

# Building capability in vocational education and training providers: The TAFE cut

HUGH GUTHRIE  
NCVER

BERWYN CLAYTON  
VICTORIA UNIVERSITY



NCVER



Australian Government  
Department of Education, Employment  
and Workplace Relations



# Building capability in vocational education and training providers: The TAFE cut

HUGH GUTHRIE  
NCVER

BERWYN CLAYTON  
VICTORIA UNIVERSITY

OCCASIONAL PAPER



**Australian Government**  
**Department of Education, Employment**  
**and Workplace Relations**

The views and opinions expressed in this document are those of the author/project team and do not necessarily reflect the views of the Australian Government or state and territory governments.

© Commonwealth of Australia, 2010

This work has been produced by the National Centre for Vocational Education Research (NCVER) on behalf of the Australian Government and state and territory governments with funding provided through the Australian Department of Education, Employment and Workplace Relations. Apart from any use permitted under the *Copyright Act 1968*, no part of this publication may be reproduced by any process without written permission. Requests should be made to NCVER.

The views and opinions expressed in this document are those of the author(s) and do not necessarily reflect the views of the Australian Government, state and territory governments or NCVER.

ISBN 978 1 921413 74 2 print edition

ISBN 978 1 921413 73 5 web edition

TD/TNC 98.09

Published by NCVER

ABN 87 007 967 311

Level 11, 33 King William Street, Adelaide, SA 5000

PO Box 8288 Station Arcade, Adelaide SA 5000, Australia

ph +61 8 8230 8400 fax +61 8 8212 3436

email [ncver@ncver.edu.au](mailto:ncver@ncver.edu.au)

<<http://www.ncver.edu.au>>

<<http://www.ncver.edu.au/publications/2224.html>>

# About the research



## *Building capability in vocational education and training providers: The TAFE cut*

Hugh Guthrie, NCVER and Berwyn Clayton, Victoria University

This paper focuses on issues which affect the capability of technical and further education (TAFE) providers. It draws extensively on the reports of seven research activities conducted during a two-and-a-half-year program of research. The program examined a diverse range of issues: career pathways for VET provider staff, teaching and learning, organisational cultures and structures, learning through work, human resource development, leadership and workforce development. Publications from this research program can be found at <<http://www.ncver.edu.au/research/projects/10345.html>>.

## Key messages

- ✧ There is a gap between the ‘rhetoric’ of policy and the ‘reality’ of the operational constraints within which TAFE providers operate. TAFE providers need to be free of unnecessary central constraints to manage their human resources in ways which best meet their strategic business needs. This includes having more direct control of industrial relations.
- ✧ The professional nature of the work TAFE practitioners do is not sufficiently well understood or appreciated. More attention and resources need to be devoted to work design and workforce development.

Tom Karmel  
Managing Director, NCVER



# Contents

---

Why this paper?	6
Researching provider capability: A fresh look at TAFE institutes	6
What this paper will try to do	7
The changing environment	8
An overview of TAFE providers	11
What do we know about TAFE?	11
What is capability?	12
How capable is TAFE?	13
What contributes to capability? Lessons from the consortium's research	15
Governance, regulatory frameworks and independence	15
Funding TAFE	17
Organisational structure and operational approaches	17
The quality of leadership and management	19
Demographics of the TAFE workforce	21
Careers in TAFE	21
Human resource management	22
Professional and workforce development	23
Summary and conclusions	26
References	28

# Why this paper?

---

## Researching provider capability: A fresh look at TAFE institutes

This paper aims to provide a contemporary look at the issues affecting TAFE provider capability that were identified during a program of research commissioned by the National Centre for Vocational Education Research (NCVER) between 2005 and 2007. In particular we want to examine what the research found through the lens of the latest policy and the issues that have emerged since it was completed. Three messages emerged from the consortium's work (Harris, Clayton & Chappell 2007). We have reproduced them below with a TAFE focus<sup>1</sup> to provide a starting point for the rest of the paper.

*The first message is that strategies that build capability focus on the needs of both the individual and the organisation.* This means that building organisational capability demands close alignment of individual development with organisational vision, strategy and business goals. Capable TAFE institutions create organisational climates that encourage innovation and foster individual/team autonomy and responsibility. They are engaged with their clients, industries and communities and, as they are more attuned to their needs, are better able to respond when new needs emerge.

This also means building a good working environment by providing job continuity, quality work and a quality working life, as well as providing all staff with opportunities and environments to promote ongoing learning and development. This enables them to attract and retain capable staff.

Finally, TAFE needs to re-emphasise and re-focus on teaching, learning and assessment as core business.

*The second message is that building provider capability requires a strategic focus.* This means that the vision, strategy and approaches to operating need to be shared and understood across all organisational levels. In addition, TAFE needs to utilise cross-organisational collaboration and its diversity of skills and knowledge to enhance capability and build expertise. This collaboration and networking needs to extend beyond the organisational boundaries to embrace other providers, industry and the community. It is about building and maintaining partnerships.

Developing its leaders is of the highest priority, given the current and future challenges facing TAFE providers, and its most effective leaders have moved from an exclusive focus on operational concerns to a more strategic focus. However, the consortium's research found that the role of middle managers within TAFE is problematic and needs to be reconceptualised.

Finally, human resources practice, particularly in TAFE, needs to shift from an emphasis on administration and people processing to a more capability-driven function.

*The third message is that over-regulation at a variety of levels can constrain organisational capability and flexibility.* This is particularly relevant to TAFE and in this context requires a balance between local autonomy and the governance requirements of the broader system. Diversity is a major strength of the sector

---

<sup>1</sup> In fact, TAFE providers made up the majority of the case studies that the various research activities drew on.



and policy-makers must expect a diversity of provider responses in the implementation of policy and regulation and not propose ‘one size fits all’ approaches.

Within large TAFE providers, ways need to be found to minimise internal policies and procedures that impede flexibility in the delivery of services and products.

We initially thought that these clear messages from the research would be enough. However, the sector’s landscape is being reshaped significantly, both nationally and within individual VET systems and providers themselves. For that reason alone we thought it was worthwhile revisiting the research and its findings, as well as attempting to ground what was found in the new environment in which TAFE will operate.

## What this paper will try to do

This paper complements another (Guthrie 2008a), which examined the messages the research had for the VET system’s private providers. It first aims to provide an overview of the new environment. Next it examines the nature of TAFE providers and their role. It then considers what constitutes capability and then goes on to explore what affects organisational capability in TAFE. In particular it will look at the:

- ✧ context in which TAFE providers operate—including the policy, governance and regulatory framework
- ✧ funding arrangements
- ✧ organisational structures and operating processes at provider level
- ✧ quality of leadership and management—in particular the role of middle managers
- ✧ workforce issues, including demographics, conceptions of career, human resource management, industrial relations and workforce development.

We will use all this information to draw some overall conclusions, and suggest some ways forward.

# The changing environment

---

The Council of Australian Governments (COAG) has proposed the following objectives to respond to changing labour market demand for the skills needed by businesses, industry and individuals for the twenty-first century. These are that:

- ✧ The working-age population has gaps in foundation skills levels reduced to enable effective educational, labour market and social participation.
- ✧ The working age population has the depth and breadth of skills and capabilities required for the twenty-first century labour market.
- ✧ The supply of skills provided by the national training system responds to meet changing labour market demand.
- ✧ Skills are used effectively to increase labour market efficiency, productivity, innovation, and ensure increased utilisation of human capital.

For TAFE and other VET providers these objectives recognise the continuing importance of the sector in providing industry with the trained personnel it needs. However, there is a wider role envisioned. This is that people need to have the basic skills to participate in work, the labour market and society more generally. In addition, they need a broad range of skills and abilities to meet the economy's current and future labour market needs. This ensures that the labour market is as efficient as possible, and that human capital is effectively utilised. COAG has proposed a range of targets and developed a number of compacts for particular groups (including young people, retrenched workers and Indigenous Australians), all of which have an effect on the way TAFE providers might operate and the markets in which they are involved. These compacts and targets are supplemented by others set by individual jurisdictions. There are the effects of the rapidly growing international markets for VET programs both on and offshore. TAFE providers are also offering associate and bachelor degrees and a number of vocational graduate certificates and diplomas. The boundaries between the education sectors are becoming more fluid.

The need for TAFE to be demand-driven, customer-focused, flexible, innovative and responsive is widely accepted by governments, stakeholders and by TAFE providers themselves.<sup>2</sup> In order to achieve this, a system for promoting national contestability has been proposed, leading to what might be described as 'a truly competitive national VET market'. This would be done by reducing the barriers that hinder TAFE institutes and other providers from competing in interstate markets, as well as instituting a more decentralised approach to funding allocation, driven by user demand rather than central planning (Boston Consulting Group 2007). This proposal for what was described as a more market-based, competitively neutral<sup>3</sup> and contestable approach has been greeted with varying degrees of warmth across the jurisdictions and by various interest groups. NCVER commissioned a series of essays on contestability in the VET sector (Karmel, Beddie & Dawe 2009). We will draw on some of this work later in the paper.

On top of that, the Bradley Review (2008) has proposed a tertiary sector overseen by a single Ministerial Council with responsibility for all tertiary education and training. The review also

---

<sup>2</sup> In 2007, TAFE Directors Australia proposed a strategic package (*Investing in Productivity!*) to the Council of Australian Governments promoting TAFE as an effective partner in building Australia's skill base.

<sup>3</sup> That is, one that aims to promote efficient competition between public and private businesses.

proposed that the Commonwealth assume overall funding and regulatory responsibility for the new sector. Finally, it proposed that student entitlements be extended to VET, commencing at diploma-level qualifications. If adopted, these proposals effectively reintroduce a binary system and raise the issue of whether TAFE providers will attempt to become more university-like or, alternatively, maintain their point of difference within this broader sector. Bradley believes they should, but connectedness between the existing sectors needs to be improved and strengthened. Keating (2009), speaking at the roundtable that NCVER convened on contestability<sup>4</sup>, supports this view. He believes that the VET sector will maintain its point of difference because many of the features related to the way it operates will persist; for example, the industry-based and vocational focus; its approaches to teaching and learning; and its students' profiles and their aspirations. What he believes is important, from the student point of view at least, is the ability to move readily between the sectors with appropriate credit arrangements. This is what currently concerns both the Australian Qualifications Framework Council (AQFC) and the Joint COAG/National Quality Council (NQC) Steering Committee, which is concerned with the form and operations of VET's training products for the twenty-first century. The recommendations of this latter group (see National Quality Council 2009), once implemented, will have significant effects on the ways the VET sector, and its providers, operate. In addition, the Australian Qualifications Framework Council has been active in re-developing Australia's qualifications framework, and their consultation papers (2009a, 2009b) have examined the issues underpinning this reform and the essential features of the new framework. Key amongst these will be the levels of award and the descriptors that attach to them.

Skills Australia's position papers released in April and June 2009 (Skills Australia 2009a, 2009b) build on an earlier paper (Skills Australia 2008) and present its views on the future governance, architecture and market design of the National Training System. They, too, support 'a more aligned and streamlined governance model for an integrated tertiary sector' (Skills Australia 2009a, p.2) and the establishment of a single Ministerial Council for Tertiary Education, together with expanded contestability through a managed market approach with more rigorous purchasing arrangements and better information for its potential users. They envision a strengthened and more consistent regulatory system, where those of the higher education and VET sectors are brought together in a relatively short time frame. They see a continued—indeed essential—need for strong public providers with significant physical and intellectual infrastructure, but also see the need to rapidly intervene and sanction poor provider performance. One key requirement they see is to change governance arrangements to stimulate the operational independence of the TAFE sector and its providers. At the time of writing, the exact arrangements for the new national regulatory system for VET are still being bedded down.

Stepping onto and moving with some assurance through this new environment means that:

- ✧ TAFE providers need to move quickly and comprehensively to a new enterprising role with a focus on workforce development, multiple partnerships, innovation and customisation, while still not forgetting their role in community and individual development—particularly of those individuals lacking appropriate basic and other skills (TAFE Directors Australia 2007). In reality, TAFE providers are mixed businesses with a wide range of missions and client groups. Their business is not as simple or focused as most private providers. It is harder to be nimble unless there is a high level of autonomy at the business unit level.
- ✧ TAFE providers need to continue to build networks and partnerships to help share information, knowledge, experiences and ideas. There has been quite extensive work on this area in the VET research literature, which not only covers partnerships and networks but also communities of practice. Mitchell et al. (2006) in their work for the consortium noted the importance of developing partnerships of various kinds as well as networks. In addition, regional partnerships are particularly valuable as they involve the people, businesses and institutions with the

---

<sup>4</sup> Michael Keating represented both Skills Australia and the South Australian Training and Skills Commission at the Roundtable.

necessary knowledge and skills to identify and respond to local and regional concerns that are often too challenging for any single organisation (Griffin & Curtin 2007)

- ✧ Governments need to enhance financial flexibility and governance accountability for TAFE institutes. In addition, the protocols and systems which continue to restrict TAFE's ability to service the demands of individual clients and enterprises need to be removed (TAFE Directors Australia 2007)
- ✧ Providers need to attract and retain the best staff possible. However the TAFE workforce—and particularly its teaching staff—is old and highly casualised (NCVER 2004; Nechvoglod, Mlotkowski & Guthrie 2010).

In truth, the environment is changing at a dramatic rather than a glacial pace, and maintaining the currency of this paper has proved problematic as yet more new work is commissioned and other work is published that adds new grist to the mill.

# An overview of TAFE providers

---

## What do we know about TAFE?

In 2008 there were 58 TAFE providers in Australia enrolling Commonwealth and state/ territory recurrent funded students, together with domestic and international full-fee-paying students. TAFE providers are big businesses. They:

- ✧ have large numbers of students and offer a wide range of courses across a number of industries
- ✧ serve a variety of different clients with, sometimes, widely varying needs
- ✧ usually have a number of operating sites, which can be numerous and very widely dispersed geographically.

TAFE providers are the ‘department stores’ of training, offering a diverse range of goods and services under the one organisational brand. They are very much larger and far more administratively complex than the average private provider<sup>5</sup>.

In addition, they are publically owned and funded and have the financial responsibilities and constraints that go with that. They are a community resource, especially in rural and regional areas—and they are a major employer in their own right. A TAFE provider’s individual business units or sites reflect the cultures of the industries and client groups with which they are working. This, in turn, means that large providers are culturally diverse, while also fitting within an overarching organisational structure and culture and the operating milieu of the jurisdiction in which they operate (Clayton 2008). Some TAFE providers are also part of dual-sector institutions, operating in both VET and higher education. Others are now offering degrees in their own right (Wheelahan et al. 2009). Wheelahan et al. (2009) report that some TAFE institutes wish to become a new type of institution, similar to a polytechnic and offering a range of qualifications: from senior school and VET through to higher education. Others, they say, see their higher education programs as an extension of their role as VET providers.

In addition, TAFE providers are products of their history. Most are the result of amalgamations, and over the years providers have ‘come together’ from a wider range of smaller institutions, forming into a smaller number of larger ones. These ‘marriages’ have sometimes been by mutual consent, more often arranged and sometimes even shotgun. How they have come together, evolved, developed or radically changed significantly affects their current capability.<sup>6</sup>

Sixty-one per cent of the 28 TAFE providers responding to Smith and Hawke’s survey of key issues in human resource management in late 2006 believe they have faced a dramatic increase in the level of competition in the last five years (Smith & Hawke 2008). They are stronger in this perception than private providers, where 41% of those surveyed believed there had been a dramatic increase. Smith and Hawke (2008) believe that the most likely reason for this difference is that

---

<sup>5</sup> In contrast, private providers are small, nimble and flexible. They generally have a well-focused business and work culture that is far more uniform than a large public provider. Their management and work processes are characterised by informality and they have many of the characteristics of small businesses. Because of this they have more freedom of action, and are less bound by procedures and rules than those in TAFE. Nevertheless, they are very dependent on the quality of their leadership and staff.

<sup>6</sup> And also depends on how well the change processes associated with ‘the marriage’ have been handled.

TAFE providers face competition in their offerings across a wide front because they are exposed to a wider range of mainly private and niche-oriented competitor organisations.

In terms of the business strategies TAFE providers might use, Smith and Hawke's (2008) survey suggests they are, at present, heavily weighted towards one of the three alternatives posed:

- ✧ *Cost leadership*: which emphasises efficiency by producing high volumes of standardised products. In this way the organisation hopes to take advantage of economies of scale. The product is often basic with no frills and can be offered at a fairly low cost and made available to a large customer base. (It is epitomised by the sentence: 'We aim to offer higher-quality programs at the lowest cost for our clients', and about 53% of TAFE providers responding in 2006 said they use this as their current business strategy.)
- ✧ *Differentiation*: which involves creating a product that is perceived to be unique and which provides features or benefits of superior value for the customer. (It is epitomised by the sentence: 'We aim to be different from our competitors by offering imaginative and innovative new programs', and about 12% of TAFE providers said they use this as their current business strategy.)
- ✧ *Segmentation*: which concentrates on a few select target markets. It is a 'focus' or 'niche' strategy through which the organisation typically aims to achieve competitive advantage through effectiveness rather than efficiency. (It is epitomised by the sentence: 'We focus our business on an identified niche in the markets where we excel', and about 35% of TAFE providers said they use this as their current business strategy in 2006.)

In short the research suggests cost leadership is—or was when the survey was conducted—the current and predominant focus for TAFE providers. This is not surprising, given the drive by government purchasers of training to emphasise the delivery of publically funded profile at the lowest possible price.

However, Smith and Hawke's research also showed that views in TAFE seem to be changing and, when it came to selecting their future business approaches, TAFE institutes tend to favour moving to differentiation and segmentation strategies. Thus TAFE institutes are looking to move away from their traditional cost leadership positions in the market and into innovative new products and new markets to support their future growth, which many see as based on fee-for-service opportunities or growing the numbers of full-fee-paying students both domestically and particularly internationally.

While TAFE and private providers face a range of common issues and have similar concerns in many cases, there are a number of features and factors in both their operational environments which are tangibly different. These affect how they operate and determine the sorts of organisations they are. What the survey suggests is that TAFE providers are considering, and perhaps re-conceptualising, what capability means in the new VET environment.

## What is capability?

Clayton et al. (2008) point out that building capability is about increasing an organisation's capacity to meet its goals and build the business. Organisations do this by effectively coordinating and managing their various resources, including:

- ✧ the 'tangible'—like their financial and physical resources
- ✧ the 'intangible'—like their reputation and culture
- ✧ the 'human'—that is, the leadership and management skills of their senior staff as well as the specialised skills and knowledge of other staff and the way they all interact, communicate and share knowledge.

Staff hold much of the corporate intelligence of the organisation in ways that are hard to replicate through sets of policies and procedures. Linking and integrating people's skills and knowledge through their relationships and an organisation's processes is central to building organisational

capability. Capability is therefore more than just the sum of the parts; it is the value that gets added because of the qualities of the people that are there, the work processes in place, and the effectiveness of the ways they work together (Clayton et al. 2008).

Its staff are, therefore, a TAFE provider's most important resource. They are the basis on which its capability is built. Without capable people—supported by the right policies, procedures and organisational environment—TAFE providers cannot be capable organisations. What constitutes capability, however, may have a cultural dimension, and the conception of capability may vary across large and culturally diverse TAFE providers.

Improving capability also depends on the extent to which learning is part of the broader organisational culture. Organisational learning processes require critical reflection, continuous improvement and sometimes organisational renewal. They include being flexible, innovating, taking risks and allowing mistakes. They also require effective teamwork and leadership within business units as well as across the organisation.<sup>7</sup>

The first phase of the consortium's research (formally published as Clayton & Robinson 2008) identified common approaches to improving organisational capability, including enhancing industry connections through improved client focus, collaboration and strategic alliances, working in partnerships that ensure provider collaboration rather than just competition, and increasing flexibility at both the whole-of-organisation and work-team levels.

Clayton and Robinson (2008) also pointed out that the keys to improving organisational capability are to focus on: workplace learning and workforce development; meeting client needs through flexibility in delivery and customisation; effective strategic planning; using relationships and partnerships effectively; quality, quality improvement and accountability; and being committed to innovation and excellence. The subsequent research by the consortium has strongly validated these approaches (see Harris, Clayton & Chappell 2007).

So what are some of the key factors affecting TAFE providers? And to what extent do these contribute to or affect their organisational capability? We explore a range of the key factors in the next chapter, but before doing that we will look briefly at some of the readily available information on TAFE performance. This is drawn from two key NCVER-managed surveys conducted in 2009: Employer Use and Views of the VET System (NCVER 2009b) and the Student Outcomes Survey (NCVER 2009c).

## How capable is TAFE?

We have used the recently published Student Outcomes and Employer Use and Views surveys to get some idea of TAFE's capability in the eyes of two major client groups: student and employers. The Employer Use and Views survey (NCVER 2009b) confirms that TAFE is the major supplier of apprentice and trainee training but is behind private providers as the main supplier employers use for nationally recognised training. It falls well short of private providers as the main supplier of unaccredited training. In fact TAFE's level of effort is exceeded in this category by supplier/manufacturer-based trainers, industry and professional associations, and government departments and agencies. It appears not to be a large proportion of business, based on these data. It maybe one area of business that is capable of significant growth.

Overall, TAFE has a satisfaction rating comparable with, but below, that for private providers. However, other providers, perhaps more closely linked to industry, are rated as performing better in some areas. While limited, TAFE's provision of unaccredited training is rated very highly.

---

<sup>7</sup> One of the consortium's facts sheets—'Organisational capability: What does it mean?'—discusses this issue in greater detail. A range of other facts sheets on the culture and structure of providers are cited in the reference list.

According to the Student Outcomes Survey 89.2% of graduates and 79.5% of module completers in TAFE providers were satisfied with the overall quality of their training (NCVER 2009c). In addition, 84.5% of graduates and 72.1% of module completers fully or partly achieved their main reason for training. These satisfaction levels have increased between 2003 and 2008, particularly for graduates (82.5% in 2003 to 89.2 % in 2009).

Both surveys suggest a generally healthy TAFE system overall.

A recent report by NCVER (2009a) repeats an earlier profiling study of TAFE institutes. In relation to one of the key measures of performance and satisfaction, this new study shows that, while there is some variation, most institutes have subject completion rates at, or above, 80%. With a few exceptions, graduate satisfaction with overall quality of training consistently rates in percentage terms in the mid-to-high 80s, with a number of institutions having a graduate satisfaction in excess of 90%. Satisfaction rates for module completers are more variable, ranging from around 70% into the mid-90s.<sup>8</sup>

No data are available publically on rates of satisfaction with individual business units or areas of study. Likewise there is little or no publically available information on institutional health, although this information is collected by a number of providers for internal management purposes. Overall, the picture is good, but little is known about what might be revealed with a more 'microscopic' analysis.

---

<sup>8</sup> These numbers apply to government funded students in TAFE, not all TAFE students.



# What contributes to capability?

## Lessons from the consortium's research

---

The consortium's research and subsequent work suggest that a range of factors deserve attention in relation to enhancing the capability of TAFE providers. These include:

- ✧ governance, regulatory frameworks and independence
- ✧ the funding of TAFE
- ✧ organisational structure and operational approaches
- ✧ the quality of leadership and management
- ✧ the demographics of the TAFE workforce, and conceptions of career
- ✧ human resource development
- ✧ approaches to professional and workforce development.

Each of these will be considered in turn. As the last chapter showed, TAFE institutes are already capable providers of vocational education and training and TAFE does a pretty good job overall. However, some departments or business units within each of them probably perform better than others. This is perhaps why TAFE's performance is sometimes described as 'patchy'.

The issues explored in the consortium's research, and highlighted in this paper, are about building further on existing capability. It is about making things even better. There are issues about the extent to which TAFE institutes have control over some of the key elements that affect their operations—and what things are within their control to effect improvements.

### Governance, regulatory frameworks and independence

Governance arrangements, according to Meek (2009, citing an OECD paper), comprise a complex web, including:

- ✧ the legislative framework
- ✧ the characteristics of the institutions and how they relate to the whole system
- ✧ the way money is allocated to institutions and how they are accountable for the way it is spent, as well as less formal structures and relationships which steer and influence behaviour.

For TAFE, governance arrangements vary among the states and territories. In some jurisdictions the TAFE institutes are completely owned and managed by government and have relatively little autonomy, while in others the institutes are autonomous or semi-autonomous organisations with a governing board or council.

Australia, like other countries of Anglo-Saxon tradition, has lost institutional autonomy in its tertiary sector to governments intent on introducing quality control and accountability measures to better determine educational outputs (Meek 2009). However, TAFE institutes have traditionally operated and developed as parts of government departments working in a public administration framework. This framework uses a range of performance measures which have a crucial impact on the way TAFE institutes are managed and run. This is a very 'top-down' approach. In addition, TAFE has always had to serve multiple masters, but—in particular—Commonwealth and state

economic, social justice and education policies (Goozee 2001). An alternative approach is a 'bottom-up' one, possible when there is a higher level of real institutional autonomy, characteristic of some European traditions. This approach requires increased, and perhaps different, management and leadership skills at provider level.

Meek (2009) notes that there has been a push for a more bottom-up participation in governance, and that if markets are to play a more important role in the VET sector in the future, then TAFE institutes will need to become more autonomous, and will need to have a stronger approach to self-governance. Moves towards TAFE becoming part of a tertiary education system are also relevant in this context. As Gasskov (2006, cited in Meek 2009) notes:

[E]vidence ... suggest[s] that responsive, operationally flexible and cost-efficient VET institutions can best be achieved by delegating to them sufficient management, financial and academic autonomy, and, correspondingly, by strengthened professional and management competence of their staff. Lack of autonomy often translates into fewer incentives for staff initiative and improvement of performance.

Amongst other things, this includes the legislative separation to remove potential conflicts of interest of agencies that purchase training from those that provide it. While this has happened in some jurisdictions, and is in progress in others, it has not yet happened in all.

Increased autonomy for TAFE institutes also potentially involves increased freedom from other central controls; for example, in issues related to human resource management and industrial relations, as well as not having to return profits earned or not being tied to shared service arrangements—all of which may restrict freedom in operations and organisational autonomy. However, this increased autonomy comes with increased organisational accountability. This accountability is usually accompanied by a suite of performance measures used by themselves and others to evaluate their efficiency and effectiveness.

It is particularly important to ensure that the right performance measures for the system and its public providers are in place, as these will dictate the focus of their activities. If policy, practice and funding are underpinned and driven by inappropriate performance indicators, this will affect the extent to which TAFE providers are able to address calls for increased flexibility, innovation and responsiveness. Performance indicators can all too readily be 'the tail that wags the dog'. There is a case for benchmarking providers. This should be done by having a flexible set of performance indicators which control for key factors like student characteristics and organisational profile. This allows fair comparisons of performance to be made—whether at provider or business unit level rather than simplistic, and less valid, league table approaches. Not surprisingly, Misko and Halliday-Wynes (2009) found that externally imposed requirements for funding accountability and regulatory compliance are the main factors which drive an institute's processes and systems for monitoring and evaluating its efficiency and effectiveness. Mitchell et al. (2006), too, note the importance of managing quality systems and indicators, and the importance of creating cultures which stimulate continuous improvement. He and his colleagues caution on the dangers of an overly compliance-based approach and culture.

Two of the key questions related to TAFE governance and independence—and an institute's ability to work within (and possibly manage) its external environment are:

- ✧ Do the elements which underpin the system (for example, contestability, quality assurance and regulatory compliance, targets, profile, performance measures and funding and financing arrangements) allow TAFE providers enough flexibility?
- ✧ Does the rhetoric of policy match the reality of the governance, fiscal and accountability and systems?

If the answer to both questions is: 'No, they do not', then providers are limited in the extent to which they control what they can do to turn the rhetoric of 'policy' into the reality of 'practice'.

However, one of the key issues that determines a TAFE institute's behaviour is the funding regimes under which they operate (Misko & Halliday-Wynes 2009).

## Funding TAFE

At present the bulk of funds to TAFE institutes come from state and territory governments to provide formal training programs. Funds are allocated on the basis of purchaser-provider agreements on an agreed profile of delivery. In addition, some funds, notably 'user choice', are 'contestable' in that they are won by either public or private providers through open-market bidding arrangements. TAFE providers also receive revenue from individuals through tuition fees and organisations on a fee-for-service basis as well as raising other revenue through the provision of other goods and services. TAFE institutes also have significant numbers of full fee-for-service domestic students, and the number of fee-paying international students has also grown rapidly. Capital and special purpose funding can also be provided by the Commonwealth and state and territory governments.

Centrally driven allocation of funding is not conducive to flexibility, responsiveness and innovation. There are a number of issues. First, profile funding constrains flexibility because profiles tend to change only at the margins. Second, any separation of capital and recurrent funding also acts against flexibility, particularly in an environment where capital, technology and staff may be substitutes. Third, the proliferation of specific purpose programs and their related funding may not only act against flexibility and responsiveness, but also increase the compliance burden. Finally, if the move to contestable funding gathers momentum, the concept of contestability will need to be conceived more broadly than delivery at the cheapest price, or there is a risk that flexibility and responsiveness will be lost.

In summary, the way TAFE's funding agreements are determined at both the national and jurisdictional levels is critical to the extent to which institutions can actually be the flexible, innovative and responsive organisations referred to in the policy rhetoric. However, the reality is that funding regimes—and the government targets that underpin them—can inhibit flexibility and responsiveness, or lead to attention being directed in some ways, while ignoring others of possibly equal if not greater merit.

## Organisational structure and operational approaches

As we have already suggested, TAFE providers have a number of business units which also service particular groups of industry and other clients. However, they operate in an overarching institutional framework with all the complexity of business systems, processes and infrastructure needs that come with operating a big business.

By any standard, most TAFE institutes are a big business, and their particular challenge is how to be sufficiently innovative, flexible and responsive to meet the different needs of each particular client group they serve. There are several key issues that need to be addressed.

The first of these revealed by the consortium's research is the extent to which a TAFE provider's own structure and cultures enable its individual business units to act flexibly, independently and commercially. TAFE providers need the organisational structures, business practices and the ability to tolerate a diversity of internal cultures that enable them to meet the individual needs of their various industry clients effectively. At present individual business units seem to do this with varying success. Clayton et al.'s (2008) work for the consortium suggests that, in order to make them more innovative, flexible and responsive, these business units need to become more self-managing and have control of their critical resources. And the larger organisational frameworks under which they operate—and those who regulate them—also need to provide the autonomy that is really required and a supportive environment that is tolerant of the necessary wide variety of practices. Agility is

aligned to the levels of autonomy, but there is variation within TAFE business units. Some do not want autonomy, but may have it thrust upon them; others are told they have it but actually do not. Others have it, and use their autonomy well.

The consortium's research suggests that both providers and their business units need to become more tolerant of failure, and devote more time to sharing what they have learnt—as well as learning from others. Providers may also have to redesign their internal policies, procedures and administrative systems to support new ways of working and help foster greater levels of flexibility and responsiveness (Clayton et al. 2008).

Second, the consortium's research has highlighted the extent to which the environments in which public providers operate restrict their operational capability and their ability to provide flexible solutions to client needs. Current industrial agreements which underpin and describe the way TAFE staff work need to be changed to reflect the reality of the ways different providers and their various business units and staff work today. For example, the adoption of new and more flexible teaching approaches and learning technologies makes it difficult to use traditional measures of productivity, like teaching or contact hours, as a basis of industrial agreements. This is particularly relevant for those working closely with industry and who may be required to be available throughout the year and at times and places that suit particular enterprises. Over-prescription of terms and conditions of employment limits flexibility and the opportunity to provide rewarding and fulfilling work for staff. At a time where there is considerable competition for good staff, making TAFE an attractive employment option is particularly important.

Third, the business strategies of TAFE providers tend to be short-term in outlook, although most review them annually. One reason for this that emerged from the consortium's work was the perception of the constancy of change in underlying policy and priorities, which meant that taking a longer-term view seemed to carry some dangers. Changes were not bedded down before a new issue emerged to become 'flavour of the month'. The reality that the consortium's research identified that policy and other initiatives are not seen through and thus full effect is not given to implementing what was proposed. Sometimes this is a good thing, as what was proposed was ill conceived, but it also means that, on occasion, good new policy and practice is not as effectively implemented as it might be. On the other hand Smith and Hawke (2008) found that some institutions seem to be rising above this and realising that success lies in taking a more active role in determining business trajectories. These institutions sought to gain or maintain control of the key features affecting their autonomy and business performance. One of the keys to this is dealing with the short-term and profile-driven funding arrangements which do not allow business decisions to be made on a longer-term basis.

Fourth, Mitchell et al. (2006) stress the importance of partnerships and networks in achieving high-quality teaching, learning and assessment processes. These approaches are needed to encourage the exchange of information, ideas and techniques. However, developing and sustaining such things can be difficult in an overly competitive environment, or one where there is a fear of losing competitive edge.

Finally, of course, one of the messages to emerge from the consortium's research is the importance of ensuring that managers have the power, and control of the resources, to run their part of the organisation. Just as it is important to have the right governance arrangements for TAFE providers to function effectively, so too is it important that this is carried through within the provider itself. One way to do this is to consider whether it is better to have a 'one size fits all' approach to running a TAFE institute, or celebrate its 'multi-culturalism' and allow a more 'small business' or 'branded' model within its wider operating frameworks and guidelines.

# The quality of leadership and management

Callan et al. (2007) investigated the approaches needed to sustain and build the management and leadership capability of VET providers. In it, they concentrated on two aspects: first, the quality of current leaders and the issues they face and, second, developing managers and leaders.

## Qualities and issues in TAFE's leadership and management

Callan and his colleagues found that the chief executive officer—and the qualities and management style they exhibit—play a pivotal role in shaping the culture and 'mood' of the organisation. These leaders need to be able to communicate a vision for the organisation, build a successful team around them and inspire staff to commit to making needed changes. They are an institute's key planners, strategic thinkers and decision-makers (Callan et al. 2007).

There are many strong and effective leaders and managers in TAFE. Nevertheless Mitchell (see Mitchell 2002; Mitchell et al. 2003) suggests that there has been a primary focus on traditional management (for example, controlling, budgeting) but insufficient attention has been focused on change management (for example, forming a coalition of supporters of change) or strategic management (for example, developing strategy in response to unexpected developments). Many TAFE institutes voiced similar concerns about moving current managers away from an operational management focus to being more concerned with leadership. Indeed, Callan and his colleagues report that there are numerous accounts of managers being good at the visioning and planning of change, but poor in actual execution and follow-through (Callan et al. 2007). Moving beyond the vision can be hard, however. Callan and his colleagues found the TAFE system described by their informants as one where centrally driven policies and procedures are imposed. One manager of teaching staff described it as one that usurps good management and constrains genuine leadership. So leaders and managers see themselves as constrained in what they can do by circumstances which they see as beyond their control.

Callan et al. (2007) report that many senior managers talked about a philosophy of shared leadership. In this case, responsibility for leadership is shared across all levels of the organisation, typically through the application of quite participative and collaborative models of leading. But it can be hard to turn rhetoric into reality, and it can be hard to involve a wide range of people actively in the decision-making processes in large organisations such as TAFE providers. The body of the consortium's research has also shown, time and again, that it can be hard to ensure that management decisions are carried through within the organisation. Some are lost in translation, or re-interpreted—sometimes with significant, and negative, consequences.

A senior member of a metropolitan TAFE described his challenge in attempting to alter the mental models of his traditional managers from being 'instrumentalist and operational' to being focused upon 'the future, strategies and sound business planning where we are all engaged in leading this organisation' (Callan et al. 2007). Shifting from the operational to the strategic can be particularly challenging for TAFE's middle managers. This group was seen throughout the consortium's research to be the most stressed and challenged by the pressures for change. A senior manager at a metropolitan TAFE reported in Callan et al. (2007) summarised his views in the following way:

Our middle level educational managers are overwhelmed, even swamped. They need more time to reflect. I've got autonomous work teams—I'm not allowed to have them—but I have. My program manager has fantastic skills, so I don't want her bogged down. There is a disconnect and a chasm between the educational and non-educational managers. The non-academic needs to be more responsive and needs to be more collaborative than at present, at least in our organisation.

So it is not just about being more strategic than operational, it is also about addressing the issues confronting the organisation in a holistic way—and having both operational managers and those in charge of key support services working closely together to achieve commonly held objectives.

Linked to this is the perception of managers in TAFE institutes being too risk-averse. Those interviewed by Callan and his colleagues labelled some managers as ‘lacking courage’, ‘too concerned about taking risks and accepting responsibility’, ‘lacking guts’, and being too willing to accept that ‘well, we have always done it like this’. A feature of this risk-aversion was a reluctance to bring in people from outside the system to operate in high-profile roles. As a director of a regional TAFE reported in Callan et al. (2007):

I am passionate about getting people with the right skills, pushing the boundaries about what is possible in terms of recruitment. Otherwise, with those managers I currently have, there will not be much chance of real change around this place.

A country TAFE institute director labelled the understanding of leadership among his staff as ‘poor’, and another reported ‘a lack of people with general leadership capacity’. Another in a country TAFE institute described his talent pool as ‘dry and barren’.

In terms of manager and leadership training Callan and his colleagues found that the larger training organisations were much more strategic in how they approached the training and development of their managers at all levels, using position statements, corporate strategy documents and staff development policies and plans. However, many reported that they still conducted ad hoc development programs that were ‘not embedded in our strategy and so pushed aside by busy people’. It also, again, depends on the extent to which the rhetoric of these planning and policy documents are translated into a reality of practice.

## Developing TAFE’s leaders and managers

The approaches used to develop management and leadership skills include formal courses, programs and events offered by a range of institutions (some are outlined in Callan et al.’s 2007 paper), agencies (such as Victoria’s TAFE Development Centre and the [then] Western Australian Department of Education and Training’s VET Teaching and Learning Directorate), networks and professional associations. These are organised either at jurisdictional or provider level, but there may be a continuing role for national programs too.

Callan et al. (2007) report the use of formal courses at a variety of levels to develop and enhance leadership and management skills. Other processes in use documented by Callan and his colleagues include: using diagnostic and self-assessment tools; learning on the job through key projects; coaching and mentoring using internal or external people and staff rotations, shadowing arrangements and secondments. While they identify individual events as another strategy in the armoury to help managers and leaders change and improve, they also caution on the value that individual events have in effecting change on leadership and management styles and practices. Rather, if transformational change is to occur, it needs to be a change strategy embedded in shared visions and mental models of those involved. Events, in fact, are the least powerful tool if not supported by a raft of other approaches to build an organisation’s culture (Perkins et al. unpublished).

Callan et al. (2007) identify a range of enablers and barriers to leadership and management development. The key enablers include the existence of a learning culture; the redesign of systems, structures and processes to support new ways of working; the involvement and ownership of professional development; and the opportunities afforded by existing strong networks and communities of practice. In contrast, they noted that the barriers included: non-supportive organisational climates with little access to development opportunities; workloads and responsibilities not easily transferred to others; and development being focused upon information-giving rather than allowing participants to work actively on issues and problems in their own contexts. They also suggest that other barriers relate to sectoral issues—when attention is focused on how things have been done in the past rather than on new skills and priorities. These factors include complex administrative systems, award conditions and funding models.

Having looked at professional development issues for leaders and managers specifically, we now move to considering the more general issues of human resource development, workforce development and industrial relations. Before doing that, though, we will ground these issues in a short discussion of the demographics of TAFE's workforce, and the concept of working in TAFE as a career.

## Demographics of the TAFE workforce

It is hard in to get a consistent national picture of the demographics of TAFE's workforce. Even the data presented here only represent point-in time statistics and, while good data quality has improved somewhat since NCVER last looked at the size and nature of TAFE's workforce this way (NCVER 2004), what we present here is still less than satisfactory.

Point-in-time data collected in 2002 (NCVER 2004) showed clearly that TAFE was characterised by an aged and highly casualised workforce. A more recent study which updated this work shows this picture has not changed (Nechvoglod, Mlotkowski & Guthrie 2010).

It is important to get a clearer idea about the nature and demographics of TAFE's workforce for all sorts of reasons. For a start little is known about the movement into, out of and within the sector, and the career paths of TAFE staff—apart from the fact that many begin their careers as part-time or casual staff. Simons et al. (2009) have made an excellent start, looking at the concept of career in the sector as part of the consortium's work, but the report is focused on a 'whole of sector' view not just a TAFE one. What is needed now is research which explores the workforce dynamics of different provider types (public and private) and locations (for example, rural versus city) and in areas of study. Also, not much is known about those who make their living by working for a number of providers on a part-time or casual basis. In addition, little is understood about the qualifications—teaching and vocational—TAFE staff hold, and their value. This is particularly relevant if it is seen as important to maintain and build a more 'professional' and qualified workforce in TAFE—and the sector more broadly.

The level of casualisation amongst TAFE's teaching staff is high. This, coupled with the impending retirement of many, increasingly looms as an issue requiring attention (Clayton et al. 2005). The imminent loss of many of TAFE's oldest and most experienced staff can be seen as both an opportunity and a threat. Managed strategically, it allows TAFE to bring in new people and ideas, but TAFE will also lose considerable expertise and experience. Attention to succession planning, knowledge management, recruitment and selection at provider level and career pathways more generally is also becoming increasingly urgent. TAFE needs to take a new and more creative look at employment arrangements for staff, particularly its teachers.

## Careers in TAFE

One of the key issues is the conception of a 'career' in TAFE. Simons and her colleagues (2009) found that some VET staff see careers as pathways which they follow and which lead to progression, promotion and opportunities for movement within the system. Others see careers as working lives that provide learning, enjoyment, change and personal development, while yet others see careers as a mixture of these two conceptions. The key point is that it is wrong to think of careers purely in terms of progression and promotion. The flattening of structures and hierarchies has meant that staff will seek opportunities they deem worthwhile in a range of ways. However, these opportunities—who gets the chance to do what—represent a strong influencing factor on perceived career quality for individual staff, so it is critical that as many staff as possible are exposed to and have the opportunity to take up new and enriching work roles. This requires effective human resource management approaches, and we will turn to this issue shortly.

Simons and her colleagues' report found that it is important to provide opportunities for enjoyment, and for staff to learn, change, and undertake personal development. The report also shows that job satisfaction, support from their colleagues and their own self-esteem and confidence are very important and so these features need to be a part of a TAFE provider's culture and be considered in the job design for both individuals and work teams. All TAFE staff need opportunities to develop skills in areas which will not only be rewarding and stimulating for them personally, but also add value to the business. In simple terms, we think this means making and keeping people's work interesting and rewarding, and packaging work and working arrangements in ways which will be attractive—especially when those already working for TAFE or sought as employees, have other attractive alternatives from which to choose.

Hawke (2008) notes that staff confidence in the management's ability to provide them with useful guidance on their own career direction is low. He points out that most of the staff interviewed said that they made decisions about their own learning and development solely or primarily on the basis of their own assessments and discussions with colleagues. Better performance management approaches are needed to ensure a better and more meaningful alignment of personal aspirations and business needs.

Hawke (2008) also notes that a key issue for most of the staff, which shaped their attitudes towards their organisation and their decision to stay or leave, was their perception of how others were treated by the organisation. Some believed that their organisation was a good employer, which looked after its staff and acted in their best interests. Others were much less impressed. Significantly, this was often not uniform within any given organisation but shaped by the environment in which they mostly worked. This is why good human resource management is so important, as are the approaches used to develop staff. Each of these will be considered in the following sections.

## Human resource management

While a human resource management (HRM) function is well established in TAFE, Smith and Hawke's 2008 research suggests that it is more operational than strategic in its focus. According to them, the major operational priority of the human resource management department in many TAFE providers is recruitment and selection, with the attraction and retention of staff—particularly teaching staff—being a key priority. In the longer term they are focused on strategic workforce planning and organisational development. Relatively, they are little concerned with talent management and career development. While these key issues might be seen as line-management responsibilities, the report is silent on where responsibility for human resource development and training and development lies. In fact, the responsibility may often be divided, and therefore possibly not addressed either comprehensively or coherently. We will address issues of workforce development shortly.

When asked, TAFE institutes ranked the top five guiding principles of their human resource management approach as:

- 1 developing a capable workforce
- 2 developing a strong organisational culture
- 3 encouraging and facilitating organisational change
- 4 creating a good employee relations climate
- 5 minimising the salary and wages costs of the organisation (Smith & Hawke 2008).

In summary, Smith and Hawke believe that there may be a gap between the rhetoric of concern for human resource matters and the reality of actual practices.

Smith and Hawke (2008) found that human resource management practices are also highly formalised and regulated, in contrast to those used in smaller private providers. They point out that,



in TAFE, selection processes are often quite bureaucratic and focused on procedural fairness, uniformity and equity rather than getting—perhaps—the best person for the job. They believe more broadly conceived approaches to recruitment and selection, including personality profiling and aptitude testing, may be a way forward. Nevertheless, they acknowledge that procedures are often mandated at government level, and that providers' hands can be tied.

Performance management approaches, too, appear to be oriented towards professional development rather than assessing work performance, although their case studies showed that some organisations were moving towards a more performance-oriented approach and the use of a broader range of tools, such as 360-degree appraisal processes. Others, they reported, were restricted in this by the industrial agreements in place (Smith & Hawke 2008).

## Professional and workforce development

### A changing work role

Just as management and leadership skills may have to change, so too are there changes in the skills other TAFE staff need—particularly practitioners. A wide range of authors, including Chappell and Johnson (2003), Mitchell et al. (2006) and Guthrie, Perkins and Nguyen (2006) have reported that the nature of their work is changing. These changes have been caused, amongst other things, by changes in available technologies, student demographics, an increased focus on workplace delivery and the increased use of team-based approaches. There is also pressure to introduce more commercial and business-oriented approaches to their operational practices (Callan et al. 2007; Hawke 2008). TAFE teachers are working increasingly in cross-functional and organisational teams configured to address client needs. Teachers are changing to become facilitators of learning. They need skills to exploit new available learning technologies and approaches and skills in the development of learning programs, and training and assessment resources. They need to maintain their vocational currency, and working closely with industry is one key way of doing this.

The consortium's research suggests that comprehensive approaches to workforce development and performance management are needed to address these issues. In particular, workforce development should be focused on building individual and work team capability rather than targeted towards the implementation of new regulatory frameworks or organisational procedures. However, it is often the latter approach that prevails rather than the former, because such 'development' is funded and mandated. However, while such 'development' keeps staff informed, it does not tangibly build and develop their skills.

### (Re)professionalising the TAFE teaching workforce?

Another workforce development issue that seems to be emerging in the Australian literature now, as it has already overseas, is the key contribution of VET teachers and trainers in enhancing the quality and excellence of systems (Harris et al. 2009). Their competence development and levels of qualification are seen as a means to improve the attractiveness and quality of VET. Raising the status of teachers and trainers, upgrading their competences and qualifications, and keeping initial and continuous training up to date have been, and continue to be, major issues of concern in Europe (Harris et al. 2009). The emphasis is on their possessing current specialist knowledge of their subject area as well as renewed pedagogical skills, and on support throughout their careers to upgrade their knowledge and skills, as it is here in Australia.

However, as Harris et al. (2009) point out, the centrality of VET teachers and trainers in reform movements occurring in Europe would seem to be in rather sharp contrast to the experience of VET teachers and trainers in Australia, where levels of teacher preparation and the extent of professional development have been progressively undermined. For example, questions have been raised about whether the current minimum requirement to practise as a teacher and trainer under AQTF 2007, the Certificate IV in Training and Assessment, is adequate for the needs of

contemporary professional VET educators. But this also applies to more highly qualified teachers as well. As one senior manager cited in Hawke (2008) noted:

For a long time we'd largely just accepted that once a teacher had completed their degree we didn't need to worry about teaching skills. But things have changed so much with new approaches to teaching, teaching in new contexts like the workplace and the recognition that many teachers don't have a teaching degree any more, that we had to do something.

Hawke (2008) reports that basic teacher training has been supplemented in a variety of ways: by support to enrol in higher-level formal VET and higher education qualifications; by non-formal approaches such as compliance or regulatory related training or in-house training programs; and informal approaches such as mentoring, networking, coaching and peer support. Again, however, the quality of management and workforce development practices are key to whether such approaches are comprehensive, coherent and ongoing.

Issues of initial teacher training and teaching and teacher quality are being examined in a range of projects. NCVER is currently documenting the range and content of programs used to train teachers initially, as well as the numbers and attributes of those undertaking these programs. Another project, being conducted by the LH Martin Institute, aims to examine what constitutes high-quality teaching practice in VET, what factors support high-quality teaching, what do the systems measures tell us about the quality of VET teaching and learning and what sorts of things could be done to improve practice further?

In a further project Berwyn Clayton is investigating the extent to which practitioners believe that the Certificate IV in Training and Assessment provides an effective foundation for the delivery and assessment of training in the VET environment. The project's first output, a background paper (Clayton 2009), provides a history of the Certificate IV in Training and Assessment and reviews the limited research on this qualification. It also outlines some of the key issues surrounding this certificate, such as uneven quality, inconsistencies in delivery and the perceived inability to meet the skills and knowledge needs of trainers in workplaces or teachers in institutional settings. In her research, Clayton is looking at a small number of those who have completed the certificate IV—both on completion and sometime after when they have had subsequent teaching experience. So far, Clayton has found that its graduates consider they enter the field feeling prepared and reasonably confident, but emphasise the criticality of ongoing learning and support from experienced teachers and trainers. Without this support, she is finding, graduates struggle.

Harris et al. (2009) report that a number of constraints have been identified as hampering efforts to improve VET teacher quality in England. Citing Thompson and Robinson's 2008 work, they suggest that these include an over-reliance on employers to implement quality measures, under-funding of key initiatives, lack of support from employers for trainee teachers, poor integration of professional development with human resource development policies within institutions and prescriptive curricula for teacher development. Further, there is debate about whether VET teaching is an occupation or a profession. The Bradley review and the move to offer associate and bachelor degrees have raised issues of the 'academisation' of some VET teachers and the issues this carries with it (Wheelahan et al. 2009). On the other hand, improving the professionalism of VET teachers, particularly through mechanisms to promote continuous learning and development, are consistently emphasised in policy documents and research (Harris et al. 2009).

## Who gets the development?

Evidence from Smith and Hawke's (2008) survey suggests that the focus is on training teachers over non-teaching staff and that, from a human resources management perspective at least, much of this training is formal and nationally recognised. However, the work by Simons et al. (2009) suggests that, currently, professional development opportunities are not even handed. It shows that staff in management positions are best served by existing arrangements. Teachers and general staff are less well accommodated. This suggests that the allocation of professional development opportunities needs more attention, both by line managers and human resources management

departments. For teachers in particular, and because they are the human resource that is key to TAFE's core business of teaching and learning, such arrangements must not only encompass formal development opportunities, but also opportunities to learn through work, and better work design. Smith and Hawke (2008), for example, suggest that teaching staff, particularly those on contract or who are employed on a casual or sessional basis, have less opportunity for working in cross-functional or project teams than their managers. Other research has shown that casual staff are disadvantaged in their access to professional development (for example, Stehlik et al. 2003)

Chappell and Hawke (2008) offer another approach. They suggest that, perhaps, too great an emphasis has been given to formalised approaches to professional and workforce development. They suggest that it is time to give greater consideration to how to more effectively embed learning into the routine work of providers. Figgis and Hillier (2009) suggest that developing an organisational culture which encourages mainstream practitioners to reflect habitually on what they are doing and take action are what is needed, not a focus on 'star innovators'. Providing the resources to enable this is also important. In addition, they believe the most effective change may not be through radical reform, but through incremental improvements.

## From professional to workforce development

An emerging conception is that of workforce development, which is concerned with managing the size and composition of the workforce, retaining and managing that workforce and skilling it (Hawke 2008). This is in contrast to the rather more individually focused concepts of staff or professional development. Hawke also explores how providers, including four TAFE institutes, make decisions about allocating resources to their workforce's development. He, like other consortium researchers, points to the lack of autonomy and control that TAFE institutes have over crucial aspects of their operations which have a direct effect on their workforce development approaches. This is because TAFE institutes sit within—and are directly affected by—a more 'whole of system' context, whose perceived vagaries can sometimes lead to more conservative approaches than would be the case if TAFE institutes believed they had the autonomy to make the best decisions for their particular circumstances. There is also the potential for tension between the needs of the individual on the one hand and the broader work unit and the wider organisation on the other.

In addition, as Hawke (2008) points out, the top-down approach to workforce development adopted by the large TAFE institutes—because they are so large—can lead to local practices that are distinctly different from their strategic or operational intentions at the whole-of-institute level because the intents of the initiatives are 'lost in translation'. He cites examples of getting applications for formal study approved, and moving staff from casual or sessional employment into full-time positions, as problems that arose in communication between different parts, or levels, of an institute. Communication failures and re-interpretations do occur between operational levels and areas and, as a consequence, well-intentioned strategies are not implemented with fidelity, or consistently. This can, and did apparently, have significant effects on organisational morale. Nevertheless, there needs to be flexibility, as long as the reasons behind differences in approach are adequately worked through with the staff concerned. The key is understanding and working with the ambiguity necessary in large diverse organisations. 'One size fits all' approaches are unlikely to offer the best solutions.

We return again to the issue of TAFE's middle managers. Hawke reports that middle managers, who hold the greatest responsibility for implementing many important elements of workforce development policy, carry heavy workloads. The consequence is that the high day-to-day responsibilities of organising classes, replacing absent staff and administrative reporting mean that these strategic workforce development matters often failed to get the attention they deserved. This is not to say that these middle managers are failing to provide important leadership to their teaching staff. Rather, under current circumstances, TAFE institutes cannot guarantee that the policies and strategies they determine at executive level can always be implemented when they place such heavy reliance on this critical group of staff.

# Summary and conclusions

---

The first conclusion is that the three collective messages summarised in the first few pages of this paper continue to hold true. TAFE is being asked to be more flexible, innovative and responsive by governments and industry alike. It is a need that TAFE providers acknowledge and have actively worked to address. It is widely accepted that there have been considerable improvements and progress towards these goals, and that TAFE has become far more customer-focused.

TAFE seems to be performing well if the satisfaction of its students and industry are any measure. Yet TAFE is also feeling pressure from a range of sources: competition from the private sector; from COAG reforms and targets; their role as instruments of policy in their own jurisdictions; through refining and redefining its 'mission' in the light of the emerging tertiary sector and; finally, the push of VET in schools activities. It is caught between serving industry and employer needs, an increased focus and level of delivery in workplaces, and its role to meet the individual and longer-term learning needs of an increasingly diverse group of learners.

What does this mean in practical terms, and how might TAFE providers need to change if they are not already doing so? It seemed to us that what might be required is:

- ✧ an improved sense of the variety of customers: who they are, what they want, and then dealing with this variety of needs through a variety of business models. It means that institutions may move to become a group of semi-autonomous smaller businesses, each with a clear vision of what they are training to do and having the freedom to operate appropriately. Having said this, the 'model' needs to be agile and able to be reconfigured quickly to meet changing or emerging needs
- ✧ better support services, especially in the light of the changing learner demographics and a more 'case managed' approach to meeting learner needs
- ✧ improved partnerships and ways of operating with industry, and staff with skills and abilities to provide a seamless service. It also involves moving into roles which go beyond a focus on just teaching and training; for example, supporting enterprise innovation. In addition, increasingly effective partnerships are needed with industry bodies, enterprises, suppliers and other providers, and even across sectors, jurisdictions and international boundaries. Again, there is no 'one size fits all' approach here: what is needed are approaches that are 'fit for purpose'
- ✧ building underdeveloped areas of business activity: in particular those which generate additional funding and reduce dependence on government or profile funds, two key of which might be increasing the levels of unaccredited fee-for-service training to industry and employers. The other is to tap more of the international onshore student market, at present dominated by private providers, especially in the wake of perceived quality issues and business failures.

What also emerges time and again is the battle between rhetoric and reality. This is manifested in the rhetoric of innovation, flexibility and responsiveness, and the realities of operational constraints imposed through structure and governance arrangements, funding models and regulatory environments. It seems appropriate to take a hard look at governance and regulatory environments to see what can be done to reduce red tape, increase autonomy and get the performance measures right. This may involve the development of more sophisticated and diverse approaches to benchmarking and judging the quality of outcomes. This is a welcome focus of Skills Australia (Skills Australia 2009a, 2009b).

Attention is also needed to the quality of TAFE leadership and middle management. In particular, more needs to be done to support and develop TAFE's middle managers. Work at the local level and nationally by organisations such as the LH Martin Institute are crucial here.

It also seems timely to break away from an industrial relations system which is rooted in the past and for both sides of the industrial fence to develop new approaches which better reflect the ways TAFE providers and their staff now work. At present the industrial relations system is based on conceptions and work models which have probably outlived their usefulness. They are preserving a myth of a TAFE system which no longer exists. Things have moved on. In particular, this means that:

- ✧ More needs to be known about the size and nature of TAFE's workforce. At present there are no consistent national data.
- ✧ Second, TAFE institutes need to bring human resource management 'in from the cold' and give human resource managers a place in the most senior executive forums of the organisation. At present human resource management is not as strategic as it perhaps should be in TAFE providers.
- ✧ While human resource management is a well-established function in TAFE institutes, it often operates within the quite tight constraints imposed by state government human resource management and industrial relations policies. Governments need to relax their grip on industrial relations and human resource policies and procedures by, perhaps, giving public providers the freedom to manage their human resources in ways that best meet their needs. A mandated 'one size fits all' approach seems inappropriate.
- ✧ TAFE needs to spend more on, and devote more time to, workforce development. While most institutions have development plans in place, current suggestions (Smith & Hawke 2008) are that the level of expenditure at provider level is generally low (under 2%) as a percentage of payroll or medium (3–4%), with less spent on non-teaching staff. This might also be addressed by redesigning jobs and work and promoting approaches which give greater encouragement to reflective practice. It also means bringing casual staff in particular, but also support staff, in from the cold and finding ways to develop their skills and better value the work they do.
- ✧ More needs to be understood about the work TAFE staff do. This could be used to design better jobs as well as getting a better understanding of people's careers in TAFE and how people move into, out of and within TAFE.

This brings us to a final and key point. This relates to the professionalism of TAFE's teaching staff and ensuring that they have both the level of teaching skills they need and up-to-date knowledge and experience in the vocational area in which they teach. It is unlikely that a 'one size fits all' approach will work here either, and what is needed is the development of a typology of teaching staff that can be used as a basis to design the range of programs and qualifications that are appropriate, given the nature and amount of their work in TAFE. It also involves TAFE providers being more serious about their approaches to managing individual and group performance, and ensuring that it is seen as truly developmental.

# References

---

- Australian Qualifications Framework Council 2009a, *Strengthening the AQF: A proposal – Consultation paper*, AQFC, viewed 5 January 2010, <[http://www.aqf.edu.au/Portals/0/Documents/022105r08\\_AQF\\_StrengtheningTheAQF\\_A4\\_HR.pdf](http://www.aqf.edu.au/Portals/0/Documents/022105r08_AQF_StrengtheningTheAQF_A4_HR.pdf)>.
- 2009b, *Strengthening the AQF: A proposal – Analysis of submissions*, AQFC, viewed 5 January 2010, <<http://www.aqf.edu.au/Portals/0/Report%20on%20Strengthening%20Consultation%20Aug%2009.pdf>>.
- Boston Consulting Group 2007, *Skilling Australia's workforce 2005–08 mid-term review*, Department of Education Science and Training, Canberra.
- Bradley, D, Noonan, P, Nugent, H & Scales, B 2008, *Review of Australian higher education: Final report*, DEEWR, Canberra, viewed 5 January 2010, <<http://www.deewr.gov.au/HigherEducation/Review/Pages/ReviewofAustralianHigherEducationReport.aspx>>.
- Callan, V, Mitchell, J, Clayton, B & Smith, L 2007, *Approaches to sustaining and building management and leadership capacity in VET providers*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/1802.html>>.
- Campus Review 2008, 'WA opens up apprenticeships to private sector', *Campus Review*, vol.18, no.23, 10 June, p.15.
- Chappell, C & Hawke, G 2008, *Investigating learning through work: The development of the Provider Learning Environment Scale*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2062.html>>.
- Chappell, C & Johnson, R 2003, *Changing work: Changing roles for vocational education and training teachers and trainers*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/936.html>>.
- Clayton, B 2009, *Practitioner experiences and expectations with the Certificate IV in Training and Assessment (TAA40104): A discussion of the issues*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2183.html>>.
- Clayton, B, Fisher, T, Harris, R, Bateman, A & Brown, M 2008, *A study in difference: Structures and cultures in registered training organisations*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2066.html>>.
- Clayton, B, Fisher, T & Hughes, E 2005, *Sustaining the skill base of technical and further education institutes: TAFE managers' perspectives*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/1591.html>>.
- Clayton, B & Robinson, P 2008, *Visions and options: A report on the five forums for Research Activity 1*, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2048.html>>.
- Consortium Fact Sheet ND, 'Organisational capability – what does it mean?', viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2066.html>>.
- Consortium Fact Sheet ND, 'Organisational culture – what is it?', viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2066.html>>.
- Consortium Fact Sheet ND, 'Managing culture – making culture work for you', viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2066.html>>.
- Consortium Fact Sheet ND, 'Organisational structure', viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2066.html>>.
- Consortium Fact Sheet ND, 'Organisational structure and change', viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2066.html>>.
- Figgis, J & Hillier, Y 2009, *Taking 'innovation' on the road*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2182.html>>.
- Goozee, J 2001, *The development of TAFE in Australia*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/574.html>>.
- Griffin, T & Curtin, P 2007, *Regional partnerships: At a glance*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/1938.html>>.
- Guthrie, H 2008a, *Building organisational capability the private provider way*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2047.html>>.

- 2008b *Having your say: Views from the sector on enhancing vocational education and training provider capability* NCVER, Adelaide, viewed 5 January 2010, <[http://www.ncver.edu.au/research/proj/nr4022\\_1827.pdf](http://www.ncver.edu.au/research/proj/nr4022_1827.pdf)>.
- Guthrie, H, Perkins, K & Nguyen, N 2006, *VET teaching and learning: The future now (The roles, knowledge and skill requirements of the VET practitioner)*, Department of Education and Training, Perth, Western Australia, viewed 5 January 2010, <[http://www.vetinfonet.det.wa.edu.au/progdev/docs/future\\_now\\_2006-2010.pdf](http://www.vetinfonet.det.wa.edu.au/progdev/docs/future_now_2006-2010.pdf)>.
- Harris, R, Clayton, B & Chappell, C 2007, *Supporting vocational education and training providers in building capability for the workforce: Research overview*, NCVER, Adelaide, viewed 5 January 2010, <http://www.ncver.edu.au/publications/1827.html>
- 2008, *Supporting vocational education and training providers in building capability for the workforce: Research activity overviews*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2014.html>>.
- Harris, R, Simons, M & McCarthy, C 2006, *Private training providers in Australia: Their characteristics and training activities*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/1688.html>>.
- Hawke, G 2008, *Making decisions about workforce development in registered training organisations*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2049.html>>.
- Karmel, T, Beddie, F & Dawe, S (eds) 2009, *Competition in the training market*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2150.html>>.
- Keating, M 2009, 'Discussant: Possible governance structures and autonomy of TAFE institutes', in *Competition in the training market*, eds T Karmel, F Beddie & S Dawe, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2150.html>>.
- Meek, VL 2009, 'Possible governance structures and autonomy of TAFE institutes' in *Competition in the training market*, eds T Karmel, F Beddie & S Dawe, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2150.html>>.
- Misko, J & Halliday-Wynes, S 2009, *Tracking our success: How TAFE institutes evaluate their effectiveness and efficiency*, NCVER occasional paper, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2169.html>>.
- Mitchell, J 2002, *The never-ending quest: Effective strategy-making and change management for high-performing VET organisations*, ANTA, Melbourne, viewed 5 January 2010, <[http://www.reframingthefuture.net/docs/2003/Publications/0ALL\\_neq\\_print.pdf](http://www.reframingthefuture.net/docs/2003/Publications/0ALL_neq_print.pdf)>.
- Mitchell, J, Chappell, C, Bateman, A & Roy, S 2006, *Quality is the key: Critical issues in teaching, learning and assessment in vocational education and training*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/1710.html>>.
- Mitchell, J, Clayton, B, Hedberg, J & Paine, N 2003, *Emerging futures: Innovation in teaching and learning in VET*, ANTA, Melbourne, viewed 5 January 2010, <[http://www.reframingthefuture.net/docs/2003/Publications/0ALL\\_emerging\\_futures.pdf](http://www.reframingthefuture.net/docs/2003/Publications/0ALL_emerging_futures.pdf)>.
- NCVER (National Centre for Vocational Education Research) 2004, *Profiling the national vocational education and training workforce*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/vetsystem/publications/1522.html>>.
- 2007 *Did you know? A guide to vocational education and training in Australia*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/1790.html>>.
- 2009a, *Australian vocational education and training statistics: A profile of VET providers 2006*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/vetsystem/publications/2163.html>>.
- 2009b, *Employers' use and views of the VET system 2009*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2188.html>>.
- 2009c, *Student outcomes 2009*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2180.html>>.
- National Quality Council 2009, *VET products for the 21st century – final report*, National Quality Council Melbourne, viewed 5 January 2010, <[http://www.nqc.tvetaustralia.com.au/\\_\\_data/assets/pdf\\_file/0004/49657/VET\\_Products\\_for\\_the\\_21st\\_Century\\_-\\_FINAL\\_REPORT.pdf](http://www.nqc.tvetaustralia.com.au/__data/assets/pdf_file/0004/49657/VET_Products_for_the_21st_Century_-_FINAL_REPORT.pdf)>.
- Nechvoglod, L, Mlotkowski, P & Guthrie, H 2010, 'National TAFE workforce study 2008', in *VET workforce data 2008: A compendium*, ed. H Guthrie, NCVER, Adelaide.
- Perkins, K, Guthrie, H & Nguyen, N unpublished, 'Towards a learning culture: The impact of the TLASG program on the VET sector in Western Australia', unpublished report, Department of Education and Training, Perth.
- Simons, M, Harris, R, Pudney, V & Clayton, B 2009, *Careers in VET: What are they really like?* NCVER, Adelaide.
- Skills Australia 2008, *Future governance arrangements for the National Training System*, Skills Australia, Canberra, viewed January 2010, <<http://www.deewr.gov.au/Skills/Programs/skillsaustralia/Pages/Publications.aspx>>.
- 2009a, *Foundations for the future: Draft proposals for future governance, architecture and market design for the National Training System*, Skills Australia, Canberra, viewed 5 January 2010, <[http://www.deewr.gov.au/Skills/Programs/skillsaustralia/Documents/Foundations\\_for\\_the\\_future\[1\].pdf](http://www.deewr.gov.au/Skills/Programs/skillsaustralia/Documents/Foundations_for_the_future[1].pdf)>.

- Skills Australia 2009b, *Foundations for the future: Proposals for future governance, architecture and market design of the National Training System*: Final position paper, Skills Australia, Canberra, viewed 5 January 2010, <<http://www.deewr.gov.au/Skills/Programs/skillsaustralia/Documents/Foundationsforthefuture.pdf>>.
- Smith, A & Hawke, G 2008, *Human resource management in Australian registered training organisations*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2041.html>>.
- Stehlik, T, Simons, M, Kerkham, L, Pearce, R & Gronold, J 2003, *Getting connected: Professional development of contract and casual staff providing flexible learning – Volume 1*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/1427.html>>.
- TAFE Directors Australia, 2007, *Investing in productivity: Engaging TAFE to accelerate workforce development and job participation*, TAFE Directors Australia, Canberra, viewed 5 January 2010, <[http://www.tda.edu.au/resources//TDA\\_White\\_Paper\\_0307.pdf](http://www.tda.edu.au/resources//TDA_White_Paper_0307.pdf)>.
- Thompson, R & Robinson, D 2008, 'Changing step or marking time? Teacher education reforms for the learning and skills sector in England', *Journal of Further and Higher Education*, vol.32, no.2, pp.161–73.
- Wheelahan, L, Moodie, G, Billett, S & Kelly, A 2009, *Higher education in TAFE*, NCVER, Adelaide, viewed 5 January 2010, <<http://www.ncver.edu.au/publications/2167.html>>.



**National Centre for Vocational Education Research Ltd**  
Level 11, 33 King William Street, Adelaide, South Australia  
PO Box 8288, Station Arcade, SA 5000 Australia

Telephone +61 8 8230 8400 Facsimile +61 8 8212 3436  
Website [www.ncver.edu.au](http://www.ncver.edu.au) Email [ncver@ncver.edu.au](mailto:ncver@ncver.edu.au)

