



Views from the sector on enhancing vocational education and training provider capability

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Summary of findings

Some context

VET providers have a wide range of roles.

To fulfil their roles, providers need to be innovative, flexible and capable. What makes providers 'capable' has been the focus of a two-year research program. The findings have just been showcased at a range of recent events. This paper synthesises and feeds back what participants said when the findings were discussed.

Some context

Vocational education and training (VET) providers have a very important role. They help support training in Australia's many industries and enterprises. They also provide programs that help new labour market entrants, those already in the workforce and seeking to upgrade or gain new skills, and those who are not participating in work or education for various reasons. It is a huge and extremely diverse set of tasks to take on. The constant call from governments and other stakeholders is for more flexible approaches to meet these various client needs. But to be more flexible, providers also need to be 'capable' in a number of ways; that is, capable of doing what is required of them, achieving their strategic and other goals, and meeting their performance objectives.

Understanding what issues underlie provider capability and how this capability might be enhanced has been the subject of an extensive program of research undertaken by a consortium of researchers for over two years. In August and September 2007, NCVER ran a series of seven forums in all state capitals and in Albury/Wodonga to showcase the consortium's work and its findings.

Over 400 attended these events. We also showcased this work to around 300 participants at Reframing the Future's 'New ways of working in VET, Forum 4' in November. These events not only presented a synthesis of the collective findings but also highlighted particular elements. Other purposes of the events were to 'market test' the key messages from the research and to gain further insights from those attending about what is needed to enhance provider capability further.

What have the researchers and the participants talked about at these various forums, in terms of the findings from the consortium's research activities? This paper feeds back the topics that attendees discussed and debated in the forums' two group activities, as well as the discussions in the group activity we conducted at the 'Reframing the Future' event.

HAVING YOUR SAY

The research consortium, *Supporting vocational education and training providers in building capability for the future*, comprises researchers from the Centre for Research in Education, Equity and Work at the University of South Australia, the Centre Undertaking Research in Vocational Education at the Canberra Institute of Technology, and the Australian Centre for Organisational, Vocational and Adult Learning at the University of Technology, Sydney. Managed by the National Centre for Vocational Education Research (NCVER), it aims to investigate how training organisations will respond to future changes in VET provision.

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

CONSORTIUM RESEARCH PROGRAM



A major observation is that the sector and its providers are characterised by diversity. Nevertheless, despite this diversity, common messages have emerged from the research and, from what VET staff have told us, they are of most relevance to larger public VET providers.

What we asked

The various events have used group activities to examine how well the three key messages from the research resonated with participants. They also looked at the enablers and barriers to building capable VET providers and at a range of other key issues like the effectiveness of their leadership, management and human resource practices.

The three key messages arising from the research are:

- 1. Strategies that build capability focus on the needs of both the individual and the organisation.*
- 2. Building provider capability requires a strategic focus.*

What struck us as presenters at the end of the events is summarised in one word: diversity. For our part, there were different speakers in many of the venues, so different content and messages were emphasised, although we attempted to have a common overview. Those attending from providers came from organisations of all shapes, profiles, sizes and locations. They worked within a variety of jurisdictional governance models, and with varying degrees of personal and organisational autonomy. Despite this diversity, some common messages emerged which are most relevant to larger public VET providers.

What we asked

The forums' first group activity focused on asking those attending:

- how well the research messages reflected key issues in their organisation
- what aspects of RTO capability they would like to know more about
- whether any important aspects of RTO capability had not been covered in the consortium's research.

The second activity asked what they would take back to their organisation from the forum. Some also provided a range of practical solutions which might be beneficial to providers.

At the Reframing the Future event we took a different tack. Specific groups worked on one of the consortium's three key messages and focused on three questions related to each:

Key message 1: Strategies that build capability focus on the needs of both the individual and the organisation.

We asked participants what the enablers and barriers are to building organisational capability and how barriers can best be overcome. We then asked what the best strategies are for building both individual and organisational capability.

Key message 2: Building provider capability requires a strategic focus.

Providers also need effective middle and senior management and leadership, as well as human resource management which is capability-focused. We asked about the best ways of building a shared vision and approaches to operating. We also asked how best to recruit and develop good leaders and what they thought would enhance the role of middle managers.



Key message 3: Over-regulation at a variety of levels can constrain organisational capability and flexibility.

We asked participants what issues most constrain their organisation's capability, how best to address these constraints, and what advice they would give policy-makers about the best ways of ensuring that new policies and practices have the maximum positive impact.

What we found out

Given the diversity, the good news is that most people who attended the forums felt the research findings and key messages have hit the mark and provide useful and interesting insights. That seemed to be the 'vibe' at the Reframing event also. Many groups said that it confirmed views they felt are generally held. At the same time they lamented two things: first, 'Were the "right people" attending?' and 'Would they get to hear about these messages, reflect on them and then actually do something?' Who are these 'right people'? We have the feeling they are those in training authorities and central agencies, such as the new federal Department of Education, Employment and Workplace Relations. Other 'right people' are not only the directors of providers and their senior managers, but also those concerned with their human resource management, organisational development and planning.

Change, and how well that change is managed, is something that the sector does with varied success. The fast pace and the sheer pressure of change at a variety of levels was noted more than once in participant comments. There was also the tension between government-driven and even what a few called 'politicised' change and the continuing needs of a diverse range of clients—many of whom do not have the loud and collective voices of others. Not being able to bed change down also concerned many. What they saw was the next set of changes upon them, while the previous set, into which so much time and effort had been poured, were being lost as all their attention needed to be focused elsewhere.

The best ways of building a shared vision rely, as might be expected, on effective communication and providing information about the context in which the vision rests. Provider staff not only need to see and be clear about the bigger picture, but also be consulted. So this communication certainly involves managers and leaders 'telling', but more importantly 'listening' as well—especially to those at the coalface. Getting people involved and explaining their role in the vision helps them to 'own' it, and owning the vision is key.

3. Over-regulation at a variety of levels can constrain organisational capability and flexibility.

What we found out

The messages are right, but are the right people hearing them and prepared to do anything about them?

Change is continual and sometimes rapid in the sector. It is managed with varying success. What doesn't help is when a change loses momentum before it is fully implemented as the next wave of change sweeps through. Not all the important voices are heard when changes are being contemplated and made.

Providers need to have a clear strategic focus and a vision which is understood throughout the organisation. Providers also need effective middle and senior management and leadership, as well as human resource management which is capability-focused.



Recruiting good leaders involves looking for a 'best fit' with the organisation and its needs. One group suggested that it was particularly important to look outside the organisation, and their respective systems, for leadership talent. A couple of groups also mentioned paying leaders more to ensure the position was attracting the best talent. In terms of developing leaders, several groups mentioned better funding for leadership programs, using mentoring, and giving more junior staff opportunities to lead and to develop their leadership skills.

There is a range of enablers and barriers to building organisational capability. The enablers include a positive workplace culture, supportive leadership, and having the right staff in the right job with the authority to make things happen.

Barriers include the lack of the human and financial resources needed to get things done, as well as over-regulation and the constraints imposed by geography—particularly for larger institutions.

The groups at the Reframing the Future event identified a number of important capability 'enablers'. These include good leadership at the top that shares the vision and the strategy and 'walks the talk'. A positive culture is important also, as is supportive management, trust and honesty. This helps to create an organisation that is capable of learning from all it does, and which uses quality assurance and audit processes to continually improve. Making time and having the financial and other resources to ensure that these things happen does not go astray either.

When asked what constrained their organisations, most groups at the Reframing the Future event mentioned money. Funding models can be restrictive, and make innovation difficult, as can the organisation's structure and culture. But there are a range of other commonly mentioned constraints. These include time, resources and distance, particularly when the geography of multi-campus institutions, which can be widely spread, makes it hard to manage, communicate and work effectively together. Industrial relations issues and 'state awards' were identified as other constraints, as were over-regulation and very compliance-focused approaches to auditing. Sometimes staff are reluctant to embrace change too. Other barriers include ongoing restructuring and using quick-fix approaches. Over-regulation, personality battles (that is, not having the right people in the right places) and not having or making the time and finding the money to do what needs to be done affect organisational capacity. Poor succession planning and knowledge management, as well as not being able to retain key staff, also adversely affects capability. Not surprisingly, what may be an enabler in one circumstance is a barrier in another.

One solution to this is ensuring that providers have the right people with the right skills to do what the provider needs to do. This is affected by the ability to recruit and retain necessary staff—particularly those who are energetic and innovative. Some vocational areas are now very competitive, and working in VET may not be the most attractive and rewarding option in a tight labour market. Making life too hard encourages the best and brightest to look for other options—and many can find them. Other advice for overcoming the barriers includes:



- setting up a good staff induction process and mentoring
- benchmarking and partnering with other organisations
- networking, sharing and cooperating, collaborating and communicating constantly
- engaging and involving staff
- making people truly accountable for outcomes
- celebrating best practice and having appropriate awards and recognition
- getting the work–life balance right.

Building individual capability requires people to value their own worth, build on their strengths, know what they lack, be self-aware and, above all, follow their hearts and passions. They need to take ownership and responsibility, plan their career while keeping their eyes open for opportunities, and be able to sell their ideas effectively. This requires a fair degree of self-motivation, as well as an awareness of the wider world in which they are operating. Effective mentoring and support (especially from management) help as well, but people also need to take risks, be innovative with their own learning, and prepared to fail. They also need to connect their personal learning to the organisation's goals.

Building organisational capability requires effective stakeholder engagement, which involves listening to, and really effectively communicating with, people both inside and outside the organisation. A capable organisation plans effectively, has clear and shared goals and a collective vision which shapes organisational values and behaviour. Its chosen performance measures really reflect and measure what the organisation is trying to achieve. A capable organisation recruits, inducts and trains well, and manages the performance of its leaders, managers and staff effectively. It trusts its staff and allows them the freedom to come up with ideas—and then supports them appropriately to turn ideas into reality. It capitalises on the skills, knowledge and qualities of its staff and therefore has effective approaches for managing and fully utilising the depth and breadth of the knowledge and experience its staff possess, as well as for effective succession planning.

Building individual and organisational capability requires a proper balance between organisational and individual needs. To build their capability individuals not only need to be self-motivated, but also well supported, empowered and mentored in their organisation.

A high level of organisational capability is built on effective communication, high-quality staff and well-chosen performance measures.



People need strategies to help them make changes. They need to be able to draw from research and the experiences others have had in confronting and managing change, however successful their efforts were. But critical knowledge and experience are often locked away, and ways to share them more widely really are needed. One approach is using networks and communities of practice better.

Four other common themes emerged:

The pressure to meet compliance requirements may fly in the face of promoting more innovation and flexibility. Quality auditing processes need to help providers do their work better and improve practice. Some say the processes don't at present, and this needs to change.

Big providers can be unwieldy and too bureaucratic. Those doing the work need to have the responsibility and the authority to make things happen. This can be a real issue for large providers, which are large businesses with multiple clients. Tolerating difference and allowing flexibility and innovation are important.

Knowing what the issues are is not enough. Forum participants reported that they want to be empowered to act on this information. They want strategies to help them to act and to advise change, and look to the research and case studies to provide those sorts of assistance. In the overview of the research findings we cautioned that there was no single 'silver bullet', and what works in one circumstance may not be appropriate elsewhere. However, what is needed is ways for people to engage with others and learn from the good, the bad—and the plain ugly—of what they are all trying to do. We need better ways to draw on the knowledge and experiences that many have had, but which are presently 'locked up' and therefore not shared readily and widely and used to support action and change. Better resourced and more active networks and interest groups are a way forward.

Other common threads that emerged

The first was the emphasis on compliance and applying 'rules' versus support for innovation and flexibility (summed up by one group as a culture of 'how to!' rather than 'why not?'). Providers, another group said, are mired in multi-layers of bureaucracy, making it hard to be the creative, innovative and responsive organisations everybody seems to want. And in the battle between compliance and innovation they feel compliance always wins. This means that some of the 'right people' are sending a mixed and conflicting message: 'Be flexible but comply!' The requirements of the AQTF and the auditing process are the usual recipients of blame for this focus on compliance, but what emerged was the need to have really good quality and business-oriented auditing of systems and processes. This is what participants hope the new AQTF 2007 will deliver. However, a couple of groups noted that the AQTF may be copping too much blame for this compliance focus. They think that over-interpretation by providers has caused a compliance orientation that was not intended by many regulators. Another suggestion was to ensure that key performance measures are used effectively and truly reflect what is really wanted and needed. As one group said, 'bums on seats' profile measures do not equate with innovative and flexible service delivery.

A second issue is summarised in the question: 'Is big really beautiful?' In other words, has the move to consolidate and combine smaller institutions into larger ones, particularly in public VET, been positive or not? Several groups focused on the difficulties that 'large unwieldy' VET providers face in managing workforce development issues and building capability. In fact, large providers in particular need to be capable in very diverse ways and they find real difficulty in responding to the needs of a very diverse client base, with their clients spread across a wide range of courses and programs. One answer is breaking down the silos to



enable better cross-organisational learning. Another need is for trust and for leaders and managers to overcome desires to micro-manage or over-regulate procedures and processes, thus allowing a diversity of practice tailored for its own particular purpose. In some cases this also involves sending the organisation's procedures to 'Jenny Craig' to reduce their excess fat and ensure they stay trim, taut and terrific. Another suggestion that groups made was to turn larger organisations into a number of micro ones, linked by a set of common and sensible organisational guidelines. However, these 'micro organisations' need to be empowered and to have the control to do what needs to be done to make them innovative, flexible and responsive. And larger organisations—and those who regulate them—also need to be tolerant of a wide variety of practices.

The third common thread is that there seemed to be support for the consortium's finding about the difficulty of the role of VET middle managers, squashed as they are between the senior executive and operational staff, as translators, go-betweens and mediators—and a focal point when things are seen to go wrong. The overview paper, which summarises the research findings, said that the role of middle managers within providers is problematic, being seen as burdensome, unrewarding and complex. As a result, this role is not sought by many talented staff. Several groups pointed out that there is dissatisfaction amongst middle managers, particularly in TAFE providers, because they are too busy, pressured and unsupported by their seniors. These senior staff, they said, are more focused on control than leadership, and in the words of another group, middle managers are 'told to show leadership, but mired in business as usual, which is operational and crisis management, rather than being strategic'. Others said middle managers are under enormous stress from compliance, with little opportunity for creativity or—in some workplaces—have had their innovative developments squashed by their more senior managers. However, they are an important conduit for communicating the organisation's vision and strategic direction. They should therefore play a key part in determining what the strategy and vision are.

Suggestions to enhance the role of middle managers include giving them more status and autonomy and trusting them more. They need more support from senior management. At least a couple of the groups also believe that the focus should move from operational matters to a recognition of their role as educational leaders and leaders of educators; that is, something which needs to be more strategic.

Middle managers are doing it tough, and are caught between a rock and a hard place. They need to balance the roles of keeping things running smoothly and providing creative leadership to help innovate and exploit new opportunities.



It's time to question some of the old certainties and take a new look at the sector's human resource and industrial relations practices, particularly for public providers. Some new and creative thinking may unlock new opportunities for practitioners and the providers they work for.

Better human resource and industrial relations (IR) processes was the fourth area requiring attention. Some groups felt that IR needed to be on the agenda as a research topic to inform governments, unions and providers, and also be something which can be discussed openly and frankly. It isn't at the moment. Some participant groups felt that current IR frameworks are too restrictive and need to be changed significantly to reflect the reality of the ways providers and their staff work today. Are we locked, these groups asked, too much into the 'hard-won' certainties of current agreements? Is it now time for some more creative thinking about what could be, rather than defending what is? Others wondered, however, whether this is just spin, and suggested that IR is not where the problem lies. Whatever the truth, it is probably time for the sector to be collectively brave and to open minds and the debate to new approaches and thinking on IR issues.

A final word

So, how do we address these messages from practitioners? What advice should be given to policy-makers and the other 'right people'? The participants suggested more flexible IR awards and funding models that help staff to be more responsive and innovative. Doing things that will promote, not inhibit, flexibility is the key. Attracting and retaining good staff is also a real priority. A couple of groups suggested that a more national approach to a range of these issues was needed—and more consultation with those confronting these issues on a day-to-day basis. Policy-makers, one group commented, need to 'walk the talk' and work with providers to address the constraints which are hindering, not helping, to achieve the innovative, flexible and responsive VET sector everybody wants.

Want to find out more?

Visit the consortium's website for an overview of its research program at www.consortiumresearchprogram.net.au

Read about the overall findings of the consortium's work at www.ncver.edu.au/publications/1827.html