest, based on my research findings, that until the manner in which Board of Trustees members are selected is reviewed and modified (or abolished) interruptions to the governance of schools will continue to occur.

Management practices such as communication and consultation practices need to instil in stakeholders a sense of partnership. My research indicates that, although those in charge of the governance of Fairfield College did engage in communication and consultation practices with the school community, some stakeholders were left unsatisfied and with a sense of exclusion. Such practices need to be revisited on a regular basis to ensure they are meeting the needs of stakeholders.

My investigation of what constitutes 'good' governance is beneficial for the school serving as my case study and for State education more generally. I have revealed the tensions and contradictions to the articulated ideals of education and the neo-liberal re-visioning of State education, that is currently practiced, underlie interruptions to governance relationships in education.

This research also has possible benefits for the many organizations governing human aspirations for 'just' and 'sustainable' futures. Stakeholder interests identified in my case study share significant similarities to those in any community that is part of a wider commitment to the intertwining values of human emancipation and social inclusiveness. What is to be understood as 'good' governance however, is a contested notion, a contestation to be resolved by the

constant negotiation and re-negotiation of meaning. Education for universal participation in such negotiation of meanings seems at least as important as education for the perceived employment needs of the market.

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Appendix One

Letter of Introduction

Barbara L'Huillier

408 Puniu Road

Te Awamutu 3800

Ph (07) 871-4380

bml3@waikato.ac.nz

23/01/09

Board of Trustees

Fairfield College

Bankwood Road

Hamilton

My name is Barbara L'Huillier and I am a PhD student enrolled at the University of Waikato. I am examining the governance of New Zealand State high schools from the perspective of the Board of Trustees (BOT). I am particularly interested in understanding how Trustees view the State mandate of providing equality of educational opportunity for those students attending public high schools and how the work of the Board contributes to that aspiration. My work will consist of an in-depth case study of only one school – from which further theoretical and practical research questions will be generated.

I am approaching the BOT for Fairfield College to invite you to participate in this study for two reasons. First, my son attended Fairfield College last year as a Year 13 student so I have some experience of the school's aspirations and operations and I am already a little familiar with different personnel. Second, because the

BOT is currently dealing with a governance issue that has been reported in the popular media, this allows me to generate my research from a 'critical incident' that may bring our insights to some useful transformative discussion.

I hope that in participating in this study, you will gain some personal and organisational benefits. Agreeing to participate will involve a commitment to a broad ranging interview. I would value your thoughts on what you see are the various activities of governance and how they dovetail with others. The interviews will be taped and participants will be given an opportunity to refine or confirm my writing and interpretation of their experiences and thoughts.

Initial interviews will start with the following two starter questions:

1. What does each BOT member understand by the term governance/corporate governance – how is governance perceived by each member? What makes governance 'good' in your opinion?
2. How does each member understand the mandate of education?

I will not identify the individual participants in the final report and all efforts to ensure anonymity will be made. I am unsure at this stage how long my study will take as it will primarily depend on the availability of BOT members to be interviewed.

Kind Regards

Barbara L'Huillier

Appendix Two

Sample Information Sheet for Participants

Information Sheet for Participants

Waikato Management School

Te Raupapa



Governance in New State High Schools: A Case Study

Overview

My name is Barbara L'Huillier and I am a PhD student registered at the University of Waikato. For my PhD I am researching governance issues surrounding NZ State High Schools using Fairfield College as my case study.

I would like to interview you at least once for no more than an hour at a time and that I may be allowed to tape our interview for later transcription into hard copy.

Your responses may be used when I write up my findings. Only my supervisors and I will have access to the information you provide me in the interview. I will keep a copy of the paper on file but will treat it with the strictest confidentiality. Participants will not be named in my PhD report unless explicit consent has been given, and every effort will be made to disguise your identity if so desired.

Declaration to participants

If you take part in the study, you have the right to:

- Refuse to answer any particular question, and to withdraw from the study.
- Ask any further questions about the study that occurs to you during your participation.
- Be given access to a summary of the findings from the study when it is concluded.

If you have any questions about this research project you can contact me on Ph 838-4466 ext 8183 or e-mail me at bml3@waikato.ac.nz. My project is being supervised by Associate Professor Maria Humphries and she can be contacted at Ph 838-4466 ext 4721.

Associate Professor Maria Humphries

Department of Strategy & Human Resource Management

Waikato Management School

PO Box 3105

Hamilton

NEW ZEALAND

Appendix Three

Template Consent Form

Consent Form for Participants

Waikato Management School

Te Raupapa



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

Governance in NZ State High Schools

Fairfield College – A Case Study

Consent Form for Participants

I have read the **Information Sheet for Participants** for this study and have had the details of the study explained to me. My questions about the study have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I also understand that I am free to withdraw from the study at any time, or to decline to answer any particular questions in the study. I agree to provide information to the researcher under the conditions of confidentiality set out on the **Information Sheet**.

I agree to participate in this study under the conditions set out in the
Information Sheet form.

Signed: _____

Name: _____

Date: _____

Researcher's Name and contact information:
Barbara L'Huillier

bml3@waikato.ac.nz

Ph 838-4466 ext 8183

Supervisor's Name and contact information:

Associate Professor Maria Humphries

mariah@mngt.waikato.ac.nz

Ph 838-4466 ext 4721

Appendix Four

Interview Starter Questions

1. What is your connection with Fairfield College?
2. What do you think is the main purpose of a high school?
3. What do you understand by the term governance/corporate governance - how do you perceive governance/corporate governance?
4. What makes governance 'good' in your opinion?
5. Do you think schools, including Fairfield College, are being run along business lines?
6. Why do you think the BOTs resigned? What do you think went wrong with the governance of Fairfield College?
7. How do you think Fairfield College should be governed?
8. Do you think the community's involvement with the school is limited to the process of electing a BOTs?
9. What do you think about the governance difficulties of Fairfield College being played out in the media?
10. What would be your ideal governance arrangement for Fairfield College?
11. Do you think the governance changes brought about by the now resigned BOTs was influenced by the proposed building of a new high school in Rototuna?