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A Seduction by Governance

Governance, the ERO, and the Irony of Agency.

(152.800 – 100 points)

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Out west, near Hawtch-Hawtch,
There's a Hawtch-Hawtch bee-watcher.
His job is to watch...
Is to keep both his eyes on the lazy town bee.
A bee that is watched will work harder, you see.

Well...he watched and he watched.
But in spite of his watch,
That bee didn't work any harder. Not mawtch

So somebody said,
"Our old bee-watching man just isn't watching as hard as he can.
He ought to be watched by another Hawtch-Hawtcher!
The thing that we need is a Bee-Watcher-Watcher!"

WELL...

Dr Seuss – Did I ever tell you how lucky you are?

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The Seduction by Governance

Governance, the ERO, and the Irony of Agency

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Abstract

It is observations that even diligent governance is no insurance against organizational failure, supported through inconsistent research results and practitioner concern, which should sound the warning bells for governance research. This ominous disquiet is punctuated by organizational failure, normally attributed to governance, and attracts significant press. This is typically accompanied by calls for even more, and ever increased, compliance requirements. Exactly how governance, performance and compliance are related is theorized as agency. The 'knowledge' that governance leads to performance forms the focus of endless research attempting to improve organizational performance, and it is reasoned that by doing so, the shareholder will be protected from loss. However, the relationships between governance, performance and compliance does not appear to have been established.

A similar corporate governance arrangement, overseen by the Ministry of Education (MOE) and implemented by the Education Review Office (ERO), was adopted for the education sector in New Zealand from 1989. It was assumed that quality governance would lead to improved performance. I suggest that the MOE and ERO have drawn on the discourse of corporate governance in the arrangement of their advice for consumption by those interested in governance within schools. In this study, a discursive approach is used to examine their advice in the arrangement of governance referenced from that discourse. A critical discourse method is therefore selected, focusing on a corpus drawn from the ERO's advice over 15 years. The analysis is divided into three sections, each draw from that progressive advice. In particular, attention is paid to the consistency, or inconsistency, in their treatment of features of the text, notably performance and compliance.

Within their advice it appears that there is a significant divergence between this performance expectation and the outcome. This appears to focus the governors of schools on the need for compliance, perhaps even at the expense of organizational performance. Further it appears that those subject to the discourse of governance are seduced into the continued belief that governance is both connected to performance and that, ironically, such performance will in some way directly relate to organizational protection. An outline of the discourse of governance is attempted, implications for the critical roles of governor and auditor are drawn, and agency theory is questioned.

An Introduction to a Seduction by Governance

National advertising prior to the establishment of the first boards of trustees created the impression that trustees would be able to “run” their local school, that they would have hands-on involvement.

The reality of the task soon became apparent when eager volunteers forming the first Boards found they were deluged with administrative information and faced with major management issues especially in the areas of property management and finance. Early Board meetings were reported to last many hours, sometimes far into the night

ERO 1994:11

Governance has come to prominence for many of the worst possible reasons. It is governance's perceived connection to performance, or its all too often attachment to poor performance, that guarantees its headline potential. This 'governance failure' predictably comes with calls for more, and increasingly stringent, compliance requirements from boards, government regulators and organizations. However, this presumes two critical understanding of governance; firstly, that governance can be 'used' to ensure stockholder protection, and more significantly, that organizational performance is the direct result of governance.

Headlines belie a significant issue, illuminated by simply asking the question, what is governance? There is simply no single definition for governance; it is generally considered to be the relationships between the board, the auditor, the CEO, thereby the organization; and the stakeholders, often limited to the shareholder¹. This is generally referenced against agency². Most often, this is not only offered with a view to improving performance and therefore returns to the owner, but also in an attempt to ensure that organizational assets are not 'misused' by professional managers. These demands normally have been made by the shareholder, and in an international sense, more often, by major institutional investors who carry both the power and will to

¹ Also see OECD (2003) for one possible definition.

² See Lockhart (2004) for a complete definition. Generally considered to be, the attempt to align the organization's senior management, with the will of the owner

enforce their wishes. Features of this same corporate form, has been implemented into the New Zealand schools, Universities, hospitals and so on.

While there is considerable interest in governance research, much of which revolves around agency theory, or the *perceived* concern over the separation of the owner from their capital, and employment of potentially self-serving agents (Lockhart 2004). Beyond agency, governance research is often reported as offering conflicting, even paradoxical results. For instance, the conflicting results of studies into compensation and organizational performance. However, it is this connection to performance, which is the desired outcome of almost all governance studies (Daily, Dalton and Rajagopalan 2003). One might also read this as having a corollary, the notion that superior governance resulting in performance also suggesting that good governance equates to organizational protection, or that organizational performance *and* protection are both delivered by governance. Recent organizational failure, however, must throw doubt on this relationship, as Sonnenfield (2002:106) observes:

close examination of those boards (Adephia, Enron, Tyco, and World.Com) reveals no board pattern of incompetence or corruption. In fact the boards followed most of the acceptable standards for board operation: that would normally be applied to ascertain whether the board of directors was likely to do a good job. And that's precisely what's so scary about these events.

In fact what exactly governance does, is itself at question! If normative governance, undertaken diligently, doesn't necessarily result in performance, and doesn't necessarily result in the protection of the shareholder let alone the stakeholder, then what does governance actually achieve, and what does this suggest about agency theory?

The potential inability of governance to offer any real protection can expose poor organizational performance, however it would appear that good governance is not necessarily, a precursor to positive organizational performance. Similarly Warren Buffet demonstrates, that 'poor' governance arrangements do not necessarily result in poor performance. In fact, this lack of protection might suggest some inconsistencies, in attempts to overcome agency concerns, or that agency – concerns over the actions

of the agency on behalf of the owner - is not an insurance against failure, as expected. Most significantly it suggests that current governance practice, done well, will not automatically lead to the assumed benefits in terms of organizational performance. It may be time to re-consider what it is that we think we 'know', and what knowledge we have, in considering governance.

One method to access these relationship(s), that does not appear to have been attempted, is a discursive approach. We might consider governance as a 'discursive formation', that is a social practice. What is suggested by this method is that instead of simply observing the various outcomes; that we also examine the knowledge's, practices and languages, which make up that structure, and thereby define the 'discourse' (Fairclough 2002). The discourse is simply the cumulation of those separable social practices; in this case the 'whole' discourse of governance. This is sometimes referred to as 'truth effects' which suggests that rather than consider the possibly contradictory evidence as a result of this 'social reality', that we examine what constitutes that social reality, and in doing so we may be able to explain how such contradictions are produced.

People do not normally embrace such obvious contradictions, and so this is one area where a discursive method may throw some light on the subject. What within governance allows such a contradiction to occur, or even it's reproduce? What within governance allows such contradictions to continue? Discourse analysis also asks 'why do people act in certain ways when they enter certain social positions? This may be explained by one of the fundamental, discursive understandings: in the notion of freedom and restraint. Discourse does not suggest that there is no 'freewill' or that those subjects of any discourse are bound only to act in certain ways – but rather that discourse makes available certain positions. As such, most subjects are unwilling to act against the discourse, because in doing so they would be acting against themselves.

Discourse is often both influential and hidden, or camouflaged, not just in the 'message', but more subtly in the way things are done, and so the discursive effect – or the social effect – may not be obvious to those subject to any given discourse. Rather, discourse encourages those subject to act in certain ways, to take up views and

positions that are coherent with the discourse itself. Subjects are encouraged to participate in the discourse in suitable ways, while other ways of acting may be discouraged. Further to this, discourse encourages each participant to likewise speak, act, and be coherent with that discourse. In doing so we iterate – or reproduce – that discourse. Discourse analysis, therefore, attempts to retrieve traces of these effects on the subject, in an attempt to explain how such a discourse operates.

The suggestion here is that the discourse of governance encourages the participants of governance to act in certain ways, based on this ‘governance knowledge’. To access those knowledges – that governance is then related to protection and results in performance. We need to examine the practices and languages, which reflect that knowledge. By analysing the language of those within the discourse, we are examining the traces of that discourse. This can be achieved through a process of textural denaturalization. As suggested above discourse may appear to some extent as ‘camouflaged’ against its natural location. Denaturalization attempts to challenge that background and expose part(s) or elements of the discourse as they ‘are’ (see Method page 20). This includes such methods as reversal, emphasis, reordering or placing elements in unnatural environments. It is hoped that by doing so that other meanings are exposed, and therefore that another alternate reading can be produced (Prichard, Jones and Stablien forthcoming).

As part of this denaturalization, and to help clarify some of the complexities of the corporate world, I have selected a proxy site to investigate governance. During the 1980’s, the Labour Government, and later the National government, established as part of a broad shift in political ‘new right’ doctrine, corporate forms of governance in many of its social services. Two major social services so affected were health and education, and as such both offer possible sites for investigation. The education site has some added advantages (see Proxy Site – below) and was, therefore, selected. One of the “driving forces” (ERO 1994) in this significant social change was the expectations of efficiency and positive performance of the corporate model. In particular, this corporate governance form was selected on the basis that governance would deliver higher organizational performance (Taskforce 1988 cited in ERO 1994).

My intent, therefore, is to examine documents offered by the Education Review Office (ERO) in providing their advice, drawn from the discourse, and in arranging such advice on governance practice. This thesis presents a Critical Discourse Analysis (CDA) of governance within schools. The objective is to access the discourse within, and so produce an additional reading, one that focuses on the relationship between governance and performance, and potentially demonstrating some form of relationship to organizational protection. To sketch out this relationship between governance and performance I will firstly outline some of the governance literature and related current research, as well as the proxy site I intend to use. I will also add some detail to both the philosophical and methodological approach to discourse analysis, including limitations, before starting such an analysis.

Governance through Ownership

Governance through ownership Daily, Dalton and Rajagopalan suggest, “is in part defined by a separation of ownership from control” (2003:151). Absentee ownership has necessitated the employment of professional managers as the owner’s agent, and has lead to the evolution of agency theory.

It is comments like that of Ross Johnson, a CEO from R.J. Reynolds that has caused alarm to agency theorists. When questioned over the use of company money for self-aggrandizement he commented that “a few million dollars are lost in the sands of time” (cited in Colins and Porras 2001:319). Agency theorists would point out that those were still the shareholders’ millions! Agency theory is therefore concerned with the action of the agent on behalf of the owner, as “it exposes investors to risk inherent in absentee ownership. It is this premise, which largely guides this stream of research devoted to what we have termed ‘governance through ownership’ (Daily et al. 2003:152).

Research into ‘governance through ownership’ form of governance, Daily et al suggest, is “relatively nascent from a historical perspective” (2003:152), and is often attributed to Bearle and Means (1932), who’s critical governance text noted the increasing inevitability of the separation between the owner and their control over their assets. I think that it is unfair to suggest that Bearle and Means’ only concern was with agency – rather one of their more significant contributions was the observation that as organizations grew, direct ownership became increasingly diffused. They, therefore, became concerned over how the owner would exercise control as their ownership became diffused to the point where no individual owner had significant control. Such a situation, and the inherent risks, placed considerable power in the hands of the agent, although Bearle and Means did not appear to be overly concerned with the agent’s actions. This now taken-for-granted knowledge is somewhat un-sympathetically attributed to being the foundations for agency theory, and is the basis of much of the current research in the field. Research within this area is concerned with the actions of the agent insofar as they are to be made as consistent as possible with the view to maximizing shareholder wealth. This can take the view of

either creating wealth, or preventing the 'misuse' of shareholder wealth (see Fama and Jensen 1983; also Jensen and Meckling 1976).

One such attempt to establish an alignment between the senior management and the owner, favored by the literature, is alignment through compensation. Compensation studies attempt to align the intentions of senior managers with owners either by paid performance or by making the managers owners as well. This is referred to as equity ownership (see Himmelberg, Hubbard and Palia 1999). "If diffuseness in control allows management to serve their needs rather than tend to the profits of owners, then more concentrated ownership by establishing a stronger link between managerial behavior and ownership interests, ought to yield higher profit rates" (Demsetz and Lehn cited in Daily et al 2003:152). Much of this theory has also been applied to the board level, particularly as stock based compensation for the board of directors (see Daily and Dalton 2001). Despite this rich diversity in approach, and level of verbosity (there are over 300 published works on compensation studies alone), Tosi, Werner, Katz and Gomez-Mejia found that compensation studies were "remarkably inconsistent not only with the [agency] theory but with each other"³(2000:305).

One view which has been advanced is that items such as compensation are simply 'mechanics' of corporate governance. As such, the board's role and such governance mechanics have been intensively researched. What follows is not an attempt to explore this literature in detail. Rather it is an attempt to sketch it out and demonstrate the various focuses and results.

David, Kockhar and Levitas (1998) considered the impact of institutional investors on combinations of CEO compensation, while Gary and Cannella (1997) focused on risk assumptions, finding, somewhat paradoxically to agency theory, that it was possible that owners had a higher tolerance for risk and returns than managers. The links between risk and governance were explored by Wiseman and Gomes-Mejia (1998). Meeting frequency has also been considered as a precursor to governance success (see Nikos 1999), while Evans, Evans and Loh (2002) found that board meeting frequency increased in poorly performing firms but, again paradoxically to agency

³ For examples, see McKnight and Tomkins (1999) in support, Hambrich and Jackson (2000) in opposition.

theory, that poor performance did not impact on compensation. The mechanics of internal and external stakeholders or directorships have also been considered. Hambrick, Donald, Jackson and Eric (2000) considered internal and external directorships, O'Toole and Donaldson (2000) reviewed governance structures and their relationship to performance, while Hillman, Keim and Luce (2001) considered the impact of external stakeholder groups on performance. In fact there is no suggestion that senior management have not heard this advice, or are not aware of the will and presence of the owner. Quite to the contrary, the noted strategist Porter points out that, "too many executives are forced to raise the stock price of their companies in destructive ways for economic value" (cited by Argyres and McGahan 2002:50).

A mechanics approach tends to lend itself to attempts to identify some form of unifying theory. Dalton, Daily, Certo and Roengpitya (2003) attempted a meta-analysis on equity and financial performance, while Dalton, Daily, Ellstrand and Johnson (1998) attempted another meta-analysis on board composition and financial performance. Dalton (et al.) also performed a meta-analysis of governance mechanics but found that, "corporate governance has been a central focus of strategic management research, particularly the association amongst governance structures, strategic leaders, and firm performance. Extant research, however, provides little evidence of systematic relationships in these areas" (2003:405). This position is attacked by Coles, McWilliams and Sen (2001:24-25) as "unsurprising". They urge a wider interpretation of governance mechanics as "substitutes, or complements" to achieving performance.

Another field of some influence is that of the rapid growth and financial power exercised by the "ubiquitous corporate shareholder" (Daily et al 2003:152). Research has been carried out to determine shareholder's impact on governance and performance in terms of their active monitoring of performance as 'blockholders' (see Bethal and Liebeskind 1993). Other research has focused on the demands made by these powerful groups and their almost careless disregard for other stockholders. Lane, Cannella and Lubatkin (1998) focus on blockholder divestment as a result of poor performance, initiating future stock price decline. This, however, highlights one of the limitations of agency theory, in that monitoring of performance and compliance requires someone to carry out the task. At senior management level, the board carries

out this function, but once this mechanic is applied to the board, or to 'blockholders' themselves corporations, a paradox of absurdity arises (Farson 1996:14). There is here an essential human dilemma, in this case of power and control. Who watches these corporations? Who indeed watches the watchers (Daily et al. 2003:152), and how will adding further compliance requirements achieve the desired outcomes – if those in place already do not appear to have any effect?

As organizations have become more complex, and as the need to protect the owner has been demanded, there has been a predictable rise in government regulation. The function of watcher-watching, more often than not, has been passed to independent auditors. Bavy (1999), however, questions the auditor role, noting that auditors often appear unwilling to act over matters of organizational performance, to the point where they may even being complicit in any collapse. Estes (1996) goes further, suggesting that there is something about the corporate form which encourages people to make poor ethical decisions, that corporations can make essentially 'good people do bad things'.

Daily (et al. 2003:154) suggest that observations made by Tosi et al. (2000), that studies into compensation were "remarkably inconsistent not only with the [agency] theory but with each other", could possibly be extended to ownership studies in general. "Hereto there is little apparent consistency in relationship between ownership and firm processes or outcomes." They conclude, "one theoretical perspective [agency theory] is insufficient", given the complexity of potential ownership types (2003:153).

Van der Walt, Ingley and Diack (2002:319) are less forgiving, suggesting that, "the literature, however, is notably generic in focus. An emphasis is placed on compliance issues in professional publications, with strong comment on the failure of governance practice in highly publicized cases". In particular, readers might ask why so much of the apparently performance related governance literature ends in a discussion over compliance?

While there is some doubt over how governance can be made better, there is no doubt (or lack of research and practitioner desire!) to see the desired performance benefit from governance.

The ownership issues we have noted, in concert, illustrate the changing nature of corporate ownership and the potential impacts on how firms are governed and, ultimately, on how they perform

(Daily et al 2003:153 emphasis added)

Authors like Hilmer (1998) focus heavily on the need to redirect governance to performance, but quickly retreat to a compliance position, apparently in the assumption that through compliance, performance can be achieved. In particular there appears to be a strong belief that governance both leads to performance, and that performance achieved through compliance will also achieve the desired organizational protection – the ideal of agency theory.

What the literature suggests, therefore, is a simple model of governance. One that assumes that there is both a direct and substantive relationship between governance and performance, that there is fidelity in performance as a measure of governance and control, and that performance is a valid form of measurement of owner will. Thus we may create a simple governance model to be tested. Governance (ownership, determination and control) will deliver organizational performance – whether that is profit, or indeed some other output.

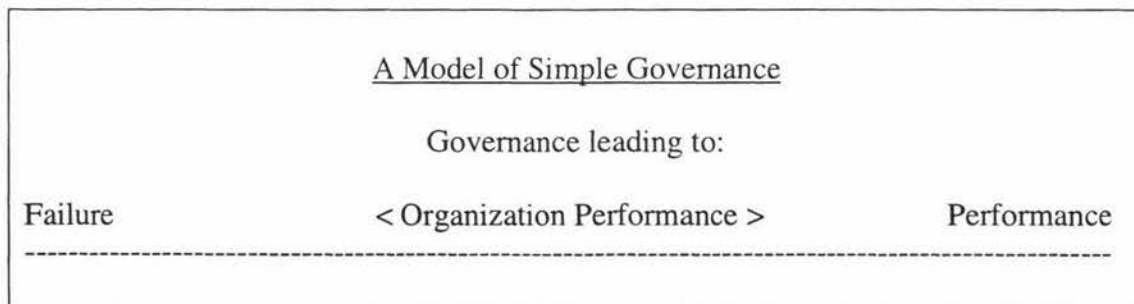


Figure 1. Governance Continuum

In all of these studies this relationship appears to be assumed knowledge and yet the variability experienced in the results of this volume of research suggests that this relationship may not be as stable as assumed.

However, the multiple possible 'categories of owner' and numerous potential measurements of performance, make an assessment of this relationship difficult in the corporate world, "differing objective functions attendant on various owner categories must be accounted for in any examination of the nature of the processes and outcomes" (Daily et al 2003:153). It might be useful, therefore, to simplify this complex relationship into a simpler context. Fortunately, such a proxy site can be found in school governance within the state sector of New Zealand where there is one form of organizational performance, that of student achievement.

A Proxy Site for Corporate Governance

New Zealand in the 1980's adopted and closely followed the doctrine of the 'new right' (particularly that of the U.S. and the U.K.), which resulted in major social and economic restructuring. Many 'old' social services in New Zealand were given a corporate form or made into State Owned Enterprises (SOE's) with corporate styled objectives (see Probine (1990) for expanded detail). Two major sectors of the social state, health and education, were restructured under community boards. The boards were made up of community members who had a vested interest in the efficient running of those organizations. Of particular interest to this study are the changes made to the education sector.

Under the Tomorrow's Schools' policy documents and taskforce (MOE 1988), the education sector was restructured by the Ministry of Education (MOE), with a board being elected for each and every school, almost 3000 of them. The Education Review Office (ERO) was given the task of administering, monitoring and reporting on this structure. The purpose of such restructuring was firstly, to provide an incentive for local communities involvement by abolishing middle management between schools and the MOE and secondly, to "alter the balance of power" (MOE 1988, cited in ERO 1994) giving communities, greater say in the running of their schools. The intention was to:

increase the responsiveness of the New Zealand education system and the satisfaction with education of all significant stakeholders... We believe that the standard of education outcomes will be improved under this new structure. Our proposed charters will require institutions to be clearer about their purposes, and our proposals to give them control over resources will enable them to pursue those purposes in more single minded, imaginative ways. We are convinced that our proposal will

encourage commitment, initiative, energy and enthusiasm and that these will inevitably lead to improved performance...Parents, learners and the community will have greater opportunity to influence the kind and quality of education offered. They will also have greater responsibility for helping to reach their community's – and the nation's – education objectives

(MOE 1988, cited in ERO 1994)

The assumption is that such an arrangement would inevitably lead to the desirable performance.

The types of efficiency and organizational performance expectations can be illustrated with the pervasive 'new right' ideology. An illustration by comparison between the above statement and a strategic intent text (below) can be made:

Strategic intent implies a significant *stretch* for the organisation. Current capabilities and resources are manifestly insufficient to the task. Whereas the traditional view of strategy focuses on the "fit" between existing resources and emerging opportunities, strategic intent creates, by design, a substantial "misfit" between resources and aspiration

(Hamel and Prahalad 1996:141)

Within these statements we can see the clear attachment between the governance structure proposed (the community board) and the objective, or performance measure (higher educational outcomes). The ERO provides the functional definition of 'student achievement' (Student Achievement 1999).

The introduction of governance in this form into the school sector offers an excellent proxy site for governance research for four reasons. Firstly, the 'governance structure' adopted by the Ministry, the ERO writes, "is based on a model of a privately owned firm or company in which the board of directors elected by the shareholders has overall control and employs a chief executive with management responsibilities" (ERO 1994:2). This is a very close match for corporate governance. Significantly there had been no tradition of self-determining governance within state owned schools, who traditionally had been run by a central administration under the MOE.

Secondly, schools provide a simple context free from owner categories, objectives, processes and outcomes. The performance measure has been explicitly stated (student

achievement improvement), and I can think of no other group more in alignment with that purpose than parents, teachers and the MOE! It allows us to focus on the governance = performance assumption.

Thirdly, schools offer an isolated micro-environment more stable than the corporate world, almost in the form of a natural controlled experiment. The MOE or ERO have the power to make modifications and change in an attempt to access the promised performance. This can be as a response to previous modification or in anticipation of improvement. Any change is documented and its effects recorded.

Finally, the MOE and ERO are prolific authors of constitutive texts, publicly available over the web, an ageless author producing a body of work over a useful period of time.

Method – The Philosophy of Discourse

Discourse has many possible meanings. To outline the method used here, and the philosophy on which it is based this section has been divided into two parts. Firstly, there is a discussion on the philosophy of discourse and secondly, how that philosophy is made into a method.

Philosophy of discourse

‘Discourse’ is used here to suggest the structuring effect of knowledges, practices and languages – in other words the structuring effect of any given discrete social practice. Importantly, ‘discourse’ suggests that rather than simply being a reflection of the social practice that the discourse constitutes, it creates that social practice and in doing so ensures its iteration – or continued recreation. Michel Foucault (e.g. 1972, 1979, 1981) is generally considered to be the force that popularized discourse analysis. While Foucault is quite ambiguous in his approach to ‘discourse’ (as a noun) the thrust of his work is often a linguistic analysis of the development of key forms of knowledge and practice, that form powerful, yet taken for granted, even mundane, practices and knowledges within contemporary society. Other authors, such as Fairclough (1992, 2002, 2003), advance this but often at a lower discourse level – the level of an individual and discernable social practice, often within what we might think of as a meta-discourse, or bundle of discourses. It is this latter tradition that is followed here.

In particular, discourse suggests that subjects of any given discourse may not be aware of the actions of that discourse with which they work, nor is there any suggestion that social structuring effects are not beneficial to society. At its most obvious, for example, it is useful to society that all people drive on the same side of the road, or generally share concepts and values. Rather, discourse is interested in the notion that much of this social structuring is hidden, and that many of these outcomes occur without us realizing how. Nor does discourse attempt to place value judgments on its analysis, it simply attempts to expose, or make us aware of the effect of that discourse.

Critical discourse analysis as a variety of discourse analysis, investigates the textural and semiotic elements of social practice. For Fairclough these semiotic signs are the “irreducible element of all material social processes” (2002:193). These signs might be written, spoken or any other form of social communication, which allows for a broader definition than just the meanings of words, but also concepts, ideology and so on. Signs might also include advice, instructions, orders and change as well as power and social relations.

The focus of critical discourse analysis (CDA) is texts. Texts are where these signs are captured, reproduced, and used by society to record and transmit knowledge. As such, they are a particularly useful form in which discourse analysis can be attempted. At the risk of some simplification, we might consider that texts operate on two levels. Firstly there is the surface or intended authorial meaning, the message itself Secondly, they also operate on the ‘sub-message’ level. This should not be considered as a ‘subtext’ in the form of an unstated message – but rather as an additional concurrent reading, one of which the reader might only be partially aware, or the impact of the text beyond simply the words. This could be the structural arrangement and ordering, the selection and emphasis, coloration, textural forms, authorial claims, vocabulary and many other features. It is the ‘total effect’ of these two levels, which produces the discourse’s effect.

For the sake of simplicity I will refer to this lower level as the discourse level of text. The difference between these two levels within a text is that while one tells the reader something – the message, the discourse acts on the reader more like a tide or a current, encouraging them to accept certain views, or inevitable understandings. As such, the surface level of the text has several observable features; but it is the ‘discourse level’ on which discourse is stored, and which analysis attempts to retrieve. These are outlined below.

Texts could be considered as ‘exchange point’ or critical moment when ideas are transferred between the author and the reader. Social discourse is contained, or rather transmitted, in these forms of social communication, whether that is written, spoken or enacted. It is at that moment of interaction between participants that the discourse *constitutes* itself (that is reproduces itself), where it has its *discursive effect* (social

impact), where *discourse restraintment and pre-existence* can be located, and where *instability and change* might also be captured.

Discourse constitutes itself

Discourse constitutes social reality. This is not to suggest that discourse is some form of malignant 'consciousness' or that it forces people to act 'unconsciously'. It creates positions and ways of being that reinforce themselves and actively discouraging other ways of acting.

Discourses are about what can be said and thought, but also about who can speak, when, and with what authority. Discourses embody meaning and social relationships; they constitute both subjective and power relations. Discourse are 'practices that systematically form the objects about which they speak.... Discourses are not about objects; they do not identify objects, they constitute them and in the practice of doing so conceal their own identity' (Foucault 1974:49). Thus the possibilities for meaning and for definition are preempted through the social and institutional position held by those who use them. Meanings thus arise not from language but from the institutional practices, from power relations

(Ball 1990:2)

Discourse could most usefully be described as a relatively stable set of social relations, knowledges and practices (Fairclough 1992). To participate in social activity, or on entering social structures, people adopt the normal conventions and rules. However by adopting rules, which allow us to participate, we both recreate what already exists and ensure its continuation. We make ourselves subjects of that discourse.

It is at these moments of communication, that the unseen discourse can be made visible, in text, speech, actions, knowledges and so on. Discourse exists, reproduces itself and influences people, but is also present in these moments of interaction and in the forms of communication. These moments of interaction, or forms of communication therefore become the focus of discourse analysis, as it retrieves these traces of the discourse and offer and account of the discourse itself.

Discursive effect (social impact)

The truth effect is more often referred to as the discursive outcome or event. These are the discourse created effects, however this is also one of the reasons why discourse is at times difficult and illusive to describe. "Discourses are not about objects; they do not identify objects, they constitute them and in the practice of doing so conceal their own identity" (Foucault 1974:49). The event only suggests the discourse, and is best considered as a trace of the discourse. It does not automatically explain it, and it may even be 'at odds' with the surface message, giving a conflicting or even paradoxical meaning. For example, it is suggested that while the discourse of governance discussed some form of attachment to performance, while the discursive effect appears to position subjects as compliance managers; and yet this remains unresolved.

Discourse promotes restraint and pre-existence

Apart from being constitutional and discursive, discourse also suggests that those subject to the discourse are in many ways restrained⁴ or limited in their potential actions, that by adopting social conventions they reproduce 'ways of being'. There are, for example, 'ways' of being a governor, but more importantly 'not ways' of being a governor. While discourse may not spell out how to be a role, it is more likely to restrict or prevent people from being other ways, contrary to that desired.

The analysis of the available positions through its statements is one such form of discourse analysis. Discourse analysts are then interested in more than what is said. They suggest that any statement is made from a pre-arranged social structure, a temporal context, and is embedded in practices and knowledges that pre-existed the incumbent and will remain after they leave. Moreover, it suggests that the choices that can be made from such a position are limited:

How is it that one particular statement appeared rather than another

⁴ I use the word 'restrained' here to mean not simply that they are forced to act, rather that certain practices languages and knowledge encourage the subjects' participation in limited ways. In many ways the actor internalizes the discourse by enacting it. Further, discourse acts to create social circumstances by arranging possible positions, but those social relations tend to be intolerant of wide variation, and so others within a set of social relations may act to bring aberrant behaviors into line. In this way the actor may feel obliged to act. One of the possibilities offered by a discursive method (see introduction from page 8) is that people entering these social practices – of being, for example, a governor – become constrained, to be a governor in a limited or discourse defined way.

To assume a social position, or perhaps a better explanation is to be adopted by one, is to become subject to such a pre-existing role or position, an organizational and discourse created location and position. When I act or speak from that position, I make an announcement, which is a selection from a discourse promoted set of pre-existing options⁵. As such a discourse could be said to operate through 'me'. What is said is largely secondary to the production of the positions. Foucault referred to this as to 'Enounce' or as 'Enunciate Modality':

Foucault's main thesis with respect to the formation of 'Enunciative Modalities' is that the social subject that produces a statement is not an entity which exists outside of and independently of discourse, as a function of the statement (its author), but is on the contrary a function of the statement itself. That is, statements position subjects – those who produce them, but also those they are addressed to – in particular ways, so that "to describe a formulation *qua* statement does not consist in analysing the relations between the author and what he says (or wanted to say, or said without wanting to); but in determining what position can and must be occupied by any individual if he is to be the subject of it" (1972:95-6).

(Fairclough 1992: 43)

Instability and change

Finally, this is not to suggest that such positions are eternally stable or unmovable. Quite the opposite, while discourses may resist change, they are open to re-interpretation and change over time. This may also be the result of other external impacts on that discourse – where it is exposed to a new discourse and parts of it are destabilized so that new arrangements of elements can be made. Such moments of conflict can be useful in that they help the analysts identify and examine both the old and the new discourse, before it once again becomes camouflaged, backgrounded and more difficult to identify. Conflict is therefore an essential part of discourse analysis.

⁵ It might be useful here to attempt to give an example. If I were to join the police force I must recognize that by definition they pre-exist me. They are a social institution with their own 'moments'; powers, social relations, material practices, institutions and rituals, beliefs and values, and discourse. (Harvey cited in Thomas 2003:782). I could become a police officer, and as such I would need to talk, to act and be as the public understand and expect that role within the police force. To act differently would put me in conflict with both the police and indeed society. The moments all act to ensure compliance to that basic understanding of the indoctrination into a social order. I would check my own performance to ensure that I acted in accordance with the discourse (social practices that are acceptable).

In many ways we may consider discourse to be the DNA of our social reality. It achieves our own social need to maintain society in a continuous fashion for otherwise short-term inhabitants. But as with DNA it is subject to change. Rather than getting genetic mutation, we achieve discourse mutation, the combination of different discourses to achieve a new or modified discourse.

From Philosophy to Method: CDA and the Discourse Collage

In making this philosophy into an operational method, we must sketch out the expectations and limitations of such a philosophy. An approach will be developed by sketching out a theoretical background offered by Fairclough, by considering it against the example of school governance, and outlining the form of analysis. Finally the archive and corpus will be considered and documents for analysis identified.

My purpose is to produce an alternate reading of the discourse of governance, one that considers the truth effect embedded *within* the advice offered by ERO. By analyzing the text in detail, and due to the denaturalizing location of the education sector on an essentially 'corporate' governance structure, will help to outline such a variance between the expectation of governance and the truth effect – one that might be seen more clearly here than in the corporate world.

In particular, I will explore in their texts, the relationship between organizational performance, governance and expectations, that the suggested arrangement results in; as well as the potential relation to the protection of the organization. If 'performance' is the 'truth effect' then it will be the main concern of the text, an issue that is dealt with in a consistent, although potentially changing, manner. If not, then what is the truth effect, or the possible outcomes of the main concern of the text?

One of the advantages of such a method is therefore not just that it can be used to test an idea, but offer alternatives. It is hoped that such an analysis will bring together the two levels of the text, message and discourse, to outline what the discourse of governance.

What relationships we assumed between texts, discourse and social practice need to be formalized for the purpose of analysis (Priticard, Jones and Stablein forthcoming, also Fairclough 1992:28). As Fairclough notes "We cannot take the role of discourse in social practice for granted, it has to be established through analysis" (Fairclough 1992:86). Any analysis must move from the text description to an explanation of the connection between the text and the interaction. It must examine the relationship between the interactions and the social context; it must couple the, "close linguistic

analysis with social theory” (Pritchard et al. 2003). The critical discourse analysis method (CDA) offer by Fairclough (1992) attempts to bridge such a concern.

He suggests that as a method, critical discourse analysis (CDA) is best “regarded as a method for conducting research into questions which are defined outside it”. We are better, for example, to conduct research into the practices of governance rather than into the discourse of governance because “what is specific about a particular discursive practice depends upon the social practice of which it is a facet” (1992:226). By examining the advice we observe the discourse itself.

In particular this CDA method offers a structured way of approaching a relation between the text and the social practice. It might be useful to consider this model as an iceberg. The visible part, the surface level is the text – that which can be described (see figure 2). What is not directly observable, and must be achieved through analysis, is the discourse level. The texts must be firstly be interpreted in terms of discursive outcomes and then explained in terms of the social practice under observation. The purpose of this is to provide a viable alternative explanation, which explores the truth effects of the discourse argued.

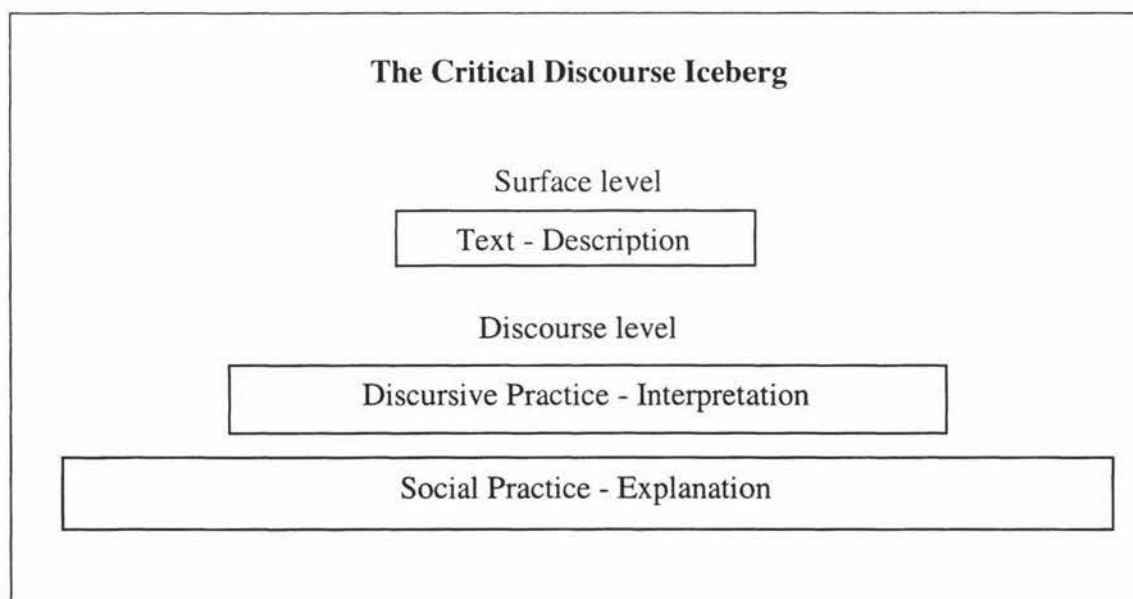


Figure 2. The CDA 'Iceberg'
(Modified from Fairclough 1992:73)

In terms of actual analysis Fairclough suggests that texts are gathered into an archive, and that from this archive we can select a corpus – or ‘representative’ sample of that body itself. This corpus can be enhanced through supplemental data, interviews and knowledgeable people to help direct the search for a representative corpus. He also comments that when considering change, “reasonable time spans” (1992:227) need to be considered. Stablein (1996) also advises that these texts must be foundational, that is constitutional in nature, and this will further aid in defining the corpus.

Limitations

Apart from the tendency to oversimplify the connection between analysis and social practice, there are some other limitations that need to be considered.

Firstly, some readers might be uncomfortable with the 1st person form of address used in this study. This form of address is almost standard within the discourse field, and I feel adds significantly to readability.

Secondly, while my intention is to explore the social practice of governance – therefore exposing the general discourse of governance. I approach this in a special way – through analyzing text on school governance. My intention is to attempt to provide an additional reading, or an alternate reading in the texts. I have no intention of attempting to improve or ‘fix’ governance here, as that would be well beyond the scope of this work, nor is that the purpose of discourse analysis. My intention is simply to outline the discourse of governance as it is presented in school governance.

Thirdly, discourse is a difficult concept both to understand and to explain. I have found it useful to make analogies, comparisons and illustrations throughout the process of this research rather than simply rely on textural description and quotation. As such I have made heavy use of them in attempting to explain myself in this research. It is my opinion that if it helps me, then hopefully it will help my reader, so many of these have been left in. While I recognize that too many analogies can become tiresome, I also recognize that they are necessary, and so I beg indulgence.

The Governance Discourse Collage

The purpose of this section is to help make the step from this philosophy to a useable method, with the help of a collage metaphor.

Corporate governance is the social practice of interest in this study. The texts are those offered by the Ministry of Education's (MOE) Education Review Office (ERO) on the creation of governance within school structures in New Zealand.

Governance as a discursive social practice is embedded and constituted through texts, such as those of the ERO. As with all social discourse, governance is a unique and evolving assemblage of parts of other discourses (Fairclough 1992), almost like a collage.

While a collage represents a complete work, on close inspection we find it to be made up of many other smaller discrete pieces, or elements. To understand how the collage is constituted, we could take it apart, gather like pieces, establish how the pieces were arranged and related, discover where the pieces came from, and ask why they were used – or not used – in certain ways. Further, we could speculate on the particularities of the artist, what they meant, and their relation to the audience, or even how their work fitted within a linear progression of a body of work over time. We can refer to these as 'elements' of the discourse, parts that make up the whole.

Fairclough advocates that one method to arrange this gathered understanding of the elements is to tease apart these elements via their naturally occurring separations or boundaries. While a discourse may operate through the combination of its parts, it remains a collection of individual pieces, like the fibers of a rope: "discourse internalizes and is internalized by the other elements without the different elements being reduced to each other" (Fairclough 2002:195). They remain at least partially discreet, fraying slightly as they are separated, but remaining generally whole. Therefore we may study them individually, to both understand them and their connection to others within the same bundle. Fairclough suggests that potential divisions are *activity type*, *style* and *genre*. Each of these are now discussed in turn.

Just as a collage confronts the observer with a 'complete' artwork, it also demands that the reader form a response, an opinion about the work and its creator. In such a way social reality is formed – it is the interpretive effect on the reader that iterates, continues and influences. But this too is a critical moment for the analyst. How can we be sure that discursive effect is an outcome of the text, or that the texts have the effect that we work so hard to describe? The truth is that we cannot know how a reader will interpret the text or its effect. What we can provide is an analysis of the way the text is structured to produce certain readings of itself. What might be called a document interpretation.

In understanding this augment we can start by describing the physical features of the text in terms of activity type, style and genre. As part of that description we can start to draw out a connection and possible interpretation of the text's parts, the discursive results and the possible interruptive effect on the reader. From here we may make assertions in terms of an alternate explanation with regards the discourse. We move naturally from observation, to interpretation, to explanation.

Rather than cover this in too much detail here I will now move onto describing how this will be set into action within the context of school governance. So as not to be too repetitive, or leave too much to the reader to assume, I have included more specific detail of each of the elements – activity type, style and genre – where it occurs in the appropriate analysis. My purpose here is to simply provide an outline of the main features of those elements and how they differ or relate to each other, and how a connection between the surface textural readings will be connected to the discourse level of description and explanation.

Surface level and the start of interpretation

To move from 'text' to the level of 'discourse', we must first carry out a close textural description. One of the methods advocated and attempted here is to divide these texts into natural divisions, or naturally occurring boundaries. One set of possible divisions could be considered in terms of activity type, style and genre. It should also be noted that it is difficult to simply do textual analysis without starting to make an interpretation, so readers may note a natural tendency to move to interpretation within

analysis. As indicators of potential interpretation this can be useful, and have been left in, so long as it does not become intrusive too early.

Nor should readers be overly concerned at this stage about having a full definition of what these terms mean, as they will be explained during the analysis where required. It should be recognized that these definitions, and their separations, are pragmatically motivated as a simple way of separating data. Not too much time needs be spent on defending and allocating one feature of a text to one or another of these categories; these are not hard and fast rules, but merely a useful framework within which to work. I have found it useful to consider these natural occurring divisions in terms of a classical musical analogy.

Activity type

Texts can be considered to have a structure. This is intended to help the reader make sense of what it is they are reading. One form of text is sheet music – with bars, stanzas, chorus and verse, but also a prelude, fanfares and finales. These would be the surface features – the immediately obvious textural features. However, we might also see or rather hear, musical themes repeated or developed through-out the piece. This might be considered to be at the discourse level. Activity type might be better thought of as the ‘composer’s structure’. It suggests that there is a sequential and structured order to the text both in terms of the immediately obvious but also in terms of the whole piece. This way it has a ‘structuring effect’ on the reader, but is not a prescriptive method of engagement or rigid pattern (Fairclough 1992:126-127), but a predictable iteration in sequence between the author and audience.

Style

Within classical music, we see a difference in the ‘style’ between say Beethoven, and Mozart, but this difference is more identifiable over time, if we compared either of these two with say, Wagner. Each composer will select different instruments for different purposes and draw on different inspirations. The force of the music will also be modified to achieve a different effect on the listener.

The 'style' of the piece can be defined as how the composer 'speaks' to the audience. Some music is intended to be serious and formal, for example a national anthem or a funeral march, while others are meant to be light and entertaining, written for a string quartet. Style is, therefore, concerned with how the author or composer attempts to relate to the audience. Are they serious or entertaining, and what sort of equity exists between the author and audience? Further, we might be interested in how the message supports the discourse, how it instructs agency, or even what tone is set⁶. In particular, discourse analysis is interested in what claims are made to truth, either reality or relational, between participants. Style obviously has the potential to be a very large category, and so it is useful to again divide it into tenor and mode, or the difference between the form of address and the content.

*Genre and discourse*⁷

So far we have limited ourselves to just 'classical music', but there are many traditions in music; jazz, blues, country and rock (soft, hard and metal!) to name but a few. Each has their own conventions or accepted norms, which define their genre, all within the social practice (or discourse) of 'music'. Even within genre, there are different standards for different types of sub-genres. Operas have a different set of convention to symphonies, which differ from folk music or sonatas.

Within one genre, we might see elements of another, for example, classical composers might draw on myth or classical history. As such we see other discourses or genres appearing, or being repeated, in other locations. These can be referred to as intertextual or interdiscursive features. We might consider why they have occurred or what their impact will be on the new site.

Different genres may pre-suppose certain knowledges, and therefore have different interpretations, accepted knowledges and sets of accepted understandings on which the composer relies. Genres could be considered as a particularly stable, socially

⁶ For example, within a classical music, minor key indicates sadness.

acceptable set of conventions for the production, distribution and consumption of a music or text type. In doing so it both makes some interpretations (and actions) acceptable and suppresses others. It gives primacy to orders of discourse – or dominance to discourse types- and constitutes interpretation methods, including protocols for reading and interpreting texts (Fairclough 1992:126).

Different forms of music have different structures (**type**) different **styles** (which might be described in terms of tenor and mode) and various **genres**, which may be drawn on by the author in attempting to make their argument. In doing so, they draw upon both the message level, and the discourse level. It is in the discourse level that the potentially unintentional effects are most likely to be contained and, therefore, deployed. From describing these features we must now move onto the practice of interpretation, explaining the social practice and analysing the discourse level.

Discourse level and social practice

The purpose of interpretation and explanation is an attempt to connect the text with the social practice of which it is a facet (Fairclough 1992). In achieving this we produce an alternate or additional reading of the text and, therefore, can attempt to explore the discourse.

Interpretation

Interpretation might be better described as interpretational effect – the discursive result of the combined ‘collage’ or ‘music’ on the reader. The text through its type, style and genre, demands that the reader respond to it, and it is this reaction that is sought to interpret how it effects the reader. Such an effect might be described as a discourse promoted way of being. How, for instance, does the text structure the reader’s social relations? Are they superior or inferior, or does it require that they comply with actions? What is the reader’s response to their exposure to the text? What new knowledges, languages, and practices are adopted?

⁷ Genre is most closely related to discourse. For simplicity, I have simply referred to the greater level as discourse, although this is not always technically correct. I have however used intertextuality and interdiscursivity in their more established forms.

Inconsistency, rupture and conflict noted within the description of the text, or differences noted in the interpretation between the expectation and discursive results, are often investigated at this level before explanations are offered as a reflection of the discourse.

Explanation

Finally, to 'see a collage' or 'hear a musical work' as the subject experiences it, we must stand back to see all the pieces working together to form the moment of 'art'. So it is with discourse. We must step back to view the work, as analysed through description and interpretation, to provide an alternative explanation in terms of the coherent whole. The cumulative effect of the combination of the parts of the discourse given a potential explanation of the variance between the truth effect and the expected discursive results. A different version of the discourse, may arise as a result.

The Governance Discourse: ERO's Texts, Archive and Corpus

To actualize the philosophy as a method, we must first draw a corpus from the archive for analysis. The archive is drawn from the documents offered by the ERO (Education Review Office). The ERO is a subsidiary office to the Ministry of Education (MOE). Their purpose is as follows:

Each year ERO produces Education Evaluation Reports on education issues, based on the information complied by the ERO through its review of individual schools and early childhood services. These give parents, boards of trustees, teachers, government officials and others reliable information to use to improve New Zealand education

(ERO 2001a)

The ERO are prolific manufacturers of consumable writing, offering an extensive archive running from 1994 through to the present, although I have limited this study to the end of 2002. This provides a base of 101 possible documents. Not all these

documents are suitable for work on governance, as many on them relate the performance of specific curriculum items, like science or mathematics, policy documents, services offered and so on. These latter documents were considered ineligible for selection.

The Corpus

Criteria for selection from the remaining archive was based on the documents representative of the research question – how does governance relate to performance? Therefore documents which considered school governance, performance or self-review were considered. Of these a suitable time period was also required (Fairclough 1992), so a spread between the start and completion of this period was also sought. From the possible 101 documents available, three documents were selected for the corpus:

Corpus documents selected		
<u>Year</u>	<u>Title</u>	<u>Located</u>
1994	Effective Governance	Analysis 1
1999	School Governance and Student Achievement	Analysis 2
2001	School Sector Report 2000 – ERO’s contribution	Analysis 3

Figure 3. Corpus Selection

There is a considerable lag between the implementation of Tomorrow’s Schools and the start of the archive in 1994, and this deserves some discussion. Governance, in the adopted corporate sense, did not exist in schools prior to its introduction in the later 1980’s. Its introduction resulted in a period of some confusion and required the establishment of systems, processes and institutions such as the NZSTA (New Zealand School Trustees Association) to support school governors. While this could be considered as the establishment period, it has the inherent difficulty that it contains traces of political struggle and social reorganization that could detract from a focus on governance and performance. There may also have been separating governance from other organizational issues. In addition, using 1994 as a start date allows for the

governance structure to become fully established and marks the start of the ERO reporting cycle. I feel this is an advantage in establishing a suitable proxy. This is not to deny that there are additional conveniences offered by such a serviceable internet archive that started in 1994!

Each one of these three documents provides the basis for one analysis. Each analysis has a slightly different focus, starting with Analysis 1, a simple textural analysis of a small section of the text focusing on the initial relationships, through to Analysis 3 which attempts to establish consistency of the discourse across the three documents and the intervening 15 years. As such, the analysis moves from an individual text to the entire corpus, and from considering simple relationships to change and the discourse itself. The focus equally moves from description through to interpretation, and finally to explanation. Attributes of the analysis are presented in figure 3.

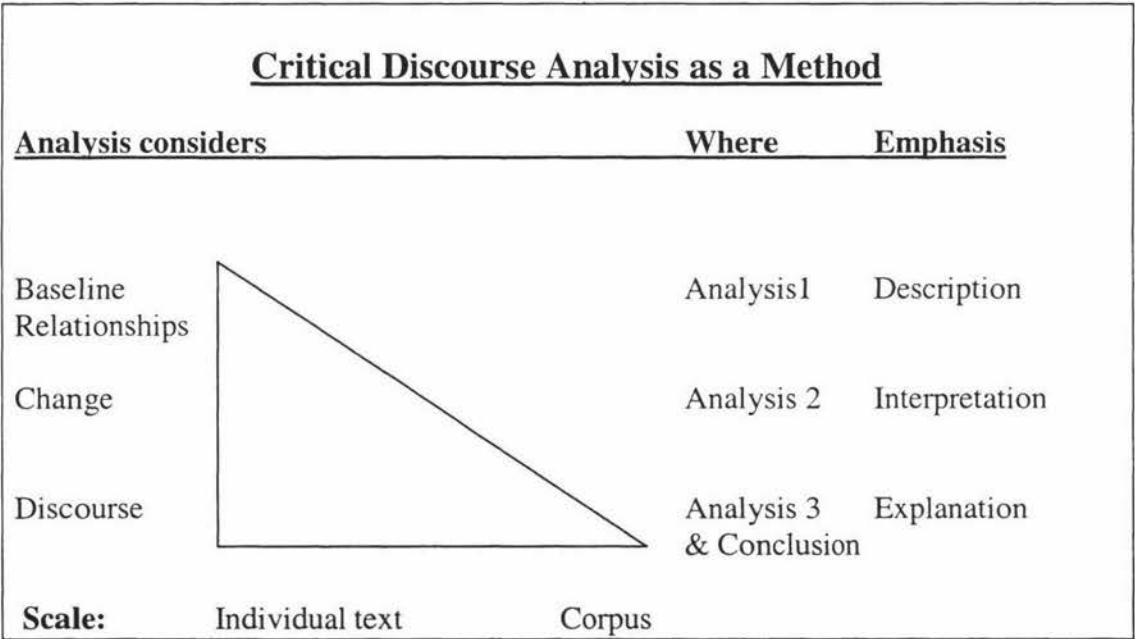


Figure 3. Critical Discourse Analysis operationalized

Analysis 1 is the most condensed textual analysis, and considers **Effective Governance (ERO 1994)**. In particular a critical section called ‘The Notion of Governance’ outlines the purpose of school governance and its relationship to performance. This is essentially an attempt to sketch out the key features that can be drawn from the current advice on the arrangement of governance. The analysis

focuses on a description of the text to identify what we might refer to as the baseline relationship. That 'baseline' is critical in setting the scene for Analysis 2.

Analysis 2 examines **School Governance and Student Achievement (ERO 1999)**.

This piece identifies that the ERO still have concerns about the process of governance and outlines changes made to better achieve the desired performance. Analysis 2 seeks to establish what has changed and, more importantly, which of the dominant relationships have remained stable and which have not. In particular it focuses on interpreting the inconsistencies identified in changes made and the treatment of the subject of performance and compliance.

Analysis 3, and discussion considers **School Sector Report (2002- ERO's contribution 2001)**. This is a useful piece in which the ERO critically appraise their own performance in attempting to achieve better school governance and achievement, and consider the outcomes of governance within schools. Analysis 3 further extends those observations made in Analysis 2 adding interpretation, especially over the issue of organizational protection. The genre section of this analysis is omitted in favour of a summary discussion on school governance, in which an attempt is made to sketch out governance within schools. The purpose of this discussion is to attempt an explanation of governance as a discursive or truth effect within the de-naturalizing environment of schools.

The *Conclusion* is an attempt to provide an explanation, drawn from Analyses 1, 2 and 3, of an alternate reading of corporate governance. The implications of such a finding are considered, as is the relationship between governance and performance and how this relates to organizational protection, or lack thereof. This section is not an attempt to resolve the issue, but to simply highlight that there appears to be a significant separation between the expectation and the discursive result of governance, by demonstrating another possible reading of corporate governance.

Analysis 1 – Governors – Autonomous or automate?

Central to the 1984 Labour Government's drive for public sector efficiency was the adoption of community boards. Within schools this took the form of "Boards of Trustees" (BOT), who are democratically elected boards of parents and other concerned citizens. The context in which they were deployed was to:

increase the responsiveness of the New Zealand education system and the satisfaction with education of all significant stakeholders... We believe that the standard of education outcomes will be improved under this new structure. Our proposed charters will require institutions to be clearer about their purposes, and our proposals to give them control over resources will enable them to pursue those purposes in more single minded, imaginative ways. We are convinced that our proposal will encourage commitment, initiative, energy and enthusiasm and that these will inevitably lead to improved performance... Parents, learners and the community will have greater opportunity to influence the kind and quality of education offered. They will also have greater responsibility for helping to reach their community's – and the nations – education objectives.

MOE 1988, cited in ERO 1994

Effective governance (<http://www.ero.govt.nz/Publications/eers1994/94no7hl.htm>) was published in 1994 and was the ERO's first attempt to completely summarize their understanding of governance practice, define the term 'well governed', and outline their expectations of the governors. Therefore it is an appropriate introduction, and a useful data set for Analysis 1 with which to attempt to sketch out the fundamental relationships therein recommended. *Effective Governance* begins with the statement that:

It is nearly five years since changes to the education system in New Zealand led to the creation of Boards of Trustees. Since then the Education Review Office has evaluated and reported on the performance of the board of trustees of every New Zealand school.

ERO 1994:1

In particular this analysis will focus on the section entitled “The Notion of Governance” (cited in full below), which is a critical introduction, contextually outlining governance, schools, and the role of governor. The ‘textual geography’ of “The Notion of Governance” starts with a general introduction supported with external references, appealing to broad suitability and mobility of governance from the corporate world. It’s definition of governance:

generally includes some idea of authority and control over the affairs and activities of an organization or geography area

ERO 1994, A3-5

This would suggest that this form of governance has been found to be widely recommended, and presumably applied with success. The remaining paragraphs of this section identify the various functional aspects of that role, concluding in paragraph G in which the ERO summaries these functions as the governance role.

The Notion of Governance (ERO 1994: 2-3)

Figure 4: Text 1. The Notion of Governance 1994

Page 2.

Paragraph/Page	Line	Text
A	1	The notion of governance is difficult to define in any absolute
	2	sense, as it must be considered in the context in which it applies.
	3	The definition generally includes some idea of authority and
	4	control over the affairs and activities of an organisation or
	5	geography area.
B	6	The control and management structure of schools, which is
	7	commonly referred to as governance, is based upon the model of a
	8	privately owned firm or company in which a board of directors
	9	elected by the shareholders has overall control and employs a
	10	chief executive with management responsibility.
C	11	The governance role undertaken by the Boards of Trustees has many
	12	facets. Boards are responsible for enacting centrally determined
	13	legislation, regulatory and other requirements. They are
	14	responsible for ensuring that the views and interests of the
	15	community that the school serves are reflected in the decisions
	16	they take. They are accountable to both the Crown and their local
	17	electoral community through the charter.
D	18	The Board is responsible for ensuring that the principal, as Chief
	19	Executive, manages the school effectively and in accordance with
	20	national requirements and local objectives. This means that even
	21	though it may exercise its right to delegate responsibilities to the
	22	principal or other employees, the Board itself remains
	23	accountable.
	24	The board is also the employer of the principal and all other staff

Page 3

	25	in the school, and must meet the responsibilities that come with
	26	such a role. The law prohibits external intervention or any attempt
	27	to influence the Board in respect to influence of its employees.
F	28	The legislation is not specific about the powers and duties of
	29	Boards of Trustees. Neither does it provide much guidance about

30 the powers and duties ascribed to the Board and of its
31 Chief Executive, the school principal. There is an implicit
32 requirement in the legislation for Boards to define their own role,
33 particularly in relation to that of the principal.

G

34 Boards of Trustees define and exercise their governance role in
35 relation to their responsibilities, requirements and relationships,
36 and to the particular way these are manifest in each individual
37 school.

Analysis 1: The Notion of Governance

Critical discourse analysis requires the text to be divided by its naturally occurring boundaries, in particular activity type, style and genre. This analysis – as with Analysis 2, and to a more limited extent Analysis 3 – all follow a similar format: an introduction, analysis by type, style and genre, followed by a conclusion. In all other cases, I have used the standard referencing convention of ‘author’, ‘year’, ‘page’, ‘paragraph’ and where required ‘line’. In this analysis the paragraph is alpha rather than numeric, this is to help identify it in later analyses for purposes of comparison.

Activity Type – The Autonomous Governor?

As suggested within the introduction, there is no such thing as a simple definition of governance. While it has been in part defined by agency (Daily et al. 2003), and I suggest its relationship to performance; it can further be defined within schools by the triadic relationship between the state (the ERO), the board and the school. The expectation on the board, defined by the taskforce document, appears to suggest that they are free to act in autonomous ways; with commitment, initiative, energy, enthusiasm, and imagination, to achieve this desired performance (MOE 1988 cited in ERO 1994: 1). Through the production and distribution of *Effective Governance* (1994), the ERO advises on the traditional form of governance, defines what requirements are necessary to establish ‘good governance’ within schools, speculates on what form it might take, and the potential benefits to schools.

In drawing their advice for schools from the corporate environment, they are drawing upon the corporate governance discourse. As such, discourse analysis suggests that this discourse is likely to be reflected in their advice.

One method of accessing this discourse is to examine the structure, and structuring effect, of the text on the reader. This is best illustrated through an analogy of a game of chess. The purpose of the game is never at question, to defeat your opponent, rather it is the agreed rules of engagement, the structural process of iteration, or repetition between the participants, that is the focus of activity type. It is the prescribed movements and powers of the pieces, sequential turn taking by the players, and the limited time in which to make the next move. It is the sequence of these moves

between the participants, that produces the result, a winner, albeit through an almost endless iteration of possibilities. In such an analogy, it is in each of these moves, or iterations, that provides clues as to how the author has accessed the discourse, and in our example, how the discourse arranges such advice for consumption. Sequential and structured orders to the interaction, between participants, are not necessarily a prescriptive method of engagement or rigid pattern, but a predictable iteration in sequence (Fairclough 1993:126-127). To access this interaction, my intention is to briefly cover the major structure in terms of the text format; and then move 'closer' to observe the textural⁸ feature itself, in which we observe three distinct activity types.

The structure of "The Notion of Governance" is divided into one point per paragraph loosely arranged in sequential order. There is a warning contained within the introduction which attempts to locate or position the reader. The author of the text presumes the reader to be 'unknowledgeable', requiring education on the role of governance. The text, having positioned the reader as, requiring education, begins a process by which the broad undefined understanding of governance is restricted into a narrow, activity-focused role. Notice how governance is hedged:

The notion of governance is difficult to define in any absolute sense, as it must be considered in the context in which it applies.

(ERO, 1994: A1-2)

Although there is one context here – that of the school – this is never really examined. Rather, what is to follow is a re-articulation of governance, subject to the understanding of the ERO. Governance is difficult to define and contextually devoid, becoming the "control and management of schools" (B6) and this is then further restricted to operational activity "The governance role..." (C11). This role is defined in paragraphs C, D and E, as being responsible for enacting centrally determined legislation (C12-13), being accountable for ensuring the principal runs the school efficiently (D18- 23), acting as the employer (E24), and being responsible for defining a their role with the principal (F 31-33). This activity outline is resolved in paragraph G, when it becomes "...their governance..." (G34). Their governors role being quite definitive.

⁸ Here 'text' is referred to as the body of the text itself, while 'texturally' is given to mean the arrangement of the words, within the text.

This form of textural structuring can indicate an activity type or purposeful compositional structure. By texturally positioning the reader as 'requiring education' the text acts to unsettle the reader's previous knowledge and understanding of governance. Critical discourse analysis notes that readers are often unwilling to read 'against' a text, but rather that discourse encourages certain acceptable readings (Pritchard 2000). This may have a pronounced effect, especially when the text is dominant, such as this text (see below), and when those who may have some uncertainty about their role, such as uneducated parents wishing to become governors, reference the text. As such the reader may find that their understanding of governance is shaped, or in some form aligned, with the author's understanding. For example, the text offers an explanation of the various functions, or the role of governor. It promotes certain types of action, thereby backgrounding others. The texts might appear to be systematically eroding other possibilities, until the reader is left with the discourse promoted governance role: "their governance role". Almost as if the ERO becomes aware of the dominance of the text, and how restrained the role of governance is becoming, they end this section with an attempt to reassure the reader that there is still autonomy:

Boards of Trustees define and exercise their governance role in relation to their responsibilities, requirements and relationships, and to the particular way these are manifest in each individual school.

(ERO 1994: G34-37)

This final statement, assuring autonomy, appears to create more reader ambivalence than it helps solve. Whereas the school context helped defined governance and the ERO's expectations, the reader is now confronted with this statement that suggests that governance will be manifested differently in different schools. The reader is left in some doubt over their function, but not their role.

This second feature can be observed in paragraphs C, D, E, and to some extent F. Readers do not need to closely follow the paragraph to appreciate the highly repetitive structure. Note how each paragraph starts with a general function that is to be enacted by the role of governor (given the code E for enacted role). In each paragraph it is followed by additional clause(s) adding detail, expanding that role with various

functions (code F1 – function 1, F2 and so on), before closing with an accountability statement (code AS). For example, consider paragraph C:

C

11 The governance role (E) undertaken by the Boards of Trustees has many
12 facets. Boards are responsible for enacting centrally determined
13 legislation, regulatory and other requirements(F1). They are
14 responsible for ensuring that the views and interests of the
15 community that the school serves are reflected in the decisions
16 they take(F2). They are accountable to both the Crown and their local
17 electoral community through the charter (AS).

(ERO 1994: C11-17)

Other paragraphs include, the governance role (C11), responsibility for the principal (D18), board as employer (E24) and legislation (F28). Each of these paragraphs cumulatively hammers home another activity, each activity adding to the set of activities which make up ‘their governance role’. While this governance role becomes better explained, in doing so it becomes increasingly restricted. Also note how each paragraph operates to relocate the responsibility for each activity, by the governor, through normative pluralisation. The use of “they” and “their” both relocates the actions to the reader, while omitting the agency of the auditor, although it is presumably, and strongly indicated to be the author. Importantly, each sequential repetition ends with an accountability statement, so while the reader is to enact those activities described, the auditor will be measuring them. This appears to arrange an activity-accountability structure between the author and the reader. Such a structure suggests a power relationship, in which this activity–accountability structure positions the reader as inferior within the power relation and subject to the auditors.

As this iterative type highlights, discourse offers the reader a method to ‘unpack’ the discourse, and this can emphasize features such as power relations. A power relation like the activity–accountability structure above might also be supported, through the ordering of the advice provided by the author. The final iterative, or repetitive type is witnessed within such supporting advice on the establishment of the role and functions of the governor. Note, for example, the clear preference given to the enactment of requirements and how these secondary clauses are subordinated.

C

12 Boards are responsible for enacting centrally determined
13 legislation, regulatory and other requirements. They are
14 responsible for ensuring that the views and interests of the
15 community that the school serves are reflected in the decisions
16 they take.

D

18 The Board is responsible for ensuring that the principal, as Chief
19 Executive, manages the school effectively and in accordance with
20 national requirements and local objectives.

(ERO 1994: C12-16 D18-20)

The use of the asserting predicative verb ‘must enact’, suggests compulsion, immediacy and without consideration. Compared this to the transitive verb ‘ensure reflection’, a much softer, less defined, intangible requirement. While they are responsible for enacting legislation, they are then responsible only for reflection of community views and interests in their decisions. This dominance is repeated in the board’s agency over the principal. Enacting the agent of the state’s requirements are compulsory, “...in accordance with national requirements” (D19-20). The transitive verb, relocating the action, or necessitates action by the agent, to the governors; whereas the governor’s autonomy, is located in attempting to achieve “local objectives” – an adjective or modification of the noun ‘object’. These are desirable outcomes, but not critical. The agency and autonomy of the governor is located in the non-critical social representation.

The dominance within this relationship can be illustrated by a simple reversal. How would this section read if we transposed the two subjects? How would it be interpreted if it read:

Boards are responsible for enacting views and interests of the community that the school serves. They are responsible for ensuring that the centrally determined legislation, regulatory and other requirements are reflected in the decisions they take. They are accountable to both the local electoral community and the Crown through the charter.

While the ERO’s advice does not prevent the reader from acting otherwise, it does strongly suggest, through such a sequential process, a single functional base, and defines the role of the governor as a series of compliance activities. This single

definition of governor is packaged up, and passed on, in the final paragraph as “their governance role” (G34).

Style - Governance for ‘Dummies’

One of the most obvious ‘naturally occurring boundaries’ and, therefore, ways to define a text is its ‘style’. While we observed the structuring effect of activity type on the reader above, the style also impacts on the reader, although it is often more subtle. Style could be considered to be the impact of the text on the interaction between participants, or how the text relates the reader to the author.

Style has inalienable subtle shades - nuance - which might be considered as residual markers of the production process. This might be the textural capture of distinctive mannerisms, authorial strategy in the deployment of particular forms of address, but also what those features of style also indicate about the author. This might be thought of as its rhetorical nature. In particular, discourse analysis is interested in the intended effect of the deployment of textural features selected from those promoted by the discourse.

It is important that we do not confuse style with genre (see below), although often style is associated with it. For example, the ‘formal style’ or ‘informal style’ of the interview genre (Fairclough 1992:127). It is the nuances of that style, for example formal speech and word selection, but also tone, format, official markings and claims to power and authority, that create that formal or informal style.

As noted above discourse can be said to attempt to constitute powerful social relations and social practices, and conceal the constitutive process (Foucault in Ball 1990). Choices made, will to some degree be made with reference to, and from, discourse appropriate and promoted selections. Those engaged in a discourse, or related to it, via a discourse style, may become unaware, or grow so used to its presence, that style is backgrounded and ignored. The purpose of analysing style is, therefore, to re-emphasise style features, possible by denaturalizing the text, to expose these ‘unseen’ relationships.

The two categories I have used here, *tenor* and *mode*, both address the authorial selection. Style may contain not just traces of the discourse, but specific discourse promoted features. We could consider the impact of this combination of these style nuances on the reader, to form the relationship between the participants, or the *tenor*. For example the *tenor* may be superior, friendly, or aloof. Discourse analysis asks, what is the ‘*tenor*’ of the piece? Does the author assume a superior position or is it a discussion between equals; are they telling, demanding, or discussing, and what features present *tenor*. How does it attempt to arrange the reader, and what, are the author’s assumptions about knowledge and authority? The selection of the form of address (*mode*) will also contain traces of the discourse: how is it that one form was selected, and what does that suggest both in terms of self identification, but also, what does it suggest about the rhetorical nature of the *mode*, with regards the discourse?

As suggested above, the *tenor* can be used to describe the relationships between participants, in this case reader and author. Within “The Notion of Governance” it is a distant relationship, one that I have termed ‘distant style’. There is no use of personal pronouns, ‘I’ or the inclusive ‘we’, that one could expect in this sort of work to achieve joint objectives. Instead “the board”, or simply “they”, are discussed in an objective fashion removed to the abstract third person. For example:

The governance role undertaken by Boards (C11).

The Board (C11, D18, D22, E24, F30).

There is an implicit requirement in the legislation for the board to define their own role, particularly in relation to that of the principal (F31-33).

They are accountable (C16).

The Board itself remain accountable (D22-23).

The actions of others, “The Board”, are explained and described, and observed by the auditor/author. One effect of this distant relationship is that it appears to make explicit the gap between the author and the reader, but this could also suggest a division of assumed responsibility by the author. The reader, who will assume this distant role of governor, has tasks, which the author, as auditor, will watch to ensure compliance (see activity-accountability structure above). The ‘distant style’ used here emphasizes the power relations between the ERO and the reader as governor. In accepting the

role of governor, and its position under the gaze of the author, the reader also tacitly accepts the power and authority of the ERO. However, this sense of entitlement must be developed in some way – how is it that the ERO feel that they may adopt such a position to the reader?

Assumptions within power relations, such as those witnessed here, can be referred to as ‘relational modality’. Relational modality can be best described as a set of features that defines how the author relates to the reader. Further, such modality often precedes demands by the author for action, based on the author’s claim to superiority of knowledge and position. The ERO appears to assume a superior position to the reader, some sense of entitlement that allows them to demand and instruct the reader to act in certain ways. Within “The Notion of Governance” this is achieved through the use of modal auxiliaries, or a joining word that realizes the potential of that modal claim to power. For example, the tenses of “is” and “are”, suggest that the action is concurrent with others who are currently carrying out that role. The relational value offered to the reader - wishing to become governor is that other boards ‘are’ acting in certain ways, right now. Therefore, those who are to take up that role must also act in similar ways. Notice how this restricts the reader’s potential interpretation:

Boards are responsible for (C12, C13-14).

The Board is also employer (E24)

They are accountable (C16, D22-23, E25).

Their governance role (G34).

To illustrate the effect, it might be helpful to consider the texts from the readers’ points of view. We could demonstrate this by replacing ‘the board’ with ‘I the reader’.

As a board member, ‘I the reader will’:

be responsible for,

be an employer,

be held accountable.

This is ‘I the reader’s’ governance role.

The reader's experienced value of reading such a text, is to make the reading highly personal, and internalize the actions suggested.

Beyond being simply tense-based, these modal auxiliaries are also categorical; that is to say they are presented in such a way as to suggest that they are right or wrong, they are absolutes. Boards are not 'sometimes' responsible for, 'occasionally' the employer, or 'maybe' accountable. There is little room for ambiguity.

The tenor of the "The Notion of Governance" is dominant for two reasons. Firstly it claims a superior knowledge and authority to direct the governors. But this is also a distant relationship, one that objectifies the inferior position of governor as a series of actions and activities, based on the expectations and views of the ERO.

The method of delivering the message through tenor can also be supported by the form that communication takes or its '*mode*'. Mode is the method of intended transfer, or the form of communication, between the participants. In this case the mode is a governmental advice document written for a reader, or 'written to be read'. It is a collective work, a product of the ERO, part of the Ministry of Education and, therefore, of the state. As with most state documents it adopts protocols for communicating. It attempts to persuade through developing arguments. Such features could also be used to develop a reasoned and logical sense of consideration and assessment in an argument. The experiential value is therefore both considered and official.

If these documents were not identified as sourced from an agent of the state, would the reader be so quick to accept the advice? What would the impact on the reader be if we altered the structure, modified white space and removed the governmental seals? If this was a academic paper for instance, would it still be accepted by the reader with the same level of belief? The brevity of such a document is at the expense of any joining logic between statements. The reader is left to make assumptions that each unconnected paragraph is equally valid. For example, why does paragraph F follow E?

E

- 24 The board is also the employer of the principal and all other staff
25 in the school, and must meet the responsibilities that come with

26 such a role. The law prohibits external intervention or any attempt
27 to influence the Board in respect to influence of its employees.

F

28 The legislation is not specific about the powers and duties of
29 Boards of Trustees. Neither does it provide much guidance about
30 the powers and duties ascribed to the Board and of its
31 Chief Executive, the school principal. There is an implicit
32 requirement in the legislation for Boards to define their own role,
33 particularly in relation to that of the principal.

Are they grouped together simply because they both are in some way deal with employment, or duties and powers? The reader has no clue as to the value of each individual statement, or its relation to any other statement, and hence no way to assess them. Where external references are used they are simply reported as expert voices of support to the general theme being developed. Note the lack of any form of counter argument, to accept, support or refute. The ERO appear to rely not on the self-evidence of the argument, but rather on their authority delivered through the state. The mode is 'designed' for singular consumption, a document to be read individually, and as such the entire weight of the state's opinion is brought to bear on the reader, delivered through the mode. To disagree with any of these statements is to challenge the machinery of the state, its consulted partners and those experts to whom the state has referred.

We might explain this as the arrangement of a 'how to' guide, a beginner's guide to governance in schools. The style of "The Notion of Governance" is a 'governance for dummies', produced by the knowledgeable for those requiring education. While the mode and tenor are not quite overbearing, they are certainly very powerful and quite dominant. The ERO is not trying to make a case; rather they expect to be listened to. This defines the rhetorical mode, or what the piece tells us about the author and the discourse contained. What is produced is not a reasoned argument for why this form of governance should be adopted, nor is there room for personal initiative. In referencing the discourse of governance it appears that autonomy is quite restricted. Instead it appears as if the governor is produced not as a autonomous role but rather as a governance automaton.

Genres – The Corporate Governor

Authors may sometimes find it useful to access readers' generic, social and foundational knowledges. This is a socially held set of norms and shared, accepted knowledge about that genre. As such genres produce particularly stable, socially ratified conventions in the genre's production, distribution and consumption (Fairclough 1992:126). We could consider them to contain embedded knowledge, acceptable practices, positions and languages. These are packaged into the manufacture, dissemination and use, by the target of that production. These are often referred to as genres, of which there are many examples; gothic horror, romance and science fiction (sci-fi) being but a few of the more extreme generic types. Within the popular sci-fi genre, for example, movies such as Star Wars, The Matrix, Terminator, Star Trek and others there is a reliance on a common set of generic acceptances – a certain suspension of disbelief; star flight, aliens, heroic escapes, fantastical technologies and so on. Some genres have protocols for reading and interpreting (Fairclough 1992:126), such as the suspension of disbelief within the sci-fi genre. Genres might also have a social form, an interaction between participants, such as the interview, but further they are a reflection of discourse, such as the academic, or even socialist discourse. Genres may, therefore, support or promote some interpretations or actions while suppressing others, and as such all genres are identifiable by genre specific features.

For many reasons, such genres are sometimes introduced into new locations. However, the genre is, at least in part, indivisible from the originating discourse. As such the introduction of genres into alien locations may also introduce the discourse. Genres may 'import' unintentional forms of the discourse in languages, practices, knowledges, positions, and so on. Genres may provide specialist languages, knowledges and practices, which contain specialized forms of communicating genre specific information. Therefore, the introduction of exotic discourse elements may have pronounced and quite unintentional effects as the establishment of genres may contain traces of the originating discourse. This is sometimes referred to as the truth effects, an unintentional or discursive effect of the introduction of discourse in whatever form.

The introduction of one genre, superimposed upon another, may result in conflict, or the dis-articulation of one genre⁹ in support of another. This is often referred to as interdiscursivity¹⁰, or the appearance of a foreign discourse where we would not expect it (Fairclough 1992). As suggested above, the importing of such exotic forms comes with an implicit risk. In particular, this risk is pronounced where there has been no tradition that would conflict with that imposed discourse, in which case it may simply become the established doctrine. This is particularly pertinent in this example, where corporate governance has been introduced into the education sector, a sector with no noticeable tradition of accountable, managerial, community governance¹¹. In such a location these interdiscursive features may be quite denaturalized. What interdiscursive, or alien features, do we witness within the ERO's advice?

The production of "The Notion of Governance" refers the reader to the genre of the corporate manager. This is established in paragraph B:

The control and management structure of schools, which is commonly referred to as governance, is based *upon the model of a privately owned firm or company in which a board of directors elected by the shareholders has overall control and employs a chief executive with management responsibility.*

In particular I am interested in the discursive effect of this corporate genre on the position of the school governor. One such interdiscursive feature therefore appears to be, the preferential treatment given to corporate and management languages. In particular note the relational value placed on the principal as CEO, or the new governors as "The Board" rather than as "trustees".

D

18 The Board is responsible for ensuring that the principal, as Chief
19 Executive, manages the school effectively and in accordance with
20 national requirements and local objectives. This means that even
21 though it may exercise its right to delegate responsibilities to the
22 principal or other employees, the Board itself remains

⁹ Fairclough views genre and discourse, as being closely related, therefore genre here could also have direct connotations of discourse.

¹⁰ Interdiscursivity also highlights itself in another form sometimes referred to as intertextuality. This is a phase, which can be subsumed into the broader heading of interdiscursivity, and for simplicity, I have not distinguished it here as separate from the broader context.

¹¹ The PPTA (Parents Principal and Teachers Association) etc, and other such organisations were more advisory and supportive of existing structures.

There appears to be a metaphorical transformation in “The Notion of Governance” text, from the ‘old’ principal to the ‘new and improved’ CEO. Where the position of CEO is directly compared (twice) to the role of principal, principal appears in the lower-case diminutive. Direct comparison places the emphasis on the ‘chief executives’ superior nature. The principal becomes the Chief Executive, a role not previously known within the education structure and potentially, therefore, an interdiscursive position from the corporate world. One explanation might be that the interdiscursive, or truth effect, modifies the role of principal from educator to having managerial responsibility. Likewise there is a metaphorical transformation of community representative as trustee, to Board member. The ‘Board’, or ‘Board of Directors’ appears ten times compared with its more socially appropriate description of ‘Board of Trustees’ appears only three times, while the position of trustee is not mentioned at all. The ‘Board of Directors’ could also be explained as an interdiscursive position, a feature from the corporate world, reproduced within the school environment. Note the emphasis on managerial responsibility: In paragraph (C) as compliance to national requirement and the request that local objectives be reflected; in paragraph (D) as the management of the principal to ensure efficiency; and in paragraph (E) as, the board as employer¹².

Through this intensive focus on ‘the board’ and its interdiscursive reliance on the corporate genre and its languages, the ERO – perhaps quite unintentionally - manufactures and arranges a replica of the governance structure found in the corporate world. This can be observed both in terms of a physical structure, or the creation of subject positions and their roles, and also in terms of an arrangement of subject positions. These social relations include a pre-existing hierarchical structure around the board. Note, for example, how the principal/CEO is sub-ordinate to the Board, the Board (responsible for the actions of the principal) to the ERO, and the ERO, theoretically, anyway, to the stakeholders the New Zealand public.

¹² But in other locations also as financial, property, regulation, and educational outcomes.

the model of a privately owned firm or company in which a board of directors elected by the shareholders has overall control and employs a chief executive with management responsibility

(ERO 1994: B6-10)

In other words, this is a model not just based on the corporate model, but one which it recreates, or reconstitutes, a key feature of discourse. Further, discourse theory suggests that the discursive results or truth effects occur because they are hidden¹³. The existence of corporate governance within the education sector is also likely to strongly suggest the presence of other discourse features. The question, therefore, becomes what else has been imported?

Chenney and Carroll (1997) offer one explanation of the originating discourse for us to compare with that found in the ERO's advice. In particular they note that the truth effects of the corporate form appear to be the production of disposable organisational people who focus on the purpose of the organization at the expense of their own individuality. In some way, people are encouraged to limit themselves, restrained by their organizational position. In particular they note that the corporate governance form creates an absence of any relationship between the governor and the shareholder, a critical absence to agency theory. This appears to be quite paradoxical given the stated intention by the taskforce for educational reform.

Note, for example, the over-wording of legal requirement and compliance activity. Over-wording is simply a textural preoccupation with a single concept that is repeated, re-iterated and referred to constantly. In this case, either 'legal responsibility', 'law' or 'accountability', occurs in every paragraph. The reader is constantly being reminded that all their actions are auditable, that they are to be constantly surveilled. However, we must remember that the introduction of corporate governance was to encourage board members to use their initiative, to find new and more imaginative ways of achieving performance. However, beyond this legal compliance little advice is given as to the function of the governor, let alone how this form of governance will actually lead to school performance.

¹³ But at first this may not be apparent, requiring systematic study for its exposure.

This phenomenon is most prominent in paragraph F, observe the treatment of powers and duties. It is where the ERO attempt to explain the powers and duties *beyond* compliance, that governances isolation and lack of advice is emphasized:

F

28 The legislation is not specific about the powers and duties of
29 Boards of Trustees. Neither does it provide much guidance about
30 the powers and duties ascribed to the Board and of its
31 Chief Executive, the school principal. There is an implicit
32 requirement in the legislation for Boards to define their own role,
33 particularly in relation to that of the principal.

(ERO 1994: F28-33)

It appears here that the ERO themselves are unsure of the relationship beyond compliance. We move from the powerful tenor (see above) that states, “Boards are responsible” for (C12, C13-14), “The Board is also employer” (E24), “They are accountable” (C16, D22-23, E25); to the somewhat unconvincing, almost feeble, ‘implicit’ requirement. There is also a critical absence in the ERO’s argument that this form of governance will provide increased performance. The ERO appears to be struggling to explain governance in terms other than compliance. The reader is left with the ‘knowledge’ that there must be power and duties, potentially, or implicitly, but at the same time face the dilemma of how the representative board will make its contribution to performance. It appears to be an intertextual ‘tell’¹⁴. This might be considered in terms of intertextual inconsistency emphasized by the denaturalizing environment of education. We might suggest that in the ERO’s adoption of the discourse of governance to consider this relationship, that they failed to find any evidence beyond compliance – or even that they did not consider at this point any link as to the compliance contributes to performance.

As a position, the governor (in the ERO’s advice) appears to be detached from this explicit purpose; they have no connection with, nor contribute to, performance. Where an attempt is made through advice over duties and powers, they are secondary to legal compliance. The style and activity type support the production of what we might label the ‘compliance governor’. The views and interest of a community, and

¹⁴ A gambling term; an involuntary action that indicates a weakness, or bluff.

therefore the representative board, are completely dominated by the need for legal compliance.

Conclusion – The Governance Automate

“The Notion of Governance” is the explanation, and summary of the ERO’s understanding of governance. The ERO claim on the discourse of the corporate governor to structure school governance in the provision of their advice. What we observe is the beginning of a process of transformation, from the difficult and abstract concept of governance, into a role. We witness dominant modality, powerful tenor and an absence of alternatives to establish a single understanding of the position of the governor. Their role is a set of functions that are defined and explained; reinforced repetitively through an iterative type – purpose, function and accountability. This systemically promotes one form of governance, while eroding the governor’s autonomy. This role appears to be manufactured as a functional management position, dominated by compliance to requirement, its relationship to other positions such as the CEO and the governance auditor, and the demands by others for accountability. The board is produced and distributed throughout the text for consumption as a generic transferable position, producing the incumbent as a replaceable commodity, an object, subject to the demand placed on that position by the ERO. The discursive – or truth effect – might be explained as an internalization of ‘their’ role, in a self-limiting way, that relates the governor to compliance, as agents, and non-critical social representatives – disposable board members rather than trustees. The incumbent board, appear restrained and encouraged to enact their compliance function, aware that they are constantly under surveillance.

The intensive scrutiny on this governance role appears to produce a governance structure very similar to that found in the corporate world, both in terms of physical structure and social relations. The governor is emphasized as a manager and employer, but strangely without reference to education and thereby to purpose. In fact the connection between actions and purpose, seems to be strangely detached from stated intent.

A closer examination of the relationship between governance and student achievement, as a measure of performance, is required. Fortunately, the ERO have provided exactly that in *School Governance and Student Achievement (1999)*, the basis of Analysis 2.

Analysis 2: Governance and Performance?

School Governance and Student Achievement was written in 1999, five years after *Effective Governance*, which includes “The Notion of Governance”, and roughly ten years after the introduction of corporate governance structures in schools.

Significantly, there were clearly concerns that some schools boards are still under-performing in their role as governors. *School Governance and Student Achievement* begins:

Over the last few years, considerable attention has focused on how well boards of trustees understand and are performing in their governance role. This issue is one of those investigated by the Education Review Office (ERO) in its regular review of schools.

(ERO 1999:1 paragraph 1)

The Education Review Office findings indicate that there is no single answer to the question of what constitutes effective governance in schools.

(ERO 1999:2, paragraph 3)

This piece was selected as it explicitly reviews the board and its performance in relation to their governance role, or the relationship between governance and performance. This is a relationship, and practice, that has never been explained, beyond some implicit assumption in “The Notion of Governance” (ERO 1994).

One of the advantages of school governance as a proxy site is that the ERO provides an almost perfect controlled experiment for organizational governance: a situation where a single organization has extraordinary powers and authority over governance, a situation almost unthinkable in the corporate world. They have a sample of approximately 2700 schools, in which their performance measurement, ‘student achievement’, can be benchmarked, monitored and accessed. However, the most important feature of this proxy experiment is that the ERO are in a position to make modifications to the independent variables in an attempt to improve the connection to performance. Governance is one such variable – one that comes with the implicit promise that it is directly related to performance, and so we can expect the ERO to

attempt to access, or at least explain, this connection. If there are any concerns over performance, then we would expect to see change.

Change is an important indicator in any discourse. Its presence indicates a re-articulation, or re-ordering of the elements of the discourse. These are the parts that make up that discourse, such as practices, knowledges or languages. Its presence also indicates its own need. If change is required, to resolve a crisis or failure, the discourse is destabilized momentarily to allow this to occur. Billings (1988) refers to change as the resolution of 'dilemmas':

They [people] often try to resolve these dilemmas by being innovative and creative, by adapting existing conventions with new ways, and so contributing to discursive change. The inherent intertextuality and therefore historicity of text production and interpretation builds creativity in as an option. Change involves forms of transgression, crossing boundaries, such as putting together existing conventions in new combinations, or drawing upon conventions in situations which usually precludes them.

(Cited in Fairclough 1992:96)

These 'transgressions, boundary crossings and innovative combinations' can be considered as the re-articulations of the parts, or orders¹⁵ of the discourse. Change suggests that some, or many, of those parts have been subjected to forces that have reshaped them or that the state of discourse equilibrium is breached and relocated. Change, therefore, must be set against other documents as a comparison. In doing so, these documents can be used to examine the pre- and post-state of the element(s) of the discourse. What we seek are the traces left over, where the two texts display differences, or ruptures, in the author's understanding.

Change leaves traces in texts in the form of co-occurrence of contradictory or inconsistent elements – mixtures of formal and informal styles, technical and non-technical vocabularies, makers of authority and familiarity, more typically written and more typically spoken syntactic forms, and so forth.

(Fairclough 1992:97)

¹⁵ These elements could be considered the constituent parts of the discourse. See orders of discourse in Fairclough 1992

So we need to seek elements which appear as 'textural ruptures' in the author's understand. These ruptures may also appear as textural 'rough-ness' or apparent authorial confusion or uncertainty.

Change, it is suggested here, will be made from options promoted by the discourse. Therefore, as readers we may be particularly interested in which selections are made by the ERO. Discourse theory suggests that such a selection is derived from reference to the guiding discourse, and those selections are offered or promoted by that discourse. It also suggests that there will be a 'truth effect', the discursive outcome or actual effect of the discourse, rather than what we might expect or are 'told' to expect. Such variance between expectation and discursive or truth effects may be identifiable as inconsistency in the author's statements. These should become more apparent as the authors attempt to explain what they expect to find, but are equally restrained by the discourse. Namely they might explain why outcomes are unexpected while failing to challenge the underlying theory.

Within corporate governance, this governance arrangement is fairly stable and unchanging. However within the education sector, the ERO is free to pursue achievement as their primary responsibility. Given this relative freedom, we might expect the ERO to be considerably advanced into the governance discourse when compared to the corporate world. However, we could also expect them to have made decisions, similar to those which occur in the corporate world, which relies on the same discourse, should they also pursue organizational performance through the same mechanic, and with the same vigor.

In Analysis 1 it was suggested that the corporate management genre dominated both activity type and style. We could, therefore, expect to see 'truth effects' or discursive effects in both activity type and style during the intervening five year period between "The Notion of Governance (*Effective Governance* 1994) and *School Governance and Student Achievement* (1999). Further we could expect such change to be in alignment with that discourse-guided understanding. What change has been made, it is suggested, occurs from options promoted by the discourse, and therefore are a useful reflection of the discourse.

Analysis 2 can, therefore, be divided into two sections. Firstly, style and activity type and secondly, in terms of inconsistency. Within style and activity type my purpose will be to consider change in terms of differences between Analysis 1's activity type, and style and the 1999 text, *School Governance and Student Achievement*. This should help to define the differences between the expected and the discursive or truth effects of the discourse. Inconsistency between in the expected relationship between governance and performance may be revealed in the ERO's 1999 text. The suggestion is that, as change occurs, the truth effect will align the text with the intent of the discourse. As such the assumed connection between governance and performance may be observed for inconsistency. If articulation remains the same, then this potentially suggests that the discourse is consistent with the connection to performance content. In attempts by the ERO to align with performance we might equally suggest, that any inconsistency is caused by misalignment.

The School Governance and Student Achievement (1999) text that has been used here comes mainly from the introductory sections of this text. I have included that section (page 1-6), and two others (page 8 and 15), here for consideration.

<http://www.ero.govt.nz/Publications/eers1999/schoolgovn/schoolgov.htm>. The referencing convention used here, as in Analysis 3, is 'author', 'year', 'page' and if required 'line'. Where Analysis 1 is referenced, it includes the paragraph letter already used. The page numeration should align directly with a printable version. Additionally the convention for referencing of documents depends on their title. For example: *Effective governance (1994)* is the document "The Notion of Governance" is the section. This distinction is intended to help identify the macro or micro level of the text.

School Governance and Student Achievement 1999

Figure 5: Text 2. School governance and student achievement, June 1999

Page 1

A. Introduction – page 1– 6

- 1 Over the last few years, considerable attention has focused on how well boards of trustees understand and are performing in their governance role. This issue is one of those investigated by the Education Review Office (ERO) in its regular reviews of schools. As a result ERO has compiled a database of information on the extent to which boards of trustees are governing schools in a way that will make a positive contribution to student achievement.
- 2 The Education Review Office findings indicate that there is no single answer to the question of what constitutes effective governance in schools. Different boards have established different

Page 2

- mechanisms for recognising and dealing with the challenges and issues which confront their schools.
- 3 In many schools board members have a well developed sense of their governance role and work together constructively to ensure that the skills and expertise of various individuals are brought to bear on relevant decisions and that appropriate working relationships are established with the principal, teachers and school communities.
 - 4 In a proportion of schools however, Education Review Office reports have identified significant problems with governance, for example:
trustees' limited understanding of their governance role;
trustees who have no active governance role;
trustees who lack the necessary knowledge and management skills; and
trustees who have no sense of the need for management systems as a necessary precondition for proper accountability and informed decision making.
 - 5 The current governance model (with elected boards comprising a majority of parent representatives having overall responsibility for the successful operation of the school) was introduced in 1989. The model applies to all 2,700 state schools in New Zealand and does not take into account factors such as the size or remoteness of the school and the extent to which the school's community is able to provide the kind of skills that are required for effective governance.
 - 6 Given the wide variations in the quality of school governance, observed by the Education Review Office and others, this model would appear to be more appropriate to some schools than others. Variations in the capability of schools

have been recognised in recent years with the design of a number of Government interventions to support particular groups of schools. The Ministry of Education is currently carrying out a review of the regulatory framework for schools including the appropriateness of the current governance model.

- 7 This paper examines some of the issues that need to be taken into account in determining where the model is working well and where it is not. It considers the extent to which the quality of governance affects student achievement, the options available to the Government in schools where weaknesses in governance have been identified, and the circumstances in which specific interventions by the Government in schools' governance arrangements could be justified.

Page 3

2. Governance and Student Achievement

Education Review Office investigations

- 8 The focus of Education Review Office investigations is the performance of the school board in meeting its contractual obligations and its effectiveness in promoting student achievement. In addition to seeking assurance that the board is meeting external requirements, ERO is concerned with governance arrangements in schools to the extent that they are contributing to or hindering student achievement.
- 9 The rationale for this approach is that, unless it can be shown that particular governance arrangements are having a negative impact on student achievement (or are not complying with national requirements), school boards should be able to adopt whatever governance arrangements they consider are best adapted to their school's needs.
- 10 Although it would seem an obvious assumption that there is a link between the extent to which school trustees understand and are active in their governance role and student achievement, the causative relationship is not direct.
- 11 Education Review Office findings indicate that a number of factors within schools influence student achievement. Probably the most important is the quality of teaching services. This in turn is influenced by factors such as the nature of educational leadership and curriculum management. The principal has day-to-day responsibility for these issues. The performance of the principal is therefore likely to be one of the most critical contributory factors to the overall performance of the school.
- 12 However, it is the task of the board, as part of its overall responsibility for the operation of the school, to manage the performance of the principal. The extent to which the board is able to establish good reporting mechanisms and an effective performance management system for the principal and other staff are critical issues affecting the quality of teaching services students receive

and, ultimately, the difference that the school is able to make to student achievement.

- 13 Education Review Office findings on the role of the board, principal and teachers in influencing student achievement are summarised in the diagram on the *Chain of Quality* in Appendix A.

School effectiveness research

- 14 International studies of school effectiveness have identified a number of characteristics of effective schools that contribute to student achievement. Most support ERO's findings that effective leadership by the principal is a necessary prerequisite to effective schooling. For example, Mortimore (1988) finds that there is

Page 4

a close relationship between schools that are effective in both academic and social areas and:

- 15 ...purposeful leadership of the staff by the head. This occurs where the head understands the school's needs, is actively involved in the school, but is good at sharing power with the staff. He or she does not exert total control over teachers but consults them, especially in decision making such as spending plans and curriculum guidelines.
- 16 International research is much less clear about the contribution that school governing bodies make to school effectiveness. Studies of school effectiveness often mention parental involvement as a characteristic of effective schools but only in general terms (for example "parents support the school and the schools' policy"). Such studies generally focus on parent participation (where parents participate in the day-to-day operation of schools), rather than parent governance, (where parents have a contributing or decisive say in the governance of schools).
- 17 However international research on the role of governing bodies and parental involvement is of limited value to New Zealand because New Zealand's system of governance is unique. While other countries may have school councils or advisory committees on which parents or community members are represented, New Zealand is the only country in the world to have schools governed by a majority of elected parent representatives, one of whom acts as chairperson. Boards of trustees also have wider responsibilities than in other countries, in particular as the legal employers of staff including the principal. Elsewhere it is common for the principal be employed by a state or district education system.
- 18 Thus while in many other countries it is the principal who has formal responsibility for the local management of the school, in New Zealand it is the school trustees who are formally responsible and who in turn employ the principal. International research highlighting the importance of school

leadership and management is therefore applicable in New Zealand to the entire governing body including school trustees as well as principals.

Does governance make a difference?

- 19 The extent to which boards of trustees can make a difference to student achievement varies according to other characteristics of the school. This can best be illustrated by using three hypothetical examples:

School A, a school that ERO considers to be performing poorly;

School B, an adequately performing school;

Page 5

School C, a successful school judged in terms of popularity and examination results.

- 20 In School A, the influence of the board of trustees is limited. The board can formulate proposals for school improvement, ensure that financial management supports the plan and is monitored effectively, and consult staff. What the board cannot do is compensate for a lack of professional leadership. It can provide the framework and support systems for school improvement but it cannot give the professional leadership that brings improvement in the classroom. Much of the blame for poor performance must lie with the principal and senior managers, but the board must also share some responsibility because it has employed (or continues to employ) these professionals.
- 21 School B can perhaps benefit most from an active board of trustees. Trustees can inject an external perspective on problems and challenges confronted by the school and act as a catalyst for improvement.
- 22 In School C, the principal might consider there was little contribution that could be made by trustees. However, a great risk for School C is complacency. An assessment of the value this school was adding to student achievement could reveal some unexpected weaknesses. A school board that was actively involved in scrutinising and evaluating policies and practices would be a defence against the school resting on its laurels.
- 23 In each of the schools above, whether or not school trustees make a difference to student achievement depends partly on their own energies and skills and partly on the attitude of the principal. In order to be influential, boards are dependent on information from the principal. If the principal is resistant to trustee governance, and does not provide the board with the information it needs to make effective decisions, the task of the school board in influencing student achievement is much more difficult.

Information on student achievement

- 24 Student achievement is influenced by a basket of factors some of which schools can control directly and some of which they cannot. The quality of governance within schools is only one, and not necessarily the most significant, of a number of factors influencing student achievement.
- 25 Many educational researchers consider that home and social factors (for example the level of family income and support) are more influential than school factors in contributing to student achievement. Some have even concluded that the schooling is relatively unimportant in influencing achievement since the effect of schools is minuscule compared to that of the rest of society.

Page 6

- 26 However, on the basis of its field-based observations, ERO has developed the strong view that schools can and do make a difference to student achievement. In seeking to raise achievement levels, successful schools do not just focus on the factors they can control directly, but also adapt their efforts to accommodate the factors they cannot. The relative influence of factors within and outside schools in contributing to student achievement, and ways in which schools can combat the effect of home and social factors, are discussed in ERO's publication *Good Schools, Poor Schools* (1998).
- 27 One of the difficulties in assessing the relative importance of factors influencing achievement is that many schools do not produce reliable achievement data on students. Better achievement information would contribute to an investigation of the range of factors, including the quality of governance and management, which is contributing to or hindering student achievement.
- 28 ERO has outlined how achievement information could be used to assist in evaluating the quality of education and informing decision making in *Assessing children's Curriculum Achievement* (1998). ERO has also reported on current school practices in *Student Assessment: Practices in Primary Schools* (1999).
Governance in schools with low student achievement
- 29 Despite the fact that governance is not the only factor influencing student achievement, the Government may need to take particular steps to improve the quality of governance in schools where the overall level of achievement is low.
- 30 In these schools, additional intervention strategies may be required, at the level of the school, to combat the negative impact of home and social factors. Such strategies will need to focus not just on the inputs to schooling (the level of resources etc) but also on improving the processes within schools, including the quality of governance and management.
- 31 Trustees in disadvantaged areas usually have lower educational qualifications and management experience than schools in wealthier areas. This may be a

significant contributory factor to weak governance. As a result, students in these schools face barriers to learning not only because of the negative impact of social and family factors but also because the schools they attend do not have the same level of skills and expertise on their governing bodies as schools in wealthier areas.

- 32 The task of governance may also be more difficult in schools with low student achievement. These schools often experience falling rolls which in turn creates a complex set of management challenges - including poor staff and student morale, reduced per capita funding (despite the fact that many operational costs are fixed), forced redundancy of teachers and the ongoing need to overcome a poor image. Addressing this spiral of decline (see Appendix B) may be beyond the capabilities of board members who do not have a high level of education and skills.

B. Governance in ineffective schools – Page 8

- 33 ERO considers schools that have been subject to at least one follow-up (discretionary) ERO review to be performing poorly. ERO also considers that the educational opportunities of students attending these schools are likely to be adversely affected by their school's performance.
- 34 ERO findings on governance in schools subject to follow-up reviews provide a useful guide to areas where changes need to be made in order to improve the quality of education provided to students.
- 35 An examination of ERO follow-up review reports indicates that the four factors determining the quality of governance in effective schools - vision, planning and implementation, relationships and communications, and accountability - are also areas where a significant proportion of boards are failing to operate effectively. Weaknesses in governance identified by ERO are often, but not invariably, linked to weaknesses in the quality of teaching performance.
- 36 A significant point is that, despite the fact that it is now some 10 years since the introduction of the current governance model, there are still schools in which trustees have a limited understanding of their governance role and allow the principal a level of discretion which exceeds the principal's statutory role.
- 37 However, the discretionary review reports indicate that governance is an area in which, following adverse Education Review Office reports, many boards work hard to improve their performance.
- 38 Another point to emerge is that schools with ineffective governance tend to be over-represented in lower income areas. As discussed previously, the generally lower levels of expertise represented on school boards in disadvantaged areas may be one of the factors contributing to lower levels of performance.

C. Supporting the existing governance model - Page 13

- 39 To date work by government agencies has largely focused on supporting and developing boards of trustees in their governance role and providing funding for training and support. The provision of funding for the New Zealand School Trustees Association (NZSTA) and policies such as the Ministry of Education's School Support Project reflect this approach.
- 40 Over the years support has increasingly become targeted to schools which, for various reasons, are considered to be at risk. In many cases the impetus for targeted assistance has been ERO findings on the quality of education, for example in Mangere and Otara and the East Coast of the North Island.
- 41 This approach assumes that all school communities have the capacity to elect boards that can run schools effectively, and that the Government's role should be focused on building the capabilities of trustees.
- 42 While this approach has worked well for many schools, it is questionable whether it is appropriate for the small number of schools boards which are still struggling to understand their governance role and meet the requirements placed on them. After some 10 years, it is difficult to regard these problems solely as teething problems associated with introducing a new system. For these schools different types of intervention may need to be considered

Analysis 2

Activity Type: Governance Compliance and Governance Performance

As discussed in Analysis 1, the activity type can be a process of sequential repetition, either as an intentional structuring of the text to have a desired impact on the reader, or as an unintentional side-effect. The ordered structural effect within “The Notion of Governance” appeared to be the production of a non-creative, compliance dominated, functional role of the governor. Whether this was the intention or not, is not the issue, rather this could be read as a truth effect. As such it is an important and telling sign with regards to the discourse of governance.

We might explain Analysis 1 as the beginning of the process of normalization, from ‘difficult concept’ to ‘governance role’, produced as a functional mechanism and accountability. The consumer - the reader - was assumed to be the new and uneducated governor who would be lead by the authority of the Ministry of Education. Their position and autonomy, was paradoxically promised ‘to suit the manifestation’ (ERO 1994), but also contextually bound, located, described and limited, through directive monologues such as:

The governance role undertaken by the Boards of Trustees has many facets. Boards are responsible for enacting centrally determined legislation, regulatory and other requirements. They are responsible for ensuring that the views and interests of the community that the school serves are reflected in the decisions they take. They are accountable to both the Crown and their local electoral community through the charter.

(ERO 1994:2 C11-17)

Within *School Governance and Student Achievement* (1999), there is no sequence of intensive repetition. Rather this text is concerned with how well that governance job is being done by governors. It appears as an observation made by the ERO. While the directive monologues are gone, compliance overwording identified in Analysis 1 is still noticeable. Note the overt form found within the 1999 text:

The rationale for this approach is that unless it can be shown that particular governance arrangements are having a negative impact on student achievement (or are not complying with national requirements), school boards should be able to adopt whatever governance arrangements they consider are best adapted to their school's needs.

(ERO 1999:3 paragraph 9)

Here the reader is reminded of the dominance and primary responsibility through the use of bracketing, illustrated as follows:

that unless it can be shown that particular governance arrangements are having a negative impact on student achievement (or are not complying with national requirements).

(ERO 1999:3 paragraph 9)

This appears to highlight considerable authorial tension. While the authors are attempting to establish a connection between governance and student achievement, the authors appear to find themselves unable to make comment on performance *without* commenting on the obvious compliance requirement. The experiential effect on the reader is to distract them from the main theme of the text: the impact of governance on student achievement. The bracketing reminds them 'not to forget' or, 'in addition to that already established'. The theme of governance and student achievement is itself subordinate to the 'compliance to national requirement'; it is only a concern after this primary compliance has been achieved.

As was suggested in the introduction to this Analysis, the attempt to resolve such dilemmas often results in change. Within this discussion on governance, we witness just such an innovative attempt to resolve this tension, to both achieve compliance **and** performance. Within the activity type of the piece we notice a broad sequencing starting to occur, in the way in which the ERO discuss governance, and how they attempt to resolve this tension. Consider this quote:

The focus of Education Review Office investigations is the performance of the school board in meeting its contractual obligations and its effectiveness in promoting student achievement. In addition to seeking assurance that the board is meeting its external requirements, ERO is concerned with governance arrangements in schools to the extent that they are contributing to or hindering student achievement.

Note how the dominance of compliance is reinforced by the repetition in both sentences of the paragraph. Further, the structuring effect of this passage is to produce a dual meaning of governance. This is more easily observed when the passage is broken down into its parts. Note how the paragraph appears to repeat itself:

The ERO are interested in school performance in meeting contractual obligations (AND) its effectiveness in promoting student achievement. (IN ADDITION) to meeting external requirements (ERO ARE CONCERNED WITH) governance's contribution to student achievement.

As observers¹⁶, the ERO are concerned with the board in two ways; (a) meeting contractual obligations and (b) promoting student achievement. In addition to meeting (a) external requirements, the ERO are concerned with the extent to which governance is (b) contributing to student achievement.

OR:

- (a) Meeting contractual obligations and
- (a) External obligations

AND:

- (b) Promoting student achievement and
- (b) Contributing to student achievement

The structuring effect firstly confirms the dominance of compliance witnessed in Analysis 1, but also divides the definition of governance. We witness a separation within an otherwise singular understanding of governance, a separation in the relationship between governance in terms of compliance and performance. This re-articulation is critical to the ERO's understanding of governance and a significant change from that understanding outlined in the Taskforce Report (MOE 1988). A dual meaning within the definition of governance is being produced, that of governance compliance and governance performance.

It is in their advice on how boards can make a 'difference', that this duality becomes

pronounced.

Does governance make a difference?

The extent to which boards of trustees can make a difference to student achievement varies according to other characteristics of the school. This can best be illustrated by using three hypothetical examples:

School A, a school that the ERO considers to be performing poorly;

School B, an adequately performing school;

School C, a successful school judged in terms of popularity and examination results.

In School A, the influence of the board of trustees is limited. The Board can formulate proposals for school improvement, ensure that the financial management supports the plan and is monitored effectively, and consult with staff. What the board cannot do is compensate for a lack of professional leadership. It can provide the framework and support systems for school improvement but it cannot give the professional leadership that brings improvement in the classroom. Much of the blame for poor performance must lie with the principal and senior managers, but the board must also share some responsibility because it has employed (or continues to employ) these professionals.

School B, can perhaps benefit most from an active board of Trustees. Trustees can inject an external perspective on problems and challenges confronted by the school and act as a catalyst for improvements.

In School C, the principal might consider there was little contribution, that could be made by the trustees. However, a great risk for School C is complacency. An assessment of the value this school was adding to student achievement could reveal some unexpected weakness. A school board that was actively involved in scrutinizing and evaluating policies and practices would be a defense against the school resting on its laurels.

(ERO 1999:4-5 paragraph 19-22)

This sequential repetition becomes pronounced as the responsibility is located through a verb transitive mechanism which passes the verb's action and responsibility, from the doer to the receiver. Here the action and, therefore, the responsibility, is passed

¹⁶ Or potentially the auditor, see Style below.

from the ERO to both the board and the CEO, but in different locations within the text.

Compliance governance of external requirements, and contractual obligations, is to be enacted by the board. They are expected to ‘formulate a proposal... ensure financial management supports plans... monitor effectiveness...’. These appear to be compliance activities: organizational, management, bureaucratic, functional, and discrete from student interaction. On the other hand, the CEO (principal) and senior staff will be held accountable for student achievement: “In School A, the influence of the board of trustees is limited... What the board cannot do is compensate for a lack of professional leadership” (page 5 paragraph 1). Performance failure is to be blamed on the principal and senior staff. The only failing of the board is the continued employment of this group.

At first it appears that the ERO have made the insightful observation that students learn and achieve because they are taught, not because they are governed. Performance is, therefore, apparently quite sensibly located with teachers rather the board, but in doing so, it has also divided the board further from their purpose. This passage appears to separate the governor from the direct access to organizational performance **beyond** ensuring compliance.

Within the activity type of *School Governance and Student Achievement*, we appear to witness the beginning of the discourse promoted re-articulation of governance, from singular governance¹⁷ – one governance does all – to a form of double agency. The agent of performance (teacher) is compared to the agency of compliance (the board). While we see considerable change, we also witness the stability of the dominance of compliance, and the tension experienced by the ERO in attempting to satisfy the need to comply alongside the need to ensure performance.

¹⁷ This meaning of singular governance is used from this point on.

Style. This tribe of governors...

In Analysis 1 style was suggested to be unintentionally included in the production of the text by the author. It was the shading, the emphasis and the value loading of words or expressions that provide a trace of the author's understandings and desire, often beyond the intended meaning of the text's surface. It is within these traces that 'style' as a tool attempts to explore and retrieve information. It considers the ways that the author forms relations with the reader, the inherent values of words, and the deployment of latent values in different types of documents as a method of transferring or distributing knowledge.

Within Analysis 1 style was described as a manual, a guide, or, as I somewhat pejoratively described it in reference to the books of the same name, as a 'dummies guide' to governance. It was the nuances within the superior tenor, the form of document, the form of address, and the dependence on the authority of the state that produced, in Analysis 1, dominant 'style'. It was a document, which instructed the reader in the form of action that they were to take.

This part of Analysis 2, examines whether the style remains the same between the pieces, or whether there has been discursive change. Change could indicate a new discursive effect, or a change in style could be explained as a fundamental repositioning by the author. We have already noted a compliance concern, which is an obvious and omnipresent feature within both texts. It has been suggested that this is an interdiscursive feature imported by the ERO's referencing of the discourse from corporate governance, and potentially relayed to agency. In particular, I now suggest that the ERO in providing advice and attempting to position, arrange or orchestrate school governance, may have unwittingly re-produced themselves as auditors¹⁸. A departure from their previous role as school inspectors and a position that requires that the incumbent to observe, and carries out surveillance, on the subject positions beneath them. This will now be considered in the same way as Analysis 1, through tenor and mode.

¹⁸ This does not reject the ERO's and MOE's traditional role of monitoring schools. However this has traditionally have been an inspection role and very much one way, nor was there any illusion with regards the power relations between the school and the ERO! This auditory role requires a very different relationship between the school, via the board, and the ERO. Hence a corporate form.

Tenor

There is a fairly obvious change in style between “The Notion of Governance” (ERO 1994) and *School Governance and Student Achievement* (ERO 1999). The reader is immediately struck by the altered tenor which is adopted in the latter document. The author attempts to develop a new relation with the reader that positions the reader not as a subject, but as a collaborator. Within “The Notion of Governance”, the tenor was distant, third person style, dominant and instructional. This strong ‘modality’ was supported by the constitution of governance practice as a compliance driven mechanism. This dominant tenor suggests:

From the extensive information base the Office is able to make informed comment on the ways in which Boards have interpreted their roles and on the extent to which they have been successful in carrying out these roles

This report will provide Boards of Trustees, professional staff, and all those with an interest in schools and their administration with information about the nature of good governance practice.

(ERO 1994:1, emphasis added)

The relational modality, or the way the author has positioned themselves in relation to the other participants, defines the tenor. However, such a statement, as that above, also makes a claim to knowing the real world, to having some greater understanding, or to having some form of exclusive knowledge of the ‘truth’. This is often referred to as expressive modality (Fairclough 1992). In this case there is an explicit claim to knowing about ‘good governance practice’¹⁹. It also assumes the right to impart such knowledge and demands attention and action on behalf of the reader. The most significant feature of expressive modality is therefore the level of commitment made to that claim, by the author. Here that commitment is absolute, it is a categorical statement. So we could suggest that in “The Notion of Governance” the relational modality was dominant and the expressive modality absolute. The author has expressed complete faith in the correctness of their statement.

¹⁹ ‘Good’ could be read here as alluding to desirable governance practice.

Now consider *School Governance and Student Achievement*:

This paper examines some of the issues that need to be taken into account in determining where the model is working well and where it is not. It considers the extent to which the quality of governance affects student achievement, the options available to the government in schools where weaknesses in governance have been identified, and the circumstances in which specific interventions by the government in school' governance arrangements could be justified.

(ERO 1999:2 paragraph 7)

The form of relational modality - or the relation to the reader - has changed significantly. "The Notion of Governance" (*Effective Governance 1994*) was a report that allowed informed comment to be made, to those interested in schools and their administration.

Now note the altered expressive modality of the 1999 piece. This is a 'paper' that 'takes things into account'. It 'considers the extent', to which governance 'contributes to student achievement'. The author's hedging marginalises the categorical expressiveness. It does not display the same commitment to categorical absolutes, instead within student achievement there is the acceptance that the quality of governance has been mixed, and that the connection between performance and governance is imperfect.

One possible explanation of this modified relational modality is offered by Cheney and Carroll (1997). In adopting and orchestrating school governance from the corporate genre, the ERO have produced themselves as the auditors, in a 'corporate form'. This would require them to take on the responsibility for monitoring schools, firstly in terms of performance, but also, as the truth effects become apparent, in terms of compliance. The intention within this section (tenor) is to consider the text for suggestions that the ERO have indeed adopted this role, and now view themselves within the corporate form, or as 'organizational' even 'disposable' people. A potential product of the corporate genre.

We could, therefore, consider how the ERO reference themselves; their self-identifying statements or 'enunciate' statements. We might think of enunciation as a

statement made, not so much by the incumbent of a position, but rather a statement from the position itself. Statements that the position demands the incumbent make (in many ways the production of the truth effect), produce the speaker as merely the mouthpiece of that organizational location, or potentially 'organizational persons'. We can examine the language that the ERO uses about themselves in their enunciate statements for the unavoidable traces of the discourse. Further, such statements should also identify the position(s) around the ERO, both how the ERO view and report them. These subject position such as the CEO, board, schools, students, as well as their performance.

So within tenor we might expect to see enunciate statements, which reflect the ERO's self-identification, or how they report themselves and whether these suggest they have become organizational-ised, into such a role as the auditor. Note for example, within the introduction

"This issue (on how well boards of trustees understand and are performing in their governance role) is one of those investigated by the Education Review Office (ERO) in its regular review of schools."

(ERO 1999:1 paragraph 1)

The reader is assured that this is one of the many tasks undertaken by the vigilant and dutiful investigator - the observer – the surveiller – the auditor's role. That this was part of its investigation, implies the use of authority to examine information, and the auditors need to report such findings. An issue of 'regular review', of 'considerable interest' suggest that it is deserving of close observation. Such self-reporting was absent from "The Notion of Governance", so this is one dimension of the tenor change. The ERO no longer simply see their role as instructional in terms of governance, and in the arrangement of governance, but now also see that role as monitoring and reporting.

Another dimension of the tenor change can be identified in how the author attempts to relate its reader to the subject. Whereas in "The Notion of Governance" the ERO spoke with authority and third person directive "the Board, will, is, does"; by 1999, it

no longer talks of expected action, rather creating the trustees as subject of examination.

In many schools boards members have a well developed sense of their governance role

(ERO 1999:2 paragraph 3)

- trustees limited understanding of their governance role
- trustees who have no active governance role
- trustees who lack the necessary knowledge and management skills
- trustees who have no sense of the need for management systems as a necessary precondition for proper accountability and informed decision making

(ERO 1999:2 paragraph 4)

The ERO appear to be discussing the role of the governor. The reader does not need to contextualise the meaning of each statement to see that the ERO are closely examining the various actions and responsibilities of the governors. Also note the use of 'who'. "Trustees who" for example provides a sense of tense – past or current, but also a division – others, distinctly not one of us. This view of the board provides a sense of relationship between these two groups. Those who will watch, and those who will be watched, as such the 1999 document is produced as a review of the subject position of the governors. They are being measured as part of the observation, scrutinized by the ERO for compliance to those requirements set out earlier in "The Notion of Governance".

This structuring effect on the reader is the production on an equal, a peer. Together the ERO **and** the reader will consider the performance of the subject board. Because of this equal tenor the reader finds themselves alongside the auditors, almost part of the ERO, considering the subject so that the reader and auditor gaze upon the subject position – the board – to assess them, and judge them. It would appear that the reader is no longer necessarily considered to be the governor, or that the reader is no longer the primary target.

The enunciative tenor, therefore, also defines change in terms of dividing the reader from any sympathetic relation to the role of governor. The reader is instead positioned

to view things from the role of the auditor, the ERO. Self-identification and identification of their subject, suggests that the ERO are working to a new agenda, one of a corporate style auditor, rather than instruction, one that possibly pre-existed them in the corporate form and one which they potentially have re-created within schools.

Mode

The second method that can be used to support the ERO's self-identification, or the identification of the subject, can be considered from through the **mode**. Within Analysis 1 the author relied on the mode – the form of address – for the distribution of their message. The amassed authority of the ERO, state and expert opinion, all targeted at the individual reader through the carefully constructed official form of addresses, positioning the reader to carry out the instructions of the author.

While this piece adopts a similar format, in that it is written documents intended for singular consumption, it also claims an alternative form of authority. Authority is an essential part of self-identification and a powerful expression of modality, especially where the author claims to know the real world, or demand the reader act in accordance with their wishes. Change here suggests that the authors have repositioned themselves, or view themselves or their role differently. Instead of relying on the authority of the state, they now rely on the authority of the auditor position. One such view of this position, as outline above, is the right to monitor and report on the actions of the board. This could be considered to be an almost ethnographic style. They attempt to convince, through proof by experience, rather than simply demanding or telling. This ethnographic form of address, or mode relies on field-based reporting. It enquires:

on the extent to which boards of trustees are governing schools in a way that will make a positive contribution to student achievement.

(ERO 1999:1 paragraph 1)

The focus now becomes one of the observation of the achievement, and of the trustees, a performance appraisal or ethnographic 'investigations in the field'. The subjects, the board, remain alien, foreign. The researcher almost appears to be is

walking among the tribe of governance while never being one of them. Note how these passages position the reader:

However, on the basis of its field-based observations, ERO has developed the strong view that schools can and do make a difference to student achievement.

(ERO 1999:5 paragraph 26)

Given the wide variation in the quality of school governance, observed by the Education Review Office and others, this model would appear to be more appropriate to some schools than others.

(ERO 1999:2 paragraph 6)

Though these field based observation “ERO [and others], has developed the strong view that schools can and do make a difference”, “Given the wide variation in the quality of school governance, observed by the Education Review Office and others” deliver the expressive value that allows them to claim some form of expert status. These statements would not be quite as powerful or believable, if they simply stated “we think” or “we feel that”, but being field based means that they have been experienced, seen, been there. They know, because they have observed ‘it’.

This mode and its claim to expressive modality could be considered essential to the practices of the watcher or auditor. It produces a position that watches, observes and surveys, and that holds the subject’s position accountable based on those observations. The new form of relational modality appears to support a change in self-perception, possible in the adoption of the auditor role.

Rhetorical mode

I have suggested that enunciate statements betray change within the author positioning. I would suggest that this positioning is an ideal way of illustrating genre impact, or change within an organization, as the organization’s people adopt these new positions or roles, and start to speak in these new enunciate ways.

However, as Chenney and Carroll (1997) observe, that in adopting such a role, the corporate form may turn the ERO's staff into organizational or corporate auditor people. In particular they suggest that the corporate language both produces and reports organizational people, mere objects who remain functional in nature. Bavely (1999) makes the concerning observation, that the corporate auditors appear to demonstrate an unwillingness to act. It is this self-perception within the rhetorical mode that I seek to explore, the perception demonstrated by the ERO in the manufacture of themselves in the 'objective position' of auditors. Have they become mere functional objects, the surveyor, the measurer of compliance, and does this offer a possible explanation for why such a position may allow the corporate auditor people to act, or not act as, Bavely observes?

Consider this statement:

This paper examines some of the issues that need to be taken into account in determining where the model is working well and where it is not. It considers the extent to which the quality of governance affects student achievement, the options available to the government in schools where weaknesses in governance have been identified, and the circumstances in which specific interventions by the government in school' governance arrangements could be justified

(ERO 1999:2 paragraph 7)

It almost appears as if the paper wrote itself! 'This paper examines' 'it considers' the extent of impact on quality 'options available' and circumstances where 'interventions' may be required. There appears to note a lack of any form of self-agency or any self-awareness by the author. Where agency is considered in part of the last sentence "and the circumstances in which specific interventions by the government in school governance arrangements could be justified", agency is located outside the organization, with the government. They have produced themselves as an agent-less auditor, to watch and report, acting only on the instructions of others. This is supported in other locations:

Despite the fact that governance is not the only factor influencing student achievement, the government may need to take particular steps to improve the quality of governance in schools where the overall levels of achievement is low.

(ERO 1999:6 paragraph 28)

Therefore, the advice is that 'the government' must act "in schools", but never once is the pivotal role of the ERO in advising, measuring and making change within schools, discussed directly. They are the government's agents in schools, they are the auditor who watches, measures and acts in schools, and yet there is no suggestion of any responsibility, beyond monitoring compliance.

So we note within activity type and style, that the corporate genre brings with it a deep and overriding concern with agency and compliance. However, while this appears to direct the actions of the auditor as a discursive role to watch and monitor, it does not appear to promote their action or intervention. In particular, actions over organizational performance require the ERO to be directed, or to hand over responsibility to outside the organizations. This could be explained in terms of the discursive effect of the corporate governance discourse, the production of corporate genre, organizational people whose function is to enact compliance requirements.

Genres, truth effect of the corporate genre

It has been suggested above, that change to both activity type and style is the truth effect of the corporate genre on education, and these are discourse promoted. Within this genre section, the intention is to explore how consistent that 'truth effect' is with the promise, and the expectation, drawn from the discourse. The expectation is that governance is related to organizational performance, and that this was the explicit reason for the adoption of corporate styled governance by the ERO. However, the truth effect, witnessed in activity type and style suggests that the ERO are not only embedded within the discourse (potentially as auditor) but at the same time, are struggling to either explain or find this. The divergence between the truth effect and expectation could create the inconsistency that we witness in some parts of the texts.

Establishing inconsistency requires that we identify both the destabilization of some form of existing knowledge, practice or language and the re-articulation of a superceding concept. One such destabilization of the earlier texts is the connection of singular governance to performance. Indeed five years after the establishment of this process and the publication of “The Notion of Governance”, we see evidence that the ERO have at the very least doubts about this process, but also doubts over the direct nature of this relationship and the model of governance²⁰. These inconsistencies could be the expression of this dissatisfaction, caused by their separation between the expectation and the discursive result (or truth effect). The presence of inconsistency a textural expression of the dissatisfaction and modification, are likely to appear as rupture in authorial thinking, destabilization, dis-establishment of ideas, confusion, and inconsistency in the ERO’s explanation of governance and, most importantly here, how that relates to attempts to connect to performance.

So what is inconsistency in genre? For the message of the ERO to have the desired effect, it must present a cohesive and complete case to the reader. The reader must be convinced that what they read is ‘correct’. Too much inconsistency will have an obvious effect on the believability and the impact on the reader.

On the one hand, in Analysis 1, I suggested that the genre was that of the corporate governor, and in Analysis 2 that this genre has been successfully embedded. This could be witnessed in the adoption of positions (auditor, board, CEO, stakeholder) present in their practices (management, employer) and languages (efficiency, CEO as opposed to principal, and so on). Within Analysis 1, this was presented in a consistent and stable manner. There was one story, one way of being a governor, and there was little evidence of doubt in the mind of the ERO as to what this was, or what it would achieve. On the other hand, *School Governance and Student Achievement*, displays considerable destabilization of the single meaning of governance (see type page 76, and “management performance” ERO 2001:6). The level of change identified within Analysis 2 indicates that this single interpretation is being re-articulated. For this re-articulation to occur, the foundation of the understanding of “The Notion of Governance” must be eroded enough to allow it to be exchanged for another. To

²⁰ See literature review page 9 onwards.

examine this I have split this genre section into two parts, destabilization and re-articulation.

De-stabilization

Within Analysis 2, there is an attempted re-articulation of singular governance as a dual role, governance compliance and governance performance. Re-articulation firstly requires destabilization to allow re-articulation to occur, to supersede an older understanding.

One theme²¹, which is critical to this single understanding of governance, is that the governors understand ‘their role’ and how this relates to performance. Consider this quote from “The Notion of Governance” – itself a direct quote from the foundational legislation that created governance within schools:

We believe that the standard of education outcomes will be improved under this new structure. Our proposed charters will require institutions to be clearer about their purposes, and our proposals to give them control over resources will enable them to pursue those purposes in more single minded, imaginative ways. We are convinced that our proposal will encourage commitment, initiative, energy and enthusiasm and that these will inevitably lead to improved performance...Parents, learners and the community will have greater opportunity to influence the kind and quality of education offered. They will also have greater responsibility for helping to reach their community’s – and the nation’s – education objectives

(MOE 1988, cited in ERO 1994:3)

This explanation connects the governors to purpose and allows them to make their contribution to improve performance. The following, produced by “The Notion of Governance”, will allow this connection to be achieved. The theme is that it is desirable for governors to understand ‘their roles’. This is supported through-out the text, as in the following:

Over the last few years, considerable attention has focused on how well boards of trustees understand and are performing in their

²¹ I have used ‘theme’ to identify the concept that is to be destabilized and rearticulated.

governance role. The issue of one of those investigated by the Education Review Office (ERO) in its regular reviews of schools. As a result ERO has compiled a database of information on the extent to which boards of trustees are governing schools in a way that will make a positive contribution to student achievement.

(ERO 1999:1 paragraph 1, emphasis added)

In many schools board members have a well developed sense of their governance role and work together constructively to ensure that the skills and expertise of various individuals are brought to bear on relevant decisions and that appropriate working relationships are established with the principal, teachers and school communities

(ERO 1999:2 paragraph 3, emphasis added)

In a proportion of schools however, Education Review Office reports have identified significant problems with governance, for example:

- trustees' limited understanding of their governance role;
- trustees who have no active governance role;
- trustees who lack the necessary knowledge and management skills; and
- trustees who have no sense of the need for management systems as a necessary precondition for proper accountability and informed decision making

(ERO 1999:2 paragraph 4, emphasis added)

A significant point is that, despite that fact that it is now some 10 years since the introduction of the current governance model, there are still schools in which trustees have a limited understanding of their governance role and allow the principal a level of discretion which exceeds the principal's statutory role.

(ERO 1999:8, paragraph 35, emphasis added)

The theme would appear to be well developed, a clear indication – of the ERO's opinion – that the governors' understanding is beneficial, if not essential, to their work, and supportive of performance. Where that does not exist the ERO express some disappointment, given the length of time and their implicit efforts to achieve this understanding. It would seem clear that the evidence suggests that comprehension of the role of governor is considered by the ERO as important. Moreover, the ERO and

MOE have made other contributions in support of this theme, including financial and policy support:

To date work by government agencies has been largely focused on supporting and developing boards of trustees in their governance role and providing funding for training and support. The provision of funding for the New Zealand School Trustees Association (NZSTA) and policies such as the Ministry of Education's *School Support Project* reflect this approach

(ERO 1999:13, paragraph 5, emphasis added)

However, note the de-stabilizing effect of this statement:

Although it would seem an obvious assumption that there is a direct link between the extent to which school trustees understand and are active in their governance role and student achievement, the causative link is not direct.

(ERO 1999:38, paragraph 3)

This would appear to be a direct contradiction to the theme being established. The level of inconsistency can be clearly demonstrated when we place this passage against others which disagree, especially those which comment on the connection to performance:

"Although it would seem an obvious assumption that there is a direct link between the extent to which school trustees understand and are active in their governance role and student achievement..."

But that

"We believe that the standard of education outcomes will be improved under this new structure. Our proposed charters will require institutions to be clearer about their purposes, and our proposals to give them control over resources will enable them to pursue those purposes in more single minded, imaginative ways."

And

"...the causative link is not direct."

But that

“We are convinced that our proposal will encourage commitment, initiative, energy and enthusiasm and that these will inevitably lead to improved performance...”

By breaking this inconsistent statement down further we also note additional features, for instance how the statement above rejects both understanding, and action as having a causal link:

- 1) Although it would seem an obvious assumption that there is a direct link
- 2) [between] the extent to which school trustees understand and are active in their governance role
- 3) [and] student achievement
- 4) the causative link is not direct.

This sentence deserves attention not just because it directly contradicts the theme being developed, but because it has an extremely complex nature which marks it out as distinctly different from an otherwise clearly worded and simple structure. It is an inconsistency, a rupture, in the otherwise established understanding. It is a destabilization of the single understanding of governance offered so far. Surely the author could have expressed this more clearly? For example, ‘we can find no evidence that governor understanding of their role directly impacts on student achievement’, or ‘Governors should not assume that understanding their role will benefit student achievement’. Even ‘Examinations of the relationship between student achievement and governor comprehension of their role are inconclusive’ would have been appropriate. So why is it expressed in such a complex manner?

To some extent the complexity simply appears to obscure the author’s own understanding. It would seem unlikely that any author could make such a statement without realizing how it conflicts with the greater contextual intent of the text.

One explanation is that this is the truth effect, that’s conflicts with the stated expectation and a disarticulation of singular governance. As the author has started to

make these 'innovative'²² changes to resolve this conflict between governance and performance, this inconsistency between the expectations and outcome becomes even more apparent.

Such change may be seen to have unpredictable and unexpected results as it spreads throughout the text. I would suggest that in the 1999 text, this is only beginning. We are witnessing the early stages of de-stabilization and the ERO might not yet be quite sure what form change may make.

Re-articulation

We might expect that as one idea is superseded by another, that as elements are displaced and replaced, this new idea starts to appear in new locations within the text. As the singular understating of governance is superseded by a dual meaning we would expect to see such a notion re-articulated throughout the text.

Let us now consider some of the ERO's advice (1999) to boards on this dual nature of governance. In Analysis 1 this was fundamentally one of compliance. We could expect to see the original meaning being de-stabilized and re-articulated throughout the text.

For example, if compliance is becoming the main focus of the board's role, then we would expect that compliance skills would become of prime importance. Again there is a de-stabilization of the board's understanding of their role:

In a proportion of schools however, Education Review Office reports have identified significant problems with governance, for example:

- trustees' limited understanding of their governance role;
 - trustees who have no active governance role;
 - trustees who lack the necessary knowledge and management skills;
- and

²² 'Innovative' change here is used in a somewhat ironic form, given that it is likely to be discourse promoted and therefore a discursive effect.

- trustees who have no sense of the need for management systems as a necessary precondition for proper accountability and informed decision making

(ERO 1999:2 paragraph 4)

Note how the first two items, understanding and activity, are supported by the inconsistency, which we are told has no causative effect on performance. This leaves;

- trustees who lack the necessary knowledge and management skills;
- and
- trustees who have no sense of the need for management systems as a necessary precondition for proper accountability and informed decision making

(Ad bid emphasis added)

Significantly, governance problems become managerial activity and knowledge, management systems, accountability and informed decision-making. These would appear to be the reproduction of compliance activity.

The discussion on governance failure is also telling:

Trustees in disadvantaged areas usually have lower educational qualifications and management experience than schools in wealthier areas. This may be a significant contributory factor to weak governance. As a result students in these schools face barriers to learning not only because of the negative impacts of social and family factors but also because the schools they attend do not have the same level of skills and expertise on their governing bodies as schools in wealthier areas.

(ERO 1999:6 paragraph 30)

It would appear that such governance skills are having a disproportionate effect on this group, authorial concern highlighted by the use of politically correct language²³. If that governance role is produced as one of non-understanding, of compliance with legal procedures and requirements, then people with higher education, or with management experience, are more likely to succeed. 'Governance skills' could be better defined as 'compliance skills'. In the original definition of governance the

²³ Political correct language often suggests authorial sensitivity; 'disadvantaged' (poor) 'lower educational' (uneducated), see Fairclough (2003) for full detail.

understanding of governance by the governor was essential. Within the *activity type* (above) however, we witness the separation of governance, into governance performance and governance compliance. Compliance has been located with the board: their task is simply to carry out compliance activity, for which their complete 'understanding' of governance is not required. The inconsistency simply highlights that the discursive or truth effect, and expectation, appears to be further apart than the ERO would like.

I also suggest that as part of this division, while management pickup the compliance aspects, teachers are being positioned to assumed performance responsibilities. Let us now consider the advice given to boards with regards performance²⁴. This becomes apparent in the advice given to the three hypothetical schools:

The extent to which boards of trustees can make a difference to student achievement varies according to other characteristics of the school. This can best be illustrated by using three hypothetical examples:

School A, a school that the ERO considers to be performing poorly;

School B, an adequately performing school;

School C, a successful school judged in terms of popularity and examination results. (3)

In School A, the influence of the board of trustees is limited. The Board can formulate proposals for school improvement, ensure that the financial management supports the plan and is monitored effectively, and consult with staff. What the board cannot do is compensate for a lack of professional leadership. It can provide the framework and support systems for school improvement but it cannot give the professional leadership that brings improvement in the classroom. Much of the blame for poor performance must lie with the principal and senior managers, but the board must also share some responsibility because it has employed (or continues to employ) these professionals.

School B, can perhaps benefit most from an active board of Trustees. Trustees can inject an external perspective on problems and challenges confronted by the school and act as a catalyst for

²⁴ Keeping in mind Chenney and Carroll's (1997) advice, that corporate governance is often defined in terms of the absence of a relationship, between the board and the stakeholder.

improvements.

In School C, the principal might consider there was little contribution, that could be made by the trustees. However. A great risk for School C is complacency. As assessment of the value this school was adding to student achievement could reveal some unexpected weakness. A school board that was actively involved in scrutinizing and evaluating policies and practices would be a defense against the school resting on its laurels.

(ERO 1999:4-5, paragraphs 19-23)

Consider the treatment of boards in school's that are governed either well or acceptably (School B). Despite the advice that a Type B school has the most to gain, this theme is under-developed and left unexplained, and, when compared to the other two types of schools, under-verbose:

School B, can perhaps benefit most from an active board of Trustees. Trustees can inject an external perspective on problems and challenges confronted by the school and act as a catalyst for improvements.

(ERO 1999:5 paragraph 21)

Trustees can 'inject perspectives' and act as 'catalysts', but while School B can 'benefit the most', this is completely unexplained. How will this benefit the school? Any link to performance is completely absent.

Now note in comparison hypothetical School C, which it is assumed to have achieved compliance (otherwise it would not have been successful) and performance (in terms of student achievement and popularity). In fact it is described in such a way as to de-value any past or potential impact and involvement of the board:

"In School C, the principal might consider there was little contribution that could be made by the trustees."

(ERO 1999:5 paragraph 22)

Note, for example, the tense confusion in this paragraph. "Was little" is past tense, "could be made" is future tense. The interpretive effect on the reader is to further remove the board from possible involvement. Given the traditional understanding of governance, haven't the trustees already made a contribution in achieving

performance? The greater single understanding of governance requires the acceptance that the board had a primary function in achieving performance and a place in ensuring it in the future. Instead here good governance occurs indifferently to performance, and performance can only be achieved via the teaching staff. Thus the ERO appear to both deny and obscure boards in the case of their contribution to school performance. This begs the question, asked indirectly in the School C example; does the school need the board?

Finally, in School A, which is under-performing, the “influence of the board of trustees is limited” because while they can formulate proposals, and ensure managerial tasks are supported and monitored, they cannot make up for a lack of ‘professional management. They, as a board, **cannot** influence student achievement directly.

In School A, the influence of the board of trustees is limited. The Board can formulate proposals for school improvement, ensure that the financial management supports the plan and is monitored effectively, and consult with staff. What the board cannot do is compensate for a lack of professional leadership. It can provide the framework and support systems for school improvement but it cannot give the professional leadership that brings improvement in the classroom. Much of the blame for poor performance must lie with the principal and senior managers, but the board must also share some responsibility because it has employed (or continues to employ) these professionals.

(ERO 1999:5, paragraph 20)

Instead the ‘blame’ is passed mainly to the teachers – those actually responsible for organizational performance. As suggested above, it appears that responsibility for performance has been relocated with the teachers, while responsibility for governance has been located with the board. Connections to student performance or indeed the students themselves remains absent.

So far I have simply focused on the ERO’s textual examples of both the disarticulation and re-articulation of governance within schools. The ERO, however, go further, offering a summary of this re-articulation in what they refer to as the ‘chain of quality’. This summarizes much of the re-articulation, and is a sensible point to conclude this discussion.

Chain of Quality

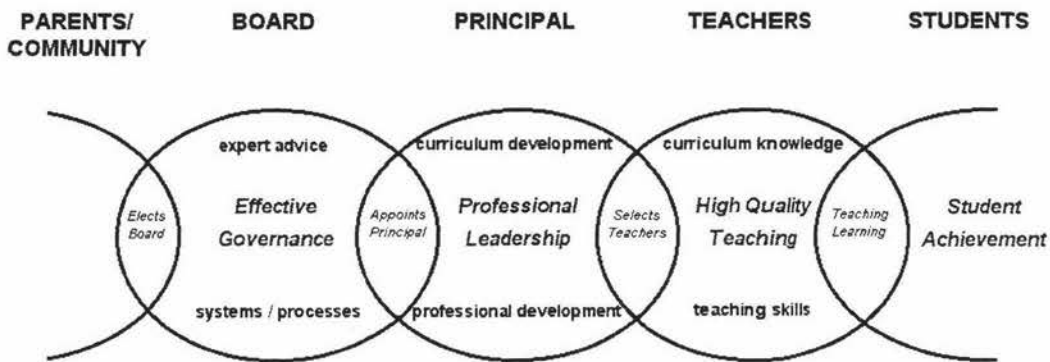


Figure 6. The chain of quality (Source: ERO website, downloaded 17 October 2003)

The ERO's 'Chain of Quality' is effectively a governance chain (Johnson and Scholes 1999:205) written specifically for the education sector of New Zealand. This is no longer the texturally described corporate governance of single interpretation²⁵ identified within "The Notion of Governance" (*Effective Governance*). Rather this is a heavily modified model formulated through the ERO's discourse guided attempts to access performance. The ERO have now developed a new understanding of the performance relationship: that governance is linked, but not directly, to student achievement (their indicator of performance). In fact they have identified a complex set of relationships that form this chain. Essential to this chain are the dual relationships between the board and staff to performance.

The ERO have now inserted a set of necessary requirements for governance to impact on performance: governance impacts of professional leadership, which impacts on high quality teaching, which impacts on student achievement. Gone is the singular understanding and direct relationship, rather this is a set of impacts. This is a very different form of governance with a very different understanding of how performance will be achieved. Governance appears to have been successfully re-articulated. In terms of the relationship originally suggested, that governance directly relates to performance, we now see performance existing, and continuing to exist, without input from the board – but only after the board has achieved compliance.

²⁵ The governance equals performance model (see fig.1)

Conclusion

From the above we can draw the following conclusion. Analysis 2 suggests that any change in activity type or style is indicative of the importation of alien discourse, of corporate governance in this case. Within the genre, change in the form of truth effect may appear as inconsistency between the expectation and discursive effect. Within Analysis 2, using these tools, we witness two important features that I would like to highlight.

Firstly, the connection between governance and performance appears to have been re-articulated – importantly there is nothing to suggest that this could occur in the corporate world. Gone is the simple assumption of governance equating performance. It is replaced with a dual role, which if anything, makes the board's ability to achieve performance even more remote, if not detaching them from their purpose.

The second point concerns compliance, which becomes increasingly dominant in the 1999 text. The role of the governor, and the governor's auditor, increasingly focuses on the need to monitor and comply. The predominant concern of these two groups revolves around the auditable actions of the board – but this appears in many ways to simply assume that watching is sufficient to ensure performance. Where board actions contravene direct compliance requirements, the ERO seeks direction from the government to act, but performance issues are infinitely more complex, and the implicit connection between governance and performance appears even less convincing after an attempted explanation than it did before.

Is the connection between governance and performance therefore, resolvable through the continuation of this division between the board and performance, or will we see continued inconsistency create greater problems? These issues are the focus of Analysis 3.

Analysis 3: The Triumph of Governance – Compliance

The suggestion advanced so far is that a key discursive feature of corporate governance is that it results in performance. However, the truth effect of the discourse of corporate governance would appear to be the production of the governor as a mechanical compliance agent. The question that remains is whether the re-articulation identified in Analysis 2 will resolve this tension between governance and performance, or whether it simply demonstrates an even greater expansion of the inconsistency between the discursive reality and the performance expectation. This final analysis attempts to investigate these two possible readings against recent ERO texts.

The intention is to consider what has remained stable over the three documents, spanning in excess of twelve years. I will compare the relative instability within the ERO's discourse guided treatment of performance against the relative stability of the issues surrounding compliance. I then hope to draw a conclusion as to the discourse operating within the school environment before drawing this analysis to a close by considering some of the potential implications and impacts on the corporate world.

This analysis will be attempted in two steps. Firstly, and as I have suggested in Analysis 2, as genre impact becomes more widespread it will become more readily identifiable within activity type and style. Therefore the Analysis 3 document *School Sector Report 2000: ERO's contribution* (ERO 2001) will be considered by using these two lenses. Secondly, further consideration of the genre is similarly unlikely to add additional detail. Genre then has been dropped in favour of a general discussion on the discourse of school governance as a summary to Analyses 1, 2 and 3, before consideration of the discourse of governance is attempted in the conclusion.

School Sector Report 2000: ERO's contribution was published in April 2001 (<http://www.ero.govt.nz/Publications/pubs2001/SchoolSector.htm#Title>). It is the summary of investigations carried out by the ERO until December 31st 2000. It is situated 2 years after *School Governance and Student Achievement*, seven years after "The Notion of Governance", and approximately twelve years after the introduction of corporate governance into the education sector. This document was selected for

two reasons. It represents the latest document, to this analysis in 2003, presented by the ERO on governance, and specifically addresses governance success and failure within the school sector. I have limited my investigation to two sections “Families and Communities” (pages 3-4, paragraphs 1-13) and “Governance and Management” (pages 4-8, paragraphs 14-35). These were selected due to their relevance to the governance-performance relationship, and are both located directly after the introduction.

‘Families and Communities’ is a useful place to consider the connection between the representative board and its impact on performance. It is claimed (ERO 1999) that through their commitment and innovative approach, they will ‘inevitably’ provide the implicit improved performance. Within this document, the ERO explain this connection mainly in terms of ‘satisfactory or positive’ relations between this group and the community. The ERO see these ‘positive relations’ as exhibited through “fund raising, supporting class programmers, participation in school events and supervision on school trips” The ERO supports its reasons in two ways: that this will lead to students having higher expectations of their school experience, and that this will lead to increased quality of school governance.

‘Governance and Management’ is a considerably longer section. It is, as one might expect from the title, an examination of governance and management within schools. It relies on a number of headings to provide a sense of structure for the reader, arranged into several subheading within the introduction that look at ‘governance skills’, before two larger sections that summarize ‘management practice’.

Governance and Management Section (pp 4-8 paragraph 14- 48)

Meeting legal requirements	(Page 5, paragraph 15-19)
Undertaking self review	(Page 5, paragraph 20-22)
Providing professional leadership	(Page 5, paragraph 23-24)
Managing staff performance	(Page 5, paragraph 25-27)
Managing finances	(Page 6, paragraph 28-29)
“Poor school Management” ”	(Page 6, paragraph 30-36)
“Improving Management”	(Page 7, paragraph 37-48)

These section have been reproduced below, in their printed form, namely the page numeration should align directly with a printed version. The standard convention used here, or in referring to Analysis 2 is, author, year, page and if required line. Where Analysis 1 is referenced, it includes the paragraph letter already used.

School Sector Report 2000: ERO's contribution (ERO 2001)

Figure 7: Text 3. School Sector Report 2000: ERO's contribution

Published in April 2001

Families and Communities

- 1 Families and Communities School/parent/community relationships
This section comments on the relationships between schools and communities. It is based on 399 ERO reviews of schools completed between 1 January and 31 December 2000 that commented on these relationships.
- 2 ERO found satisfactory and supportive relationships between schools and communities at 348 schools (87 percent). These schools largely maintained the confidence of their communities and were able to draw upon parents and other citizens for a range of purposes such as:
 - fund-raising;
 - supporting class programmes;
 - participation in school events; and
 - supervising school trips.
- 3 The support that these schools receive from their communities is also likely to encourage students to have higher expectations of their school experience. In addition, some of the schools used the relationships to good effect in making parents partners in encouraging students to study and achieve.
- 4 Another advantage of good community relationships is that it increases the probability that community members will be willing to act as trustees, thus increasing the quality of school governance.
- 5 One of the strengths of these schools is the way in which they recognise and value parent input. Other common strengths of schools with good community relationships were long-term relationships with local iwi and use of a good variety of communication strategies, including face to face contacts.
- 6 Most of the 348 schools with good community relationships also performed adequately in other areas of their operations. ERO was dissatisfied with the overall performance of only 15 percent of schools that had satisfactory community relationships. This compares favourably with ERO's dissatisfaction with 24 percent

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of all schools reviewed in 2000.

Most of the schools with satisfactory community relationships but poor overall performance were either situated in rural areas or had a special character of some kind (for example integrated schools or kura kaupapa Māori).

- 8 ERO found unsatisfactory community relationships at 51 of the 399 schools (13 percent). These schools had generally lost the confidence of their communities either because of poor school management and governance or specific community issues. In some cases, school involvement in community conflicts can lead to the school losing the confidence of at least some of the community.
- 9 ERO was not satisfied with the overall performance of 38 (75 percent) of these 55 schools, which suggests that poor community relations impact negatively on the performance of the school as a whole.
- 10 The major concern that can arise where a school loses the confidence of its community is that it can enter a spiral of decline. Because of the lack of confidence, community members are less likely to provide the school with the support it needs to improve performance. Furthermore, a loss of community confidence is likely to lead to a reduction in student enrolments. Fewer student numbers compound the difficulties faced by schools by reducing their income, staffing and pool of potential trustees.
- 11 Consequently schools in this situation can find it particularly difficult to improve their performance.
- 12 In terms of particular issues to do with parents and communities, ERO found that 68 schools (17 percent) had not consulted on delivery of the health syllabus as required under Section 105C of the *Education Act 1964*.
- 13 Thirty-one schools (8 percent) had poor or no relationships with local Māori communities and 29 (7 percent) needed to introduce or replace complaints policies.

Governance and Management

- 14 The following information is drawn from ERO reports of reviews of 567 state schools completed during 2000. This represents 22 percent of all state schools. As ERO reports focus on the individual school they do not all include comment on all aspects of governance and management. To this end, percentages do not always total 100.

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Meeting legal requirements

- 15 Each school board of trustees is bound by the legislative requirements of the *Education Act 1989* and other legislation and regulation about the safety and well being of both the children enrolled at their school and their employees.
- 16 Boards of trustees are also bound by the obligations of their written charters that are deemed to include the *National Education Guidelines*. These consist of three parts: the *National Education Goals*, the *National Curriculum Statements* and the *National Administration Guidelines*.

- 17 Boards of Trustees met their legal requirements to a high level in 2000. Overall,
- 18 Seventy seven percent of boards met these satisfactorily. Twenty-three percent of boards failed to meet their legal requirements satisfactorily.
- 19 The most common areas of difficulty for boards in 2000 were meeting legal requirements associated with board administration, managing staff performance, curriculum management, civil defence and the provision of a safe physical and emotional environment.

Undertaking self review

- 20 Under the National Administration Guidelines boards of trustees are required to maintain an ongoing programme of self review.
- 21 In 2000 this was managed well by two-thirds of boards (67 percent) and unsatisfactorily by 29 percent.
- 22 Major areas of concern reported were the lack of or poor quality of strategic planning to provide a context for self review and the informal nature of the documentation on the findings of self review.

Providing professional leadership

- 23 In 80 percent of schools during 2000, professional leadership was satisfactory or good. In many cases a strong management team supported the principal's professional leadership.
- 24 In the 15 percent of schools where the professional leadership was reported as unsatisfactory, this was in particular because the staff were not given sufficient direction, there were ineffective lines of communication, the principal was spending too much time on administration, or the principal was inexperienced.

Managing staff performance

- 25 *Performance Management Guidelines* for schools were

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promulgated by the Secretary for Education under Section 77C of the *State Sector Act 1988* for implementation in schools from the beginning of the 1997 school year.

- 26 In 2000, staff performance was managed satisfactorily in three-quarters of schools. In 25 percent of schools there were difficulties. In 19 percent of schools the professional standards were not incorporated into the performance management system as required in. In 13 percent of schools, the policy was not fully implemented or some teachers (for example, part-time or senior staff) were not assessed. In 54 schools (10 percent) the principal was not assessed.

- 27 Not all schools have provisionally registered teachers or teachers with a limited authority to teach (LAT). Of the 222 schools where this aspect of teacher performance management applied, 182 (82 percent) were providing satisfactory support for these teachers while 40 (18 percent) needed to improve the assistance they provided for these teachers.

Managing finances

- 28 Boards are required to allocate funds to reflect their school's priorities, to monitor and control school expenditure and to ensure that annual accounts are prepared and audited.
- 29 In 2000, finances were effectively managed by 86 percent of schools. Financial management was unsatisfactory in 8 percent of schools mainly for the following reasons: inadequate financial management systems, policies or procedures; inadequate record keeping; and/or inadequate or inappropriate budgeting.

Poor school management

- 30 The management performance of 138 of the 567 schools (24 percent) reviewed by ERO during 2000 caused concern.
- 31 In the great majority of schools these concerns focused on four main areas:
- governance;
 - curriculum management and/or delivery;
 - professional leadership; and
 - relationships between board, principal, staff or community.
- 32 In 55 of these 138 schools (40 percent) there were concerns about all three areas of governance, curriculum management and/or delivery, and professional leadership. In 10 of these there was evidence of deterioration in relationships
- 33 among those involved in governing or managing the school. In many cases, because of poor professional leadership, the curriculum was not well managed and the board had not acted

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effectively to remedy this.

- 34 There were issues associated with the two areas of governance and curriculum management and/or delivery in another 32 schools (23 percent). In a number of these schools a new principal had inherited the situation but, at the time of the ERO review, had not yet been able to rectify it.

- 35 Governance matters alone were the main issue for a further 19 boards (14 percent). This may have related to the fact that some trustees were unsure of their role and would benefit from appropriate training.
- 36 Relationships were at least part of the problem in 17 (12 percent) of the schools. There may have been a breakdown between the principal and the board, or board and/or staff may have become divided. This usually served as a catalyst for the emergence of other issues related to governance or management.

Improved management

- 37 Some schools are able to improve their own performance satisfactorily between the time of a regular ERO review and a follow-up review some six months later. It appears that, for these schools, the impetus of a critical ERO report is sufficient for the board and staff to address outstanding performance issues.
- 38 During 2000 ERO carried out one follow-up (discretionary) review in 214 other schools where, as a result of a previous review, it had been concerned about the school's performance. These concerns typically related to one or more of the following:
- the quality of curriculum planning, implementation or management;
 - the quality of assessment and reporting of student achievement;
 - the strategic planning and systems for ongoing self review;
 - the performance management of staff;
 - the quality of professional leadership and guidance; and
 - the board's understanding of its governance role and responsibilities.
- 39 Some of these schools required high level intervention. For 15 schools ERO recommended that the Secretary for Education use the authority given to him under Section 64A of the *Education Act 1989* to direct the board of trustees to engage a person or persons to provide appropriate assistance so that the board complies effectively with its responsibilities.
- 40 In one school ERO recommended that the Minister of Education exercise his authority under Section 107 (1) (a) of the *Education Act 1989* to dissolve the board of trustees and direct the Secretary

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for Education to appoint a person to act as a commissioner.

- 41 Of the 196 schools that received one follow-up report from ERO during 2000, 108 (55 percent) had improved sufficiently to be able to return to the regular ERO cycle of reviews.
- 42 In 84 schools there may have been some improvement but this was insufficient for ERO to be satisfied with their progress overall.

- 43 Improvement was undetermined in four schools, three of which were to close and one of which was to merge with another school.
- 44 The quality of governance had been an issue for 190 of the 196 schools (97 percent). By the time of the follow-up review, 111 schools (58 percent) had improved in this area. The management or delivery of the curriculum had been an issue in 187 schools (95 percent), 113 (60 percent) of which had improved in this area by the time of the ERO return review.
- 45 Poor curriculum management may be the result of ineffective professional leadership. Professional leadership had improved in 45 (66 percent) of the 68 schools in which it had been identified as an issue. Difficulties in relationships between board, principal, staff or community that were evident in 25 schools had largely been resolved in 14 schools (56 percent) by the time the follow-up review took place.
- 46 In many schools there was no specific external intervention and the board and principal on their own were able to manage the improvements that took place. However in 34 schools a change of principal, resulting in a more appropriate style of leadership, was a major factor in bringing about improvement. The use of educational consultants or resource people, or the participation of the board in training, was identified as being helpful in 25 schools.
- 47 In 18 schools ERO was not satisfied with the progress made in addressing the issues identified in the previous report and scheduled a second follow-up review in the year 2000. These schools were 12 full primary schools, three contributing schools, one restricted composite school and two Year 7 to 13 secondary schools.
- 48 ERO was satisfied with the improvement in eight of these 18 schools (44 percent) at the time of the second follow-up review. Of the remaining 10 schools, four had made good progress towards meeting their requirements and four had made some progress. In the other two schools little progress had been made and ERO expressed significant concern about the education of the students attending. In all 10 schools ERO decided on further action including, for eight schools, another ERO review in six months' time.

Analysis 3

Activity Type: Successful governance is successful compliance

One of the observable ways in which activity 'type' can work is that it allows the reader to consider how the author has grouped and arranged their knowledges and advice for consumption. Thematic grouping indicates, at the very least, the author tacit approval of the conception of such knowledges. For example, the grouping of "Families and Communities" or "Governance and Management", indicates that the author articulates that these things are either closely related, or that it simply makes sense to group them beside each other. Within Analysis 2 we observed a similar grouping with the separation of governance (compliance) and governance (performance), which allocates each grouping to separate locations or positions within the governance structure. Despite some reservations on the part of the ERO they remain committed to "The Notion of Governance" expressed in 1992. Within Analysis 2 this was, however, set against what was increasingly becoming a confused picture over what exactly is meant by the term governance, and what being a governor means. Within Analysis 2 there appeared to be the start of a re-articulating of governance, and it is hoped that within Analysis 3 we can consider whether that re-articulation has resolved the tension between governance and performance, or whether it simply expands the gap between the expectation and the discursive result.

Inconsistency was a significant feature within Analysis 2, although such inconsistency appeared to be in its earlier stages. Within Analysis 2, I suggested that genre impact causing inconsistency; would eventually be witnessed within activity type and style. We could, therefore, now expect to see that same inconsistency over performance and compliance within the type and style of Analysis 3.

It might be useful to firstly consider the inconsistency observable within the grouping of management and governor. As has been suggested in both the earlier analyses, the position and role of the governor has been de-stabilized, their innate role becoming increasingly unclear. It is almost as if the ERO search, but cannot find either the connection between governance and compliance, or fail to realize the 'implicit' value placed on the inclusion of the representative community boards in achieving this

desired result. In lieu of finding this connection, the ERO appear to be focusing on the one thing they do know that governance produces compliance, and therefore, the role becomes increasingly concerned with compliance, possibly producing the governor as a compliance manager. One possible result from this appears to be that the potential to achieve performance, through the inclusion of the community board, becomes stretched. At the same time, the inconsistency between the expectations or the inclusion of the representative board to allow them to make their contribution to student achievement, appears to become increasingly obscured.

Consider, for example, the activity type, or the effect of grouping together **“Management”** and **“Governance”** (ERO 2001:2 paragraph 1). This is a statement regarding the author’s understanding of these two concepts. However, within corporate governance these two concepts are, almost by definition, mutually exclusive²⁶. Within this text these words, management and governance, are often used together, as if the author is unclear which is correct. Sometimes they are even used synonymously, as if they were interchangeable concepts. This is even apparent in the textural position of governance, below management, as a sub-heading, as an element of general management.

Poor school management

The management performance of 138 of the 567 schools (24 percent) reviewed by ERO during 2000 caused concern.

In the great majority of schools these concerns focused on four main areas:

- governance
- curriculum management and/or delivery
- professional leadership; and
- relationships between board, principal, staff and community. “

(ERO 2001:6, paragraph 31)

Governance appears to be a measurement, a benchmark, of poor management performance. Is it really the same sort of function as curriculum management and delivery, or are poor management, professional leadership and stakeholder

relationships a measurement of poor governance? Is governance a measurement of management performance, or is the performance of management an element of governance as is suggested in a more traditional understanding of governance? Such confusion suggests that the ERO's understanding of governance is becoming increasingly difficult to define outside of daily administration and management of the school. Consider the following passage:

In 55 of these 138 school (40 percent) there were concerns about all three areas of governance, curriculum management and/or delivery and professional leadership. In 10 of these there was evidence of deterioration in relationships among those involved in governing or managing [1] the school. In many cases, because of the poor professional leadership, the curriculum was not well managed and the board had not acted effectively to remedy this [2].

(ERO 2001 pp6, par 32)

Such a statement problematises the readers interpretation, and demonstrates a blurred understanding on the part of the author, by allowing multiple possible meanings. For example, we have three areas of concern: governance, curriculum management and/or delivery, and professional leadership. Governance and management are used interchangeably, and, by grouping them together, the possible meaning of the passage appears to become hopelessly confused.

The agency [1] is quite unclear; is it governing and managing as one concept, or governing as opposed to managing as two discrete functions? This sort of agency confusion occurs in other locations as well. Note below the confusion between the board and administration:

In many cases, because of the poor professional leadership, the curriculum was not well managed and the board had not acted effectively to remedy this [2].

(ERO 2001:6, paragraph 20)

Is poor professional management [2], the fault of the board, a group of non-professional community managers? Or worse, are the same group of non-professional community representatives expected to take an active hand in curriculum management? Who holds what function and what responsibility? Yet again agency

²⁶ Corporate governance is defined by the separation of ownership from management (Daily et al.

becomes an issue, this time with the principal and governance/curriculum management.

There were issues associated with the two areas of governance and curriculum management and/or delivery in another 32 schools (23 percent). In a number of these schools a new principal had inherited the situation but, at the time of the ERO review, had not yet been able to rectify it

(ERO 2001:7, paragraph 21)

It would appear that the principal is expected to solve many of these governance problems, however, they are the employees of that same board. Such an understanding would create multiple potential conflicts of interests. The author appears to have provided conflicting understandings of the function of the governor. Rather than a discrete role, governor apart from management, the governor is now both governor and manager. By simplifying the function of the governor into some form of managerial task, like that summarized above, it appears that they have eroded the definition difference between governance and management – a critical definitional difference.

Part of the intention within Analysis 3 is to consider stability, here of the notion of performance, over time. Let us compare this understanding against the two previous texts to establish how consistently it has been presented during this period. The reader simply needs to be aware that these passages all relate to the same thing; the role of governance in performance. Each appears to present it inconsistently during the 12 year period.

The functionality of the role of governors in Analysis 1, was set against a backdrop of considerable latitude in how the governor undertake their 'governance role'²⁷.

- 34 Boards of Trustees define and exercise their governance
- role in
- 35 relation to their responsibilities, requirements and
- relationships,
- 36 and to the particular way these are manifest in each
- individual

2003): the manager as agent and 'governor' as the professional manager on behalf of the owner.

²⁷ Although indirectly, they were also restrained, and limited.

(ERO 1994, G34-37)

In the 2001 text, where boards do exercise independence, the ERO express 'governance concerns' as they are unsure that trustees are understanding their role:

Governance matters alone were the main issue for a further 19 boards (14 percent). This may relate to the fact that some trustees were unsure of their role and would benefit from appropriate training.

(ERO 2001:7, paragraph 22)

Their advice, to resolve this, is additional training. However, this conflicts with their earlier statements that:

Although it would seem an obvious assumption that there is a direct link between the extent to which school trustees understand and are active in their governance role and student achievement, the causative link is not direct

(ERO 1999:3, paragraph 3)

It is not at all clear that the ERO have a singular definition for governance expectation from governors. The inherent confusion in the ERO's dealing with the subject, the position and the function of 'governor' can only muddle the governor's understanding of their role. The governor could view the ERO's advice as encouragement to take direct action as 'school managers' concerning themselves with staff performance, professional management and curriculum management and delivery. However, this is unlikely to meet with the approval of the ERO, or may at one moment and not at another. It is not really surprising, therefore, to see concern over the governor's role, or statements like this:

There may have been a breakdown between the principal and the board, or the board and /or staff may have become divided. This usually served as the catalyst for the emergence of other issues related to governance or management.

(ERO 2001:7, paragraph 23)

On the other hand, governors may see themselves as a compliance administrator, simply enacting explicit requirements. The board sits uncomfortably between the promised performance and the dominant need to ensure compliance. Given the

difficulties in pleasing the ERO, the lack of advice beyond compliance and the importance placed on compliance criteria by the ERO, it appears that most boards concern themselves mainly with the latter, namely compliance activity.

Whereas the issue over performance has remained remarkably inconsistent, the issue of compliance can be seen to be remarkably consistent throughout the texts. The interpretation of governor, as compliance manager, can be illustrated in several ways within the Analysis 3 text. Note for example in the introductory section of “Governance and Management” how the section is further broken down into subsections, or groups of activities. Within the following passages, governance is textural subjugation and back-grounding in preference to the managerial functionality, or what the ERO have referred to as ‘management performance’.

Governance and Management - paragraph headings

- Introduction (page paragraph)
- Meeting legal requirements
- Undertaking self review
- Providing professional leadership
- Managing staff performance
- Managing finances

(ERO 2001:4)

It starts predictably, with the dominant compliance relationship. The first section after the introduction is “Meeting legal requirements”, in which compliance to legislation is re-established, and obligations to ‘the community charter’ are subsequently made dependant upon:

Each school board of trustees is bound by the legislative requirements of the *Education Act 1989* and other legislation and regulation about the safety and well being of both the children enrolled at their school and their employees.

Boards of trustees are also bound by the obligations of their written charters that are deemed to include the *National Education Guidelines*. These consist of three parts: the *National Education Goals*, the *National Curriculum Statements* and the *National Administration Guidelines*.

(ERO 2001:5, paragraph 15-16)

Even these community charters are limited. Rather than simply reflect the demands of the community, they are 'deemed' or, considered under law, to include the National Education Goals, National Curriculum Statements and National Administration Guidelines. The remaining ability for the community to have a say in the governance of the school, or contribute to performance through innovative governance, appears to be slowly being written out.

This first subsection sets the tone that is to follow. These will be a set of activities, activities that must be either complied with, or 'failed'. Each subsection formally identifies another managerial task; managing staff performance, finances and professional leadership. Each subsection explores the headed topic, but note that these are not concerned with forms of success. They focus instead on school governance failure in each of these areas, as outlined below:

- Meeting legal requirements

"failed to meet their legal requirements"

(ERO 2001:5, paragraph 18)

- Undertaking self review

"Major area of concern...the lack or poor quality of strategic planning to provide a context for self review and the informal nature of documentation"

(ERO 2001:5, paragraph 22)

- Providing professional leadership

"professional leadership was reported as unsatisfactory...the principal was spending too much time on administration"

(ERO 2001:5, paragraph 24)

- Managing staff performance

"In 13 percent of schools, the policy was not fully implemented"

(ERO 2001:6, paragraph 26)

- Managing finances

“Financial management was unsatisfactory in 8 percent of schools mainly for the following reasons: inadequate financial management systems, policies or procedures; inadequate record keeping; and inadequate or inappropriate budgeting.”

(ERO 2001:6, paragraph 29)

Secondly, note the form of success delivered in the following statement:

Boards of Trustees met their legal requirements to a high level in 2000. Overall, seventy seven percent of boards met these satisfactorily. Twenty-three percent of boards failed to meet their legal requirements satisfactorily.

(ERO 2001:5, paragraph 17-18)

‘Success’ as discussed here, appears to be a successful ‘legal’ compliance. We might, therefore, explain the structuring effect of this activity type as producing a pass or fail focus in the board. The author’s concern appears to be simply one of compliance achievement by the board – they will not be measured by the ‘level’ of achievement (acceptable, good or excellent), but whether the board has complied or not. Hence a dichotomy is created; compliance is success, non-compliance is failure.

If governance has been reduced to a managerial activity, then the function and achievement of legal compliance suggests that the only important measure of successful governance is successful compliance. If this is how the board is to be measured, then can we expect them to behave contrarily to this primary focus? There is no suggestion here that success has anything to do with student achievement, or to performance beyond compliance. Nor does failure appear to have anything to do with organizational objectives, such as student achievement. Rather is the failure to comply on which the ERO focuses. *School Governance and Student Achievement* (ERO 1999) appears to be consistent with this reading:

The rationale for this approach is that unless it can be shown that particular governance arrangements are having a negative impact on student achievement (or are not complying with national requirements)

(ERO 1999:3 emphasis added)

The text does not ask to what extent they are having a positive effect, but only expresses a concern if there is a negative impact, nor is any differentiation made

between schools that are acceptably managed and those which are exceptionally managed. In fact, 'success' is not discussed.

The discursive gap between governance and performance appears wider than ever. While the connection to performance appears inconsistent, the connection to compliance remains stable, and within activity type we see some alignment between the truth effect and such a reading. This alignment appears to be present in earlier texts, but only becomes apparent, in the light of such a reading.

Style: Does governance = performance, or, performance = governance?

Within the activity type, or structuring effect above, we observed groupings of author-identified data in their sense making. The implicit assumption was that governance is directly related to performance. If success and failure are a measure of compliance, does it automatically follow that successful organizational compliance results in organizational performance? Such a suggestion may be considered in the style of the text.

Style will be used to consider the impact or the unintentional 'coloration' of this thematic grouping of data. As such it may be used to explore the traces of expected relationships between the participants, based upon this compliance view, in terms of tenor. Finally we might also be able to gain some insight into the author's view via the mode, or what that form of address tells us regards the author.

Tenor

We might consider stylistic intent, or the author's unintentional use of style features, in terms of tenor. This describes the authorial intention, in the manner in which they relate to the audience – the reader. It can provide clues about both the author and whom they think their audience is, as well as what relationship they believe is appropriate. Earlier on we saw that the ERO explained that parents, as governors, would have a positive impact on student performance or that their involvement would inevitably improve performance:

our proposals to give them [governors] control over resources will enable them to pursue those purposes in more single minded, imaginative ways. We are convinced that our proposal will encourage commitment, initiative, energy and enthusiasm and that these will inevitably lead to improved performance

(MOE 1988, cited in ERO 1994)

Within Analysis 2 it appeared that this direct relationship was being re-articulated into a chain of quality. It was suggested that such a re-articulation might have unpredictable and unintended outcomes. It was noted that within Analysis 2, rather than explain how the board would make its contribution, the board was divided from its purpose. Our question here is whether this re-articulation has overcome this, or whether it divides them further, replacing it with a more distant relationship in alignment with the discourse, rather than the truth effect.

In the Analysis 3 document (2001) we see this explanation again, but this time rather than “encourage commitment, initiative, energy and enthusiasm” (Above) we see a very different form of action suggested by the author. In particular the ERO feel the need to explain in considerable detail to the reader the connection between parent involvement, as governors, and the desired outcome of higher student achievement. The start of the following section defines what the ERO mean by ‘positive’ school/community relations. The last two paragraphs attempt to connect this ‘positive’ school and community relations to trustees and performance.

This section comments on the relationship between schools and communities. It is based on the 399 ERO reviews of schools completed between 1 January and 31 December 2000 that commented on these relationships.

The ERO found satisfactory and supportive relationships between schools and communities at 348 schools (87 percent). These schools largely maintained the confidence of the communities and were able to draw upon parents and other citizens for a range of purposes such as:

- fund raising;
- supporting class programmes;
- participation in school events; and
- supervising school trips.

The support that these schools receive from their communities is also likely to encourage students to have higher expectations of their school experience. In addition, some of the schools used the relationships to good effect in making parents partners in encouraging students to study and achieve.

Another advantage of good community relationships is that it will increase the probability that the community members will be willing to act as trustees, thus increasing the quality of school governance.

(ERO 2001:3, paragraph 1- 4)

The experiential value, within the expressive modality, suggests an ‘obvious’ connection to the reader. The modality – a reference to the ERO’s real world knowledge expressed here, is that the ERO ‘know’ schools, governance, community and the relations between them, and know how this will relate to performance. This modality, to some extent, overplays the ERO’s hand, and such an obvious connection demands the attention of the reader and therefore the discourse analyst.

Consider, for example, the level of commitment demonstrated by the author. Note the cumulative hedging, as the passage moves from the absolute certainty that the ERO ‘can’ comment on the relationships between school and committees, to ‘expressions of confidence’ by communities. They are ‘likely to encourage’, and have some ‘additional effect’ on achievement, and finally, that there is an ‘increased probability that members will be willing to act’. The author appears either hesitant to make an all-encompassing general statement, or, at the very least, there is a level of conjecture in their argument. The sense of the argument offered is that the involvement of parents (as the stakeholder group) will lead to increased student expectation. This good community relationship will encourage more parents to act as trustees and this will increase the quality of governance. **Thus** we achieve a positive relationship between the school and the community.

‘Thus’ acts in the text to suggest a direction between relationships. Here it suggests that ‘therefore’ or ‘because of’ governance, we will achieve performance. However, another reading, suggested below, is that governance is the result of positive performance. For example, community involvement, the ERO suggest, will impact on higher commitment by students, and this will help create positive relationships. This

in turn, is 'used to good effect' to impact on parents, encouraging them to encourage students to achieve. So student achievement here is explained as a function of parent commitment. Parents, who may be governors, are more likely to be so if their children do well. Good governance appears here, at least, as a result of the positive relationship itself. This would suggest that performance results in good governance, rather than the reverse, almost a self-fulfilling prophecy of quality. It may be more accurate to replace 'thus' with 'because of' in this text, to make the statement logically correct.

Given the increasing subjectivity, or the level of hedging in this section, the reader might have expected to see the section conclude 'therefore we could expect their involvement to have a positive effect on governing'. However, the ERO make use of the categorical modal auxiliary 'thus' suggesting that this is self-fulfilling, or that it remains obvious to the author as a conclusion, a categorical and logical conclusion to this relationship. While the author appears to have maintained their own position and faith in the connection, it is only through an awareness, and at the modal expense, demonstrated in the need for such hedging and through a rather lengthy set of logic statements. 'Thus' appearing to reassure the author, and certainly having more meaning to the author than the reader.

One-way of approaching the problem offered here is by extrapolating the ERO's argument. Such an extrapolation would suggest that in school which have a high level of community involvement, we should also find good governance and higher student achievement. Within the education sector, there are schools, which have special characteristics, such as Kaupapa Maori or rural schools. These schools traditionally record and achieve a higher level of community involvement, in part stemming from the nature of the school, but also from parents' commitment to that special nature. We could expect that these schools should, therefore, out-perform 'normal' schools, that the 'initiative, energy and enthusiasm and that these will inevitably lead to improved performance...' (ERO 1999 above). However:

Most of the schools with satisfactory community relationships but poor overall performance were either situated in rural areas or had a special character of some kind (for example integrated schools or kura kaupapa Maori)

(ERO 2001:4, paragraph 7)

It would appear that such parent commitment, at its worst, might actually produce negative results! The contradictory 'evidence' does not appear to support the ERO's assumed connection between governance and performance. Contrarily, those communities with higher expectation, or more reason to expect performance and have more invested in educational outcomes, or those communities where the school is an integral part of the community (such as rural areas), often demonstrate poorer 'governance' performance.

A view that community governance has little to do with performance, as student achievement, and in fact may be a result of performance, is equally born out in the ERO's comments on failure:

ERO were not satisfied with the overall performance of 38 (75 percent) of these 55 schools, which suggests that poor community relations impact negatively on the performance of the schools as a whole.

The major concern that can arise where the school loses the confidence of its community is that it can enter a spiral of decline (Appendix A), because of the lack of confidence, community members are less likely to provide the school with the support it needs to improve performance. Furthermore, a loss of community confidence is likely to lead to a reduction in student enrolments. Fewer student numbers compound the difficulties faced by schools by reducing their income, staffing and pool of potential trustees.

Consequently schools in this situation can find it particularly difficult to improve their performance.

(ERO 2001:4, paragraph 9-11)

So poor relationships, could occur as a result of lost confidence from the main stakeholder, or the community, due to 'poor management and/or governance. It appears here that the quality of governance is suffering because of performance rather than performance suffering due to poor governance. Further, the ERO identify that organizational performance may continue to devolve independently from governance. Most importantly, the ERO identify that where this occurs, governance may provide little if any control over the school performance.

The question posed in the introduction to style was: if success and failure are a measure of compliance, does it automatically follow that successful organizational compliance results in organizational performance? The text suggests that the quality of governance may be a reflection of organizational performance rather than that high quality governance leads to performance. This does not appear to support the concept that compliance leads to organizational performance.

Mode and Rhetorical mode

It has been suggested above that the one discursive result of corporate governance is the creation of a pass/fail dichotomy. Mode, or rhetorical mode, may offer some insight into such a view. Which forms of address are selected by the author and what does this suggest about the author? In particular, it has been suggested that the ERO have adopted – or been adopted by – the corporate position of auditor. Secondly, it has been suggested that the discourse of governance produces an overt concern with compliance, even at the expense of organizational performance its explicit purpose. What enuncative statements are made within this Analysis 3 text?

Consider the theme being developed in the following:

Poor school management in 138 schools caused the ERO concern.

(ERO 2001:6, paragraph 30)

“There were issues with the two areas of governance and curriculum management and/or delivery in another 32 schools...”

(ERO 2001:7, paragraph 21)

“Governance matters alone were the main issue for a further 19 boards...”

(ERO 2001:7, paragraph 22)

“Relationships were at least part of the problem in 17 percent of schools.

(ERO 2001:7, paragraph 23)

The ERO appear to be solely concerned with failure. The agency in every paragraph locates the problem with the school. Each of these problems are explained and numerated in terms of the pass/fail dichotomy. Below a certain level is 'failing': the school did something wrong. There is no comment on successful schools within these statements, apart from the implicit dichotomy that those not mentioned have succeeded. No examples are given of where governance has succeeded or to what level. The enunciative statements appear to have been made under the watchful gaze of the auditor. However, where intervention was required note the agency:

Some schools required a high level of intervention. For 15 schools
ERO recommended

(ERO 2001:7, paragraph 39)

In one school ERO recommended that the minister exercise his
authority...to dissolve the board

(ERO 2001:7, paragraph 40)

The auditor appears to consider their function to be the compliance watchdog, their only concern the measurement of compliance. Have the board complied or not? Action is only made when compliance failure occurs. On the other hand, organizational performance is neither measured, nor even watched particularly closely. Where action does become required, it is only at the direction of the government. So who is responsible for school performance?

Conclusion to Analysis 3

The question that Analysis 3 has focused on is whether or not the re-articulation offered in Analysis 2 resolves the tension between governance and performance, or closes the discursive gap between the outcomes and the expectation of performance.

It appears fairly clear that this re-articulation has not helped solve the problem, or the inconsistency. Rather, it illustrates quite clearly that the tentative connection offered in Analyses 1 and 2, through the innovative energies of the community board, may have been dis-articulated along with the separation of governors from an organizational performance focus. This discourse-guided separation, in the arrangement of the advice of the ERO to boards, potentially prevents the board from accessing organizational performance beyond a compliance focus.

Such a focus appears to be reinforced through a simplistic pass/fail dichotomy. The re-manufacturing of the governor as a compliance manager, measured in terms of achievement, or otherwise of compliance requirements, known as “management performance” (ERO 2001:6 paragraph 17). A focus which has little to do with student achievement. A better definition of ‘management performance’, in the ERO’s terms might therefore be the ‘compliance management’ – the real measure of the governance achieved by the governor. Finally, the assumption that governance may lead to performance may in fact be erroneous. Rather it is potentially the level of organizational performance which defines the quality of governance. Success would appear to be an independent variable from compliance governance, but ironically successful governance would appear to be dependent on superior organizational performance.

The ERO appear to find themselves offering conflicting advice. While they are committed to, and recognize the need for performance (student achievement), their explanation of the connection between governance and performance remains as elusive as ever.

Discussion on School Governance

The corpus of school governance offered by the ERO covers a period of roughly 15 years. The intention behind the introduction of corporate governance into the education system has been well reported and referenced through out the period²⁸. During that period the ERO have remained faithful to the notion and the promise of 'modern' corporate governance: that good governance will result in improvement to performance. To their credit, this has remained the ERO's main focus throughout this time, and it is clear that considerable effort and resources have gone into their attempts to either achieve better results or resolve potential inconsistencies.

What is also clear is that this same question – the connection between governance and performance – has been the focus of constant tension and struggle during that 15 year period. In focusing on this connection, the ERO have observed that there appears to be a discrepancy between the discursive outcomes (truth effect) and their advice and expectations. The ERO appear to have found that some patterns are starting to emerge.²⁹ Despite the discourse claim to performance, the ERO appear to be finding that once constituted, governance has produced variable results. While attempts have been made to better align this relationship, these sometimes quite innovative attempts simply illustrate just how far apart the connection is between current governance practice and performance, particularly that of achieving an impact on student achievement.

As they have attempted to better explain their own understanding of the relationship between governance and the intended outcome, they have deployed the discourse to give advice to the boards of trustees. Contrary to their intention, this division appears to have further developed. They have followed the discourse suggested path, yet it appears to have further exacerbated the gap between the promise and the reality of the discourse of governance. And yet it is this willingness to remain faithful despite

²⁸ "Our proposals to give them control over resources will enable them to pursue those purposes in more single minded, imaginative ways. We are convinced that our proposal will encourage commitment, initiative, energy and enthusiasm and that these will inevitably lead to improved performance" (MOE 1988, cited in ERO 1994).

²⁹ For example, the lower socio-economic, rural and special need schools which generally achieve a high level of community support but still fail to achieve the desired quality governance and performance.

contrary results, misgivings, failure, the resulting disadvantaging of social sectors (poor uneducated or unskilled), and the resulting inconsistency within their texts, which suggests that they remain firmly wedded to this seduction by governance. The advantage of this proxy site of corporate governance is exactly that observation. Even now this same seduction could be occurring in the corporate world. My intention below is simply to gather the various parts of the analysis of education governance so that I can draw a conclusion about the corporate world.

During the 15-year period we can observe significant changes in the treatment of the subject of governance and in how the ERO consider that the desired performance will be achieved. What is represented in a consistent manner throughout the texts, within the discourse-guided advice of the ERO, is an overwording which verges on obsession with compliance and observation.

Two roles critical to this relationship are those of the board and the ERO, or, as I have suggested, the auditor. We witness within the ERO's early advocacy, the arrangement of what appears to be an almost identical physical structure to the corporate model of governance. This is a hieratical structure that locates positions and roles in relation to one another. This structuring also appears to adopt social relations found in the corporate form, for example the board to CEO or the auditor to the board. It has been suggested that such investment by importation of 'foreign' ideas can also come with, in this case, corporate values – languages, practices and knowledges which will replace or modify original meaning³⁰. Such an arrangement might also provide a set of pre-existing relationships and power relations, in particular the relationship between the auditor and the board. This may to some extent define the 'rights' of the ERO to instruct and position the board to carry out those instructions and functions.

³⁰ An excellent example of such intertextuality is the replacement of principal with CEO.

The Board

The role of the board appears within the ERO's advice to be paradoxically promoted as autonomous, while also appearing restrained and limited to inaction of compliance. The board's role appears to be eroded into the discourse guided shape of compliance functionaries. One possible discursive result could be reflected in the over-representations of lower-socio economic, special needs and rural schools in governance failure. While there can be little doubt about their commitment to the performance of the school, such a focus differs from, say, wealthy urban schools where parent are more likely to have compliance and managerial skills and experiences. If successful governance is simply successful compliance then such an anomaly^{31 32} between the expectation and discursive effect might be explained.

However, at the same time such compliance advice (measured as management performance), also places the board in an uncomfortable position of being expected to both deliver compliance *and* performance. Within the texts, performance appears to be subjugated to compliance, nor was success defined in any terms other than as a pass or fail. In other words, there was no difference between good and great. While boards might have every intention of achieving performance, the pass/fail dichotomy makes their position somewhat more focused on their immediate needs. If their performance is to be measured as successful compliance to legal requirement, and there is no greater measure of success in terms of organizational performance, then they simply need to achieve those basic requirements.

Where the ERO do mention greater performance, or when the ERO attempt to explain the connection beyond compliance, little consistent advice is offered. It is unsurprising, therefore, to see expressions of doubt from the ERO on the appropriateness of board action beyond compliance activity, or board concern over their understanding of their role. It is possible, I believe, to suggest that this separation in discursive effect and expectation that the board's witness, is simply an expression

³¹ The anomaly that boards "...pursue those purposes in more single minded, imaginative ways. We are convinced that our proposal will encourage commitment, initiative, energy and enthusiasm and that these will inevitably lead to improved performance" (MOE 1988, cited in ERO 1994), but in fact does not occur.

³² Nor does it offer any reason why simply desiring performance, or the commitment of untrained, non-professional community boards, should automatically improve performance!

of the division from that very purpose of organizational performance. The corporate governance discourse might actually prevent boards from acting towards improved organizational performance.

The Auditor

On the other hand the auditor (as the ERO) appear to see their own role as one of monitoring and checking on the compliance of boards. As Bavly (1999) suggests, however, auditors appear unwilling to act on organizational performance. Indeed the only actions taken by the ERO are in those where the board fails to comply. Its focus is compliance monitoring and acting only to rectify compliance issues. Where performance becomes an issue the ERO refer the matter to the government, and the government is forced to make a decision and instruct the ERO to act in the school to resolve the performance issues. However, the demonstrated need for direction to act in performance matters, is a telling feature of the ERO's self-perception. They appear to believe that such issues are outside their regular jurisdiction, not normally of concern to them despite their explicit comment to the contrary.

Not only do they throw doubt on their auditor's role in relation to organizational performance, but also in terms of governance resulting in performance. Evidence gathered by the ERO and used as examples to support their assertion that governance results in performance in fact appear to support the notion that quality governance may actually be the result of higher organizational performance. The potential influence of governance in either high or poor performance appears to be very limited, ironically the quality of governance within schools may depend upon the level of performance.

School governance – A conclusion

The advantage of this proxy site of corporate governance is exactly the observation that the ERO have become willing victims, seduced by the promise of corporate governance. They have reached their conclusions for all the right reasons, but appear reluctant to give up the beguiling suggestion that those with the most to gain, the stakeholders, will have the desired impact on increasing performance. Even now, this

same seduction could be occurring in the corporate world. It is the de-naturalizing effect of the education sector that highlights the impact and discursive intention of corporate governance so that it may be seen more clearly.

What this highlights is that there appears to be a significant gap between the expectation of governance and the outcomes. For example, this form of governance was selected because of its connection to performance, and yet, the ERO remain unable to convince skeptical readers that there is a connection to organizational performance. If organizational performance is not the concern of the ERO, then who's job is it? Boards are in the awful situation of knowing what the expectation is, wanting very much to achieve them and being caught in a situation where the expectation and measurement of their success will be how well they comply. Nor is there anything to suggest that compliance has anything to do with performance.

It appears that the main focus of governance within education is the nascent obsession with compliance. Such a view might even prevent them from so doing.

Conclusion: Seduction and the Irony of Agency

My intention within this conclusion is to draw together the observations of the truth effects of the elements of the 'discourse of governance' produced through my analysis. This conclusion will attempt to sketch out an alternative interpretation to additional readings of corporate governance; but one that is more in-line with the observable discursive results. This reading potentially challenges our current understanding of governance, particular agency theory, but also hopefully offers some explanation of the apparently conflicting, even paradoxical research results. My final intention is to consider some of the implications for corporate governance practice, significant to research into governance.

Most positivist methods would require us to accept current theory and knowledge and make a contribution by addition. However, here it is the nature of that assumed knowledge itself which is at question. A discursive method allows us to consider the discourse of governance; an examination of that which produces this social reality, and the examination of this foundational knowledge. As Foucault observes, discourse produces the objects about which it speaks, but in doing so, conceals its own identity (1974:45). Such an object, will only be camouflaged in its natural environment, and it has been suggested here that it is the de-naturalization of governance in a proxy, non-corporate setting which highlights the separation of those discursive outcomes from the discursive expectations.

Within the corpus texts, performance as an issue remains elusive and inconsistent. On the other hand, what is consistently presented in the texts are issues surrounding compliance and legal obligation, issues which could be identified in the literature as agency theory, or the entrusting of the owner's capital to professional managers. However, it is this duality of discursiveness' expectations and outcomes, in which the seductiveness of governance appears to reside. The beguiling notion that governance leads to performance, while at the same time producing the perceived protection of the shareholder' capital through compliance, is the ideal of agency theory.

However, the observable truth effect appears to be that access to performance is almost completely subjugated by the need to comply, even to the extent that such a

compliance focus may be at the expense of organizational performance – the very thing with which governance is most concerned. The greatest irony of agency would appear to be that the seductive nature of governance might actually prevent us viewing the apparent disconnection to organizational performance, but also that our obsession with ensuring the manager does not misuse the owner's property, through compliance and monitoring itself, may not result in shareholder protection. Indeed such a view of governance as solely concerned with compliance and monitoring appears to make the potentially naïve assumption that simple observation alone is enough to align the managers with owner intent and prevent the misuse of organizational assets.

The discourse of governance or the discourse of agency?

Rather than governance being 'in part' defined by the separation of management from the owner (Daily et al. 2003), we might explain the discourse of governance as being consumed by this relationship. What we appear to witness is an overt concern, over the separation of the owner from their capital and the potential self-serving actions of the professional manager. The discourse appears to be restrictively concerned with this relationship, and this relationship is arranged through the monitoring of the actions of the agent by the owners. Or, this is the relationship between the auditor and the board, the two positions which are clearly identified and explained within the discourse guided advice offered within the texts. It may well be more correct to suggest that what we observe is better referred to as, the discourse of agency. One potential reading of this agency discourse could be therefore described as a obsessive concern that the agent is inherently untrustworthy – and therefore requires both constant monitoring and compliance assurance. If this concern is dominant enough, then all other aspects of the relationship could be made subject to this one concern, even if that is at the expense of potential organizational performance achieved through the employment of agents.

Agency is also concerned with the protection of the owner's capital, not just in terms of insurance from misuse, but also in terms of performance as a return for risk. This appears to suggest that while this situation continues, the owners can feel secure in the knowledge that the organization is safe from failure and collapse and therefore the

loss of their investment. Compliance appears to offer a mechanism that both ensures that alignment of the owner and agent, but also considers organizational performance and safety. However, somewhat paradoxically, such compliance may be at the expense of performance, or worse, the assumption that compliance and performance are the same thing, or that they are at least on the same continuum, appears to be seriously flawed.

The advice offered appears to result in a discourse guided re-articulation of the roles of governance. At first, this appears to be a fairly sensible division of responsibility, in line with organizational objectives, and hence would appear to connect to organizational performance. However, the truth effect appears to be a critical destabilization in the definitional differences between the roles of governor and management. This separation further allows the role of governance to become one of compliance activity and further removes the governor from the purpose of organizational governance. This view of performance may even be prevented from focusing on performance.

The notion that compliance also protects the shareholder's capital, would also require that compliance and organizational performance co-exist on the same continuum (see literature review). However, the same advice offered to boards, suggests that rather than a single continuum of governance organizational performance and governance failure, are in fact on two separate continuums. Performance in schools is achieved by teachers, and compliance by the board.

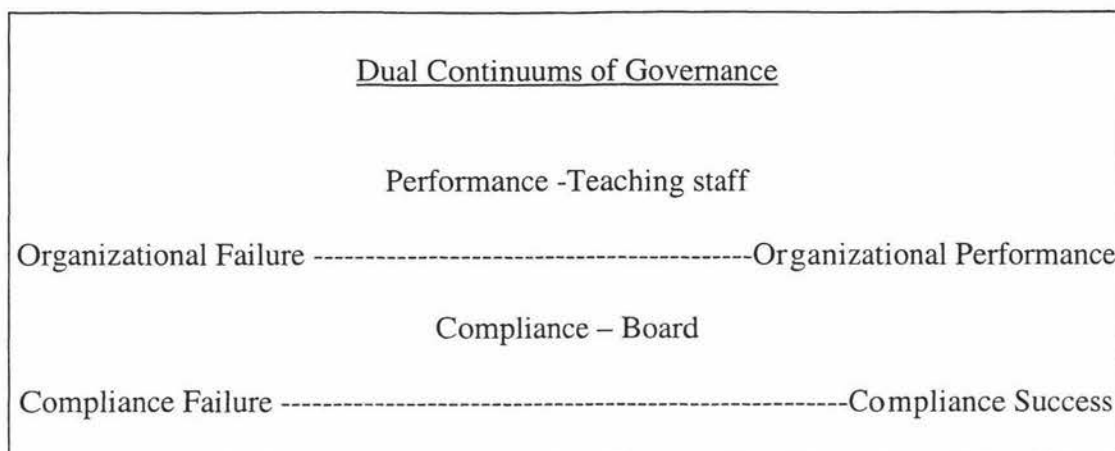


Figure 8: The dual governance continuum

Such a view potentially divides governors from organizational purpose and may even prevent them from focusing on performance, by locating the drivers of performance elsewhere. It would also appear that such a view by the board could result in the absence of a relationship between the board and their charges – their focus becoming one of ensuring compliance is not at the expense of all else.

Consider the role of the auditor within this governance arrangement. By monitoring the actions of the agency on behalf of the owner, the auditor appears to assume that compliance will align the manager with the demands of the owner and, therefore, equally offer some form of protection to the owner. Good governance leads to better performance. However, the auditor appears to have no pretensions towards organizational performance. Beyond the connection to compliance, the auditor struggles to offer any view which might explain any perceived connection to performance. Nor do they offer any form of measurement of performance beyond the pass/fail dichotomy; success is measured not in terms of organizational objectives, but in terms of the level of compliance.

We are left with an overt form of monitoring of the actions of the agent that fails to align the agent with organizational objective, purpose, or performance; but one that ensures there is no misusing of the organizational assets, or the owner's capital. Beyond such a compliance view, however, the auditor's role is far from clear. The auditor appears to view their role, enunciatedly, as one of monitoring for compliance

and acting to ensure that action is appropriate to that compliance. Issues over performance, or outright failure, and actions to improve performance, are addressed to others. This suggests that the self-view of the auditor refers performance to external judgment, it is simply not their concern.

Implications for governance practice and concluding statement

The discourse of governance may be better described as the discourse of agency, a obsessive focus on the agent as inherently untrustworthy, a focus which may even prevent the organization from focusing on performance. Ironically however, the focus on the agent does not appear to insure the shareholder from risk. Organizational performance may not even be the primary concern of this form of corporate governance. As such the governors of an organization may complete every compliance required, and, therefore, may be completely successful as governors, and not once consult or connect with organizational performance. Both the board and the auditor may do the job expected of them, and still the organization may fail.

Traditionally, governance or organizational failure results in the call for more stringent monitoring. This appears to be the seduction and irony of agency that the very concern of the separation of management from the owner may in fact define the relationship between them. Rather than provide performance, those within governance are restrained to endless rounds of compliance checks and monitoring. Worst of all, this monitoring, while ensuring that the agent remains faithful to the owner, appears to be in no way connected to, or is a reflection of, organizational performance. Compliance, and, therefore governance, may have become an introverted self-obsession with the actions of the agent.

What can therefore be expected from auditors and governors? Currently there is a strong expectation that auditors can and will monitor *and report* compliance, but that this governance is also an indicator of organizational performance. However, auditors have expressed a reluctance to become involved in issues over organizational performance, rather the advice offered within the discourse suggests that their role is one of compliance insurance. Apart from ensuring that the professional management

of the organization does not misuse the owner's capital³³ and that the organization and senior management comply with legal requirements, should any more be expected from them? If so, they would certainly require a more stringent method, process and definition of expectations in terms of organizational success, something that beyond profit may be very difficult to define!

What can we expect of the board and governor? Their role is apparently equally restrained, and a measure of their success appears devoid of any understanding of organizational performance. Their authority appears to be reasonably limited, their time, as organizational governor, extremely so. Is it any wonder that so many concern themselves firstly with organizational compliance, before any other feature?

Nor could they therefore be expected to have any intentions on organizational performance. At its worst they may simply be nothing more than an expensive rubber stamp that contributes nothing to the organizational value, and a significant part of the irony of agency. We may well see more comments that despite organizational failure, "I did nothing wrong" (Murray McCaw, cited by Lockhart, personal communication), and given this reading of governance, governors might actually be excused for doing so!

It would appear, in my mind, that demands for more performance or responsibility should be carefully tempered against what can realistically be achieved by such a restrained and limited role within the discourse of corporate governance.

It appears that this current corporate governance arrangement might actually be divided from performance governance. There is even some suggestion that positive governance, under this current arrangement, may be the result of higher performance. And yet it appears that we are seduced into the continued belief that governance will eventually lead to performance.

This is not to suggest that legal compliance is not required or necessary, or even that governance cannot lead to performance. Rather that if we are to address performance through governance, its connection must be reconsidered. The only thing that appears clear, currently, is that if performance does become the primary focus, it ought not to be under this current arrangement of corporate governance.

³³ Concerns such as those starting to occur in the public sector. Refer to Lotes (2003) over issues

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Appendix A: The Cycle of Decline

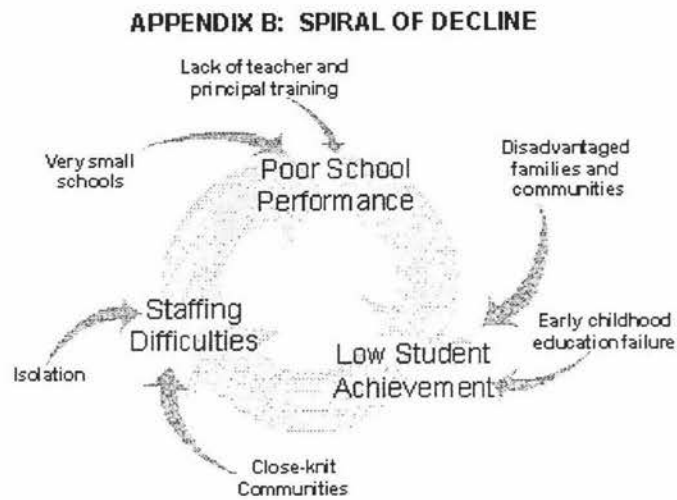


Figure 9. Spiral of decline
(Source: ERO 1999)

Appendix B: School Governance – the ERO model

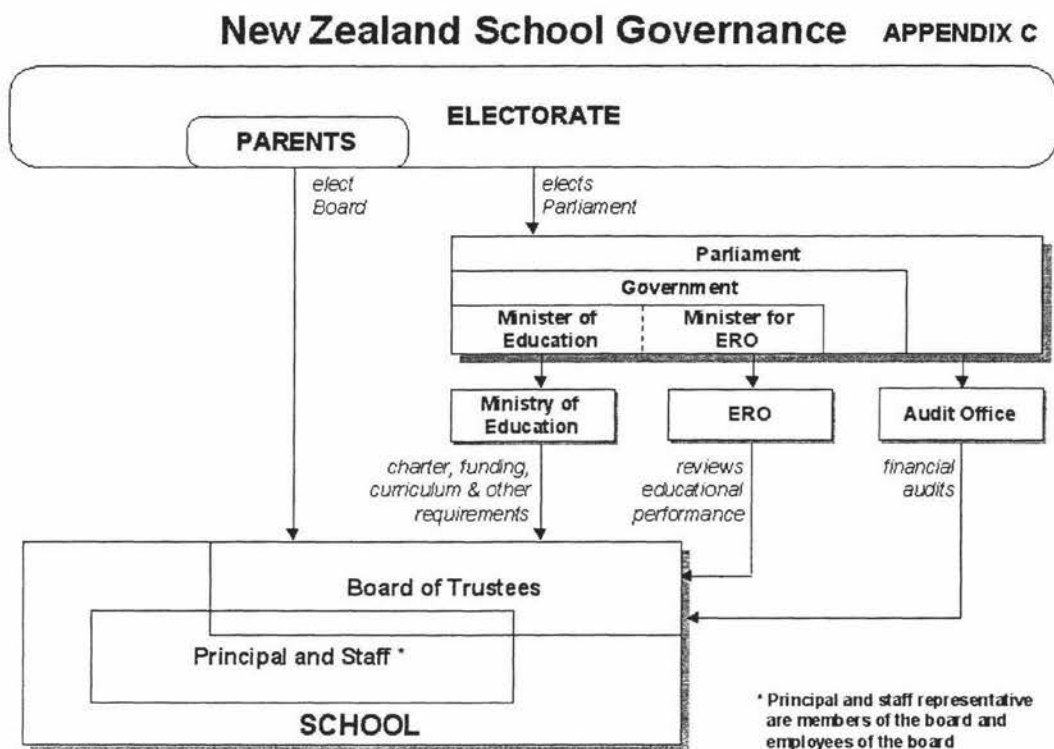


Figure 10. School Governance - The ERO Model
(Source: ERO1999)