



Supporting vocational education and training providers in building capability for the future

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This publication summarizes the work undertaken by a consortium of researchers investigating how vocational education and training (VET) organisations are building capability in an environment of ongoing change.

Summary

Vocational education and training (VET) providers have been in the middle of and subject to very significant changes in their working environment and this has challenged the way they see their role and how they operate.

VET organisations need to be more flexible and clever. To help them achieve this, a consortium of researchers has been working for over two years to develop a clearer understanding of the dynamics of the changing VET workplace and how providers can best respond to the increasingly complex and changing demands of clients.

Taken as a whole the consortium's research program has three key messages and, under each, there are other messages aimed both at policy-makers and those who lead and work in providers.

KEY MESSAGE 1: Strategies that build capability focus on the needs of both the individual and the organisation

- The building of organisational capability demands close alignment of individual development with organisational vision, strategy and business goals
- Providing quality work and a quality working life are critical to enhancing capability
- Providers need to provide all staff with opportunities and environments to promote ongoing learning and development
- Providers need to re-emphasise and re-focus on teaching, learning and assessment as core business
- Capable providers create organisational climates that encourage innovation and foster individual/team autonomy and responsibility
- Providers must focus on both job continuity and providing a quality working experience to attract and retain capable staff
- Providers who are engaged with their clients, industries and communities are more attuned to their needs and better able to respond when new needs emerge.

KEY MESSAGE 2: Building provider capability requires a strategic focus

- Capable providers are those where the vision, strategy and approaches to operating are shared and understood across all organisational levels
- Effective leaders in providers have moved from an exclusive focus on operational concerns to a more strategic focus
- Human resources practice in providers needs to shift from an emphasis on administration and people processing to a more capability-driven function
- Effective providers utilise cross-organisational collaboration and their diversity of skills and knowledge to enhance capability and build expertise
- Collaboration and networking in capable providers extend beyond the organisational boundaries to embrace other providers, industry and the community
- The role of middle managers within providers is problematic and needs to be reconceptualised
- Developing leaders is of the highest priority, given the current and future challenges facing providers

KEY MESSAGE 3: Over-regulation at a variety of levels can constrain organisational capability and flexibility

- Building provider capability requires a balance between local autonomy and the governance requirements of the broader system
- Diversity is a major strength of the sector; and policy-makers must expect a diversity of provider responses in the implementation of policy and regulation
- Leaders of providers need to find ways to minimise internal policies and procedures that impede flexibility in the delivery of services and products

To access the products of this research consortium visit the website at <www.consortiumresearchprogram.net.au>.



The context

Vocational education and training providers have been in the middle of and subject to very significant changes in their working environment, and this has challenged the way they see their role and how they operate.

The VET sector, like many other industry sectors, has been through a period of tumultuous and constant change for at least the last decade. The introduction of a range of new policies and practices, including training packages, user choice and quality assurance systems, as well as the demand for an increased industry focus have challenged the way providers have traditionally operated.

At the same time the VET teaching workforce is ageing, while where learning actually takes place has undergone a radical transformation. Many teachers and trainers in providers have moved out of the classroom and into workplaces—closer to employers—and are embracing new technologies and approaches to learning.

These and the myriad of other changes impacting on the sector mean that those who lead and work in providers need to think about how they can help their organisations to become more effective. Many VET providers are now more client-focused, responsive and productive and have committed, hard-working and innovative people working in them, although a number of commentators observe a negative impact of these significant changes at provider level. This is mainly because providers and their staff were largely excluded from decision-making about the new ways of working in the sector and because of the residual effects of organisational amalgamations and restructures.

The consortium and its work

VET organisations need to be more flexible and clever. To help them achieve this, a consortium of researchers has been working for over two years to develop a clearer understanding of the dynamics of the changing VET workplace and how providers can best respond to the increasingly complex and changing demands of clients. Our research program was designed both to build on what was acknowledged to be current good practice in relation to developing people, practices and cultures within the sector; and to provide sound evidence upon which future decisions relating to the development of the VET workforce might be based.

The program was conceptualised as nine interrelated research activities to emphasise that they were *integrated components of a whole* rather than discrete projects. Each research activity was led by one of the principal researchers with two or three members from the consortium making up the team in a deliberate attempt to maximise the cross-fertilisation of ideas. The research activities were staggered so that each could draw on data from several others and progressively feed into later projects. In this way we hoped to construct a coherent and comprehensive program of research. For more information about the nine research activities and to access the products produced under each of these, visit www.consortiumresearchprogram.net.au.

The messages from the consortium's research

KEY MESSAGE 1: Strategies that build provider capability focus on the needs of both the individual and the organisation

The building of organisational capability demands close alignment of individual development with organisational vision, strategy and business goals

People are the assets on which competitive advantage is built. People and their skills cannot be imitated by competitor organisations. Thus, human resource management practices have become accepted by managers in all forms of organisations as crucial strategic levers to ensure continuing success. *People development cannot be done in a vacuum; it must be linked in with organisational vision, strategy and business goals, but our research tells us that these links are not always strong in providers.*

Providers need to provide all staff with opportunities and environments to promote ongoing learning and development

With the enhanced focus on clients and working with the broader community, the imperative is now for all staff, including teachers, support staff and managers, to be involved in the provision of services. Our research shows that cross-functional and cross-organisational teams are the key solution here. However, their success is dependent on all team members developing new skills to meet these new demands and ways of working.

Our research found a number of examples where managers have provided environments that support learning for the new skills, including professional conversations, team approaches, building networks and partnerships between providers. *This suggests that at least some of the factors that stimulate everyday learning and development are already present in many providers.*

Our research also confirms that there are particular groups of staff such as sessional teaching staff and general non-teaching staff who are missing out on learning and development opportunities.

Providing quality work and a quality working life are critical to enhancing capability

The VET workforce is changing. Our research shows that VET staff today consider that issues such as job satisfaction, self-esteem, support from family/kin group, colleagues and managers, personal ambition, and work-life balance affect their decisions about their careers. Staff are re-assessing the criteria by which they make judgements about their working lives and focusing on the nature of work itself. *Staff are emphasising enjoyment, development and satisfaction.* Markers such as promotions and progression are still important, but the traditional assumptions that have applied to the VET workforce, that is, full-time and career-oriented, need to be questioned. Providers need to consider new ideas and practices to respond to staff needs for quality work and a quality working life.

Providers need to re-emphasise and re-focus on teaching, learning and assessment as core business

For providers, there are ever-increasing demands for: customisation and personalisation of training services; meeting the needs of different learner groups; using new technologies; and promoting learning in workplaces. *Our research found that interviewees often debated what exactly was the 'core business' of providers.* While the general consensus was that it was teaching, learning and assessment, there were often strong perceptions at all organisational levels that their organisations had lost this focus, and were instead concentrating too exclusively on business issues. Resourcing the development of skills for quality teaching, learning and assessment was a crucial issue emerging from the research.



Capable providers create organisational climates that encourage innovation and foster individual/team autonomy and responsibility

The research found that climates that lead to building organisational capability through increased creativity, productivity, job satisfaction, trust, enthusiasm and feelings of support can be actively fostered and encouraged. Capitalising on people's talents was most clearly evidenced in one provider, where staff spoke very positively about their organisation allowing mistakes and encouraging learning from them, and giving people responsibility for their own budgets, promoting 'ownership', encouraging empowerment and permitting decision-making at all levels of the organisation. In many other providers, however, teams were given limited autonomy, despite clear management commitment to the notion of team autonomy.

The research found that providers and practitioners needed to match innovative practices to the learning needs of individuals as well as those of enterprises and industry. For individuals, critical success factors for innovation include adopting new work roles such as a learning facilitator, broker or manager, which require different skill sets and relationships from those used with industry or enterprise-based clients. For VET organisations, critical success factors include developing an environment that encourages diverse thinking and individual initiative. And for the VET system, critical success factors in the area of innovation include supporting changes to policy that will encourage rather than inhibit innovative practice and facilitate workforce development in providers.

KEY MESSAGE 2: Building provider capability requires a strategic focus

Capable providers are those where the vision, strategy and approaches to operating are shared and understood across all organisational levels

There are many internal and external constraints on the VET system that create challenges for training providers, and include government regulations, governance arrangements, history and traditions, industrial agreements, community roles, organisational size and geography. They impact on the promotion of commitment to organisational strategy, strategic choices made, formation of human resource practices, leadership and management development, fostering of learning environments, availability of and access to career opportunities, and, importantly, on relationships with key stakeholders.

While the need for alignment between the various components that make up organisational capability is well understood, many examples of disconnections were identified in our research. *One of the most common was the disjuncture between top-level vision and middle/lower-level understanding of and commitment to the vision.* In some providers there is a gap between the stated aims of the organisation and the reality of the practice.

Human resources practice in providers needs to shift from an emphasis on administration and people processing to a more capability-driven function

Our research suggests that training and development is not seen as a high priority for human resource management in providers. While it appears that 'workforce development' has replaced 'professional development' in the lexicon of many providers, this change of label has not yet seen a significant change in the thinking or practice of workforce learning and development. Such practice remains largely focused on teaching staff and on formal development programs, particularly those involving national initiatives.

There is little recognition that the structure of work and the everyday working environment of the provider can also have a major impact on the learning of its staff. This highlights the need for a new approach to staff development through a focus on the way jobs are conceived and structured and work is managed to ensure that everyday learning opportunities for staff are enhanced. The development of position and job descriptions to incorporate staff skills and attributes has the potential to improve the learning environment for staff.

Our research suggests that human resource management in the VET sector, unlike many other sectors, is more focused on the operational level. For example, in large providers human resource managers rarely sit on the senior executive team, but many providers want human resource management to be more strategically involved. Providers also need to adopt better approaches to recruitment, selection, performance management and training, and introduce more flexible working arrangements. This will help to build an even more positive organisational climate.

Effective leaders in providers have moved from an exclusive focus on operational concerns to a more strategic focus

Our research indicated that effective managers and team leaders were those who had moved from a focus on today to one of tomorrow, and who effectively and creatively managed the diversity in their organisations. Effective managers, teams and individuals also overcome the constraints in which they operate. Nevertheless, because management tasks predominated over the provision of educational leadership, much of the thinking and practice in the sector was found to be more operational than strategic. *Workforce development was focused on shorter-term skills and procedural knowledge rather than on the longer-term development of higher-order skills.*

Overall, very few leaders discussed ways of strategically planning and measuring capability. While there are some examples of well-planned and strategic approaches to developing current and future leadership talent, management development is unfortunately at best reactive and often little more than a year-to-year consideration of budgeting and allocation of resources. Some of the best practices in developing talent were found in the smaller regional providers and were a consequence of the threat of losing good staff to competitors or industries.

Providers must focus on both job continuity and providing a quality working experience to attract and retain capable staff

Our research shows that VET staff are rating the availability of ongoing work highly in decisions about their working life and careers. Many staff have more than one job—in the past decade, one-third of staff entering the VET sector held another job outside the sector at the time of entering. Moreover, many staff do not view their VET job as their primary one. Once in the sector, staff show a tendency for moving around, with two-thirds of the survey respondents having made between one and five moves. *While focus groups informed us that the aim of providers was to become employers of choice, clearly decision-makers need to focus on considering how best to design reward systems, jobs and work environments to attract and retain capable staff.*

Providers who are engaged with their clients, industries and communities are more attuned to their needs and better able to respond when new needs emerge

The creation of highly entrepreneurial management teams has led to a greater degree of flexibility and responsiveness in meeting various client demands for training. In addition, *the development of closer relationships between providers and enterprises, industry and communities has enabled providers to meet the demands for customised and personalised training services more effectively.*



Collaboration and networking in capable providers extend beyond the organisational boundaries to embrace other providers, industry and the community

Our research shows that there is considerable value in forming networks within and outside the sector and even across jurisdictions. These networks benefit both the individuals involved and their organisations. Networks can provide the individual with access to information and knowledge and are sometimes essential to organisational success. They also assist practitioners to improve their practice, to build relationships between the varied stakeholder groups and to enable the organisations to remain responsive to changing client needs.

Effective providers utilise cross-organisational collaboration and the diversity of skills and knowledge to enhance capability and build expertise

A theme that was consistently raised, particularly in large providers, was the need to 'break down the silos' or remove the barriers that exist between various parts of their organisations. Cross-functional and cross-organisational activities were seen to be a way of operating more efficiently and generating greater responsiveness to client demands for tailored training. This strategy also encouraged the building of better working relationships as well as improving organisational performance.

For small providers however the issue is whether to grow as they become more successful, or stay as they are and focus on what they do well. For example, as the smaller providers grow, they tend to adopt more formal approaches to management activities, human resource practices and other organisational processes. Such increased formalisation may hinder responsiveness and constrain flexibility. *Therefore rapidly growing small providers—successful as small organisations—need to be wary of losing their flexibility as they respond to the pressures of increasing size and complexity.* They need to ensure that they do not create 'silos' and that they retain the ability to work collaboratively across the growing organisation.

The role of middle managers within providers is problematic and needs to be reconceptualised

Compared with the role of middle managers in business organisations, the educational/middle management role in public providers is seen to be burdensome, unrewarding and complex, and as a result the role is not sought by many talented staff. *The dual focus on education and business creates considerable tensions for people in this role, especially in terms of recruitment, selection, development and retention.*

Our research suggests middle managers need to develop a greater understanding of structural and cultural change and the skills required to manage it effectively. Effective and organisation-specific approaches that reconceptualise the role of the middle manager are needed if organisational capability is to be enhanced.

Developing leaders is of the highest priority, given the current and future challenges facing providers

Leadership is a critical factor in achieving change within providers. Our research suggests that *the development of leaders and managers at all levels within providers needs to be more systematic, utilise a range of formal and informal, internal and external approaches and directly link to the strategic and business plans of the organisation.* As well as training new leaders, some providers are now focused on recruiting from outside the sector for some of the more senior leadership roles. Leaders new to the sector are likely to bring new ideas and practices into the organisation.

KEY MESSAGE 3: Over-regulation at a variety of levels can constrain organisational capability and flexibility

Building provider capability requires a balance between local autonomy and the governance requirements of the broader system

An important issue identified in our research on organisational capability was the degree of autonomy that each provider had for managing its business. A number of providers are parts of larger systems and are supported by centralised systems and policies. While most leaders felt able to make the changes they considered necessary, *some aspects associated with decision-making, delegation and utilisation of commercial income were identified as constraining or slowing local initiatives for change or innovative practice.*

Diversity is a major strength of the sector, and policy-makers must expect a diversity of provider responses in the implementation of policy and regulation

The several thousand providers in the VET sector vary considerably in size, from large, comprehensive technical and further education (TAFE) institutes, to very small private providers. Some offer training in niche areas of the market or in individual enterprises; others provide large suites of programs or deliver across regional and state boundaries. Thus they operate in a variety of locations and the extent and focus of their delivery differs markedly, such that each one faces

quite different challenges. Smaller regional providers, for example, must work within smaller budgets and suffer higher travel costs to access more distant training opportunities.

It is important that policy-makers assess the potential impact of policies and regulatory arrangements on the various providers in the sector and take account of provider size and type to ensure that they do not constrain the range of responses essential to meeting the needs of diverse clients. Our research found that the impact of the Australian Quality Training Framework was perceived as constraining because it focused on compliance and audit, although it is understood that the next version of the framework addresses this issue.

Leaders of providers need to find ways to minimise internal policies and procedures that impede flexibility in the delivery of services and products

Internal policies and procedures inhibiting flexibility relate to recruitment, selection, performance management, professional development and compliance and audit. More sophisticated approaches, *including regular review of procedures, reduction in paperwork and the use of technologies to 'automate' processes would go some way to refocusing attention on the core business of teaching and learning and quality client outcomes.*