What Needs to be Done to Build Leadership Capacity in VET?

A presentation by JOHN MADDOCK, CEO, Box Hill Institute, to the LH Martin Institute Conference on Building Australia’s Tertiary Education Sector-Alternative Models, 12th November 2010

It is a pleasure to be part of this important conference looking at the future shape and nature of our industry. I feel privileged to have the opportunity to present to the Conference a personal perspective on what I think needs to be done to build leadership capacity in Australia’s vocational education and training system.

The VET sector is a key component of Tertiary Education and the business of our industry is education and training. TAFE institutes are in the business of providing education and workforce training services for Australian industry and commerce including government. It follows from this that our sector, the VET sector, must have strong and effective leadership if the disparate needs of these clients are to be met.

Just who are our VET leaders?

One thing is certain. VET leadership is not provided by some “osmotic” process or natural convergence. Rather, VET leadership is a mosaic of characters and influences across the spectrum, at different levels of influence and authority, all with individual imperatives.

For my part, I can identify six discrete components which, when taken together, could be said to constitute our VET leadership.

Firstly, there are the ‘systemic leaders’, predominantly found in government, state and federal, politicians and the bureaucrats who determine and shape so much policy through control of the funding levers. Interestingly, and increasingly, ‘systemic leaders’ also include the many industry association bureaucrats who often appear alongside the political leaders and who are not shy in proffering views and opinions! It seems they all have views about VET and about TAFE institutes in particular and all contribute to setting direction and priorities.

Secondly, at the institutional or provider level, there are the boards of directors or other bodies comprised of external and internal people, usually mandated with responsibility for policy at the Institutional level and its overall implementation and delivery.

Thirdly, and I include myself in this group, are the executive management teams. The CEO and his or her senior executives. Notwithstanding the diffused nature of the leadership spectrum to which I just referred, this group, senior executives, feel the sharp edge of the performance accountability measures which go with leadership more so than any other category.

Fourth and fifth, our middle managers and front line managers lead every day by example and consequently they are on the front line, interacting with teachers, with students and with industry clients.

And of course, the sixth component of leadership is our staff or employees and the students themselves. Both individually and collectively, through unions and all sorts of local groupings, staff and students influence and impact on leadership decisions and actions.
So, my initial submission to you is that VET leadership cannot in fact be identified or regarded as a finite discrete group, with common characteristics or attitudes.

In reality and in practice, VET leadership derives from and is constituted by a mix of factors and influences, including both internal and external environments.

One size or shape does not fit all circumstances, or all organizations. These categories of leaders will vary, as will their influence, affected by where a provider might be in its business life cycle, by their nature, and by the skills, experience and aspirations of the people within individual institutions.

Building leadership capability in VET calls for flexibility in modeling and for responsiveness, on the part of planners and funders and an appreciation of the relative health of the system. It also calls for an understanding of where individual institutes are positioned and want to be positioned in business life cycle recognizing whilst we are taking a business approach to education, we must not forget that education is our business.

So how is our sector placed?

Australian VET is coming off a pretty good base. We scored high marks, from UNESCO in early 2000 and as recently as 2008 from the OECD in its policy study of Australian VET, for operating an ‘efficient’ vocational training system.

The Australian VET sector is well developed and enjoys the confidence of industry and government.

The OECD report in fact identified the particular strengths of our VET system as

1. Strong employer engagement
2. The national qualification system is well established and understood
3. A flexible system which provides for local autonomy and innovation to adapt learning to local circumstances.
4. The data and research on most issues are good.

The same OECD report also identified the challenges facing us, three of which are highly relevant for today’s VET leadership.

1. The continuing uncertainty about the division of responsibilities between federal and state/territory governments
2. The apparent absence of clear principles underpinning funding may be inconsistent with human capital policies and principles.
3. The targeted ageing of our teaching workforce

None of this is news to us, of course.

Let me illustrate the pace and momentum of change and the challenge facing us.

Gerhard Voister, Principal and CEO of Delloites, who has presented at Box Hill and other places on a number of occasions indicated that the Bradley review and the Commonwealth
Government’s response to that review signals a move towards a more competitive and dynamic tertiary education sector, increasingly exposed to market and economic forces and he succinctly summed up the external factors impacting on Australian TAFE, the predominant VET provider. Taken together they represent massive pressures on the system to respond innovatively and flexibly.

And, as if these were not enough of a challenge, since Gerhard published his slide, Australia’s tertiary education and training sector has endured the global financial crisis and resulting loss of confidence everywhere, an appreciating $A and the downside effects of that, and the unrelated but coincident bad publicity for our international education market including the release of the Baird Review.

This bad press came from Federal government policy changes on immigration and student visas which impacted the industry adversely, and from the deplorable attacks on overseas students, especially in Melbourne.

All these events meant our industry has needed to face up to a demanding set of new imperatives, if we are to maintain growth and deliver quality services.

This conference has already heard much about the new funding environment which universities and TAFE institutes will now be expected to work in as a consequence of policy changes.

Demand driven funding, or contestable funding as it is being called in TAFE in Victoria means a highly competitive system. A system in which boundaries will become increasingly blurred. The likely outcome of this will be over time a more clearly defined single tertiary education sector. This change will bring more integration of systems and frameworks and at its most fundamental, a consumer driven model, the consumer being the student!

The student as the consumer raises an interesting question for the VET sector.

VET and Victorian TAFE institutes in particular have built their reputation around being ‘industry led’ or ‘industry informed’ and even ‘industry driven’. Government and its funding agencies use student contact hours and module completions as measures and the mantra was all about industry and its workforce skills needs.

So what now for industry? What is its leadership role in the brave new world? Industry in all its manifestations will need to ask these questions, particularly how it will determine its workforce training needs and articulate these to training providers.

Of special interest to us will be how industry perceives TAFE institutes’ role in servicing workforce skills requirements.

In the past this has been done through the ‘User Choice’ mechanism (the user here being industry, not students), which was adopted by government funding agencies at industry’s behest. Industry regarded user choice as the best vehicle for effecting the shift from a supply driven funding model to a demand driven model.

Now, instead of a system where industry influenced government and TAFE institutes to determine training priorities, industry also finds itself operating in a new paradigm.
Earlier in the conference, Robin Shreeve suggested that this will involve industry in continuing to influence the design and development of programs predominantly through Skills Australia and the various industry skills councils. And that make sense.

Training packages and certificates and diplomas will continue to be very much the product of industry advice and engagement and their development will continue to be the job of industry skills councils. Industry is engaged with the ISCs and able to direct outcomes.

However, the balance in the training market is likely to shift upwards dramatically towards applied vocational degrees at bachelors and associate degree levels. This will come about as a consequence of the new consumer driven market and the aspirations of students for higher level qualifications. Resources will flow to these higher level courses with programs targeted at enterprise needs and responsive to shorter-term market needs and requirements.

But, the approval of these new degree level programs will be very much subject to the academic rigor expected and demanded of higher education courses. A TAFE degree will need to continue to be comparable in standard and quality to a university degree.

TAFE institutes such as Box Hill are now very much in the higher education market (although curiously defined as private providers for the purpose by regulatory agencies) and delivering a range of VET and higher education courses. What is emerging are new forms of institutions, significantly different from TAFE institutes as we knew them and different from universities, including the so called dual sector universities.

This presents new challenges for industry, for individual enterprises and for the new shape TAFE institutes. Also, industry will need to consider how to maintain its leadership in the VET spectrum if it is to have its workforce skills training needs continue to be effectively met by a responsive public provider network.

Purchasing power will be in new hands-student hands and in an age of major skills shortages, industry will now find itself needing to influence this new category of educational leader-the educational consumer.

If industry has new challenges, then VET providers, including the TAFE institutes, will have them too. TAFE will face tough competition from within as public TAFE providers in a limited supply pool compete for educational leaders.

Governments, state and federal have a key leadership role to play here as the custodians of our great education and training system. Government policymakers need to have a more objective and holistic view of the VET system. The tired old arguments about funding, regulation and especially that semantic debate about whether governments are purchasers of training or owners or both, are distracting and redundant in the new world we inhabit.

Others recognise Australian VET as world class but the competition internationally is heating up.

Government needs to provide policy leadership on a national basis, with the federal and state governments working together in the national interest. If we are to have a truly open contestable market, the accompanying policy framework needs to be consistent and fair, including providing access to resources for all in the interests of achieving the national growth targets.
Yet there is a grave danger that the public stand-alone TAFE providers, who offer the broad spectrum of programs across secondary, VET and higher education levels, will be the unintended victims of the new contestability.

The federal government’s growth policies for tertiary education are all about meeting Australia’s future needs to ensure the country remains competitive internationally. Yet, structural restraints impede the growth of higher education and the provision of additional places through TAFE institutes.

Issues of governance, ministerial directions which inhibit or restrict business operation, nomenclature, industrial relations and award matters, fee structures for students and lack of access to CSP funding are all in the mix together retarding TAFE capacity to compete effectively.

If that is not enough, TAFE institutes are expected to act like private providers to secure resources, but at the same time meet a range of social and community service obligations imposed by government.

There is no level playing field for standalone TAFE institutes, such as is needed in a truly open and competitive market.

2012, just twelve months away, will see university funding allocated on the basis of student demand. Private providers have grown rapidly, enabled by their access to state accredited courses, including higher education courses. On top of this competition, many universities are now operating in the VET market, not just the dual sector universities but now almost any university with a subsidiary company or affiliated college arrangement.

These may all be good and desirable things related to the objective of a demand driven market but, if the new tertiary education sector is to work and involve all players, then public TAFE providers such as Box Hill need to be empowered to compete effectively.

What needs to change for TAFE institutes? Well, five things for a start.

The tertiary landscape needs redefinition to envisage a three tier model. That is, universities, polytechnic universities and TAFE institutes. Polytechnic universities would be the current public TAFE multi level institutions offering a full range of vocational qualifications and associate degrees, bachelor degrees, graduate certificates and diplomas, master degrees and potentially applied research degrees. They will be recognized as specialists in targeted industries and have a comprehensive international profile and reputation. A number of large TAFE institutes such as Box Hill are already well on the way.

Second, extension of the demand driven higher education funding system to TAFE institutes. The Bradley Committee recommended extension of the ‘tertiary entitlement’ to the VET sector and this would be particularly welcomed if it meant that TAFE institutes delivering fully accredited higher education courses could have access to Commonwealth Supported Places. The present restriction discriminates against TAFE higher education courses and students and is not in the best interests of the National and State agenda’s of having a highly developed skilled workforce that enable enterprises to be competitive both locally and internationally.

Third, the responsibility for resourcing polytechnic universities and TAFE institutes generally should be a federal responsibility particularly for higher level qualifications.
Fourth, legislate to ‘protect’ the titles ‘polytechnic university’ and TAFE Institute’ in the same way that the titles ‘university’ and ‘degree’ have been for many years. A very effective way to combat the “shonks and the imposters”, a problem which has surfaced in the VET sector in recent times. A further step might even be to ensure each institute has its own legislation, as is the case with universities.

I note and applaud in this regard the recent action by the Victorian Government to legislate to protect the acronym ‘TAFE’. A very important step in preserving quality and integrity.

Finally, while on the subject of desirable change, polytechnic universities and TAFE institutes should be funded for depreciation in the funding rates per student contact hour rather than the current capital grants allocation process, a process very susceptible to political lobbying.

Five suggested changes to the system, all of which no doubt can be debated at length but it is my submission to you that their implementation by government would be an effective demonstration of VET leadership.

This would in turn do much to enabling TAFE institutes to play their part in achieving national targets for growth in tertiary qualifications and the provision of a skilled workforce to meet Australian industry’s future needs.

Now, turning to the Box Hill experience on how we’re aiming to address the future leadership needs at the Institute.

As part of Box Hill’s Leadership journey, I would like to focus on three strategic approaches that we believe will make a significant difference in preparing our Box Hill Leaders.

1. Box Hill Teaching and Learning College
2. Box Hill Institute Leadership Framework
3. International Leadership Benchmarking Project which is to address succession planning at the more senior executive and management level at the Institute.

The underpinning philosophy of our Teaching and Learning College is that we wish to provide a range of activities, programs and support for all our staff to provide teaching excellence and service excellence.

The Teaching and Learning College oversees both informal programs and activities plus formal accredited programs. The formal programs include staff studying at Diploma level, Graduate Certificate and also our Masters program. Currently we have fully funded 69 people in the Masters programs with the Faculty of Education at Monash University plus a significant number of discipline specific Masters Programs undertaken by individuals with other Universities which give them the qualifications to support the delivery of our degree programs.

The aim is to support Box Hill Institute staff achieving excellence in Teaching, learning and assessment and also service provision and as mentioned for all staff both academic and non academic employees.

The College has a virtual component which involves teacher induction programs professional development calendar, teaching network, teaching and learning reference libraries and also
support services for teaching information. It also has a physical component with a teaching
and learning commons having been developed and which is in further development at present.

One of the exciting developments in the virtual college involve our Yellow Pages link which is
a knowledge management system where teachers can ask questions with regard to their
teaching practice, online mentoring and other aspects of practicum including review and
observation of best practice plus it houses an orientation/induction program for our casual
teachers.

We also have the eSandpit learning commons, an applied research centre, cross functional
teams in the institute and an Online Association.

A further element of the virtual college is the Skills Assessment Centre which is a virtual
place, a physical place shopfront or mixture of both. This centre provides or brokers the
client’s services for individuals and enterprises. Individual learning plans that can include a
thorough RPL process are developed in consultations with Teaching Centres and there has
been a good focus on the trade areas for this.

The second strategic area I would like to draw your attention to is the Leadership Capability
Framework which has three predominate target groups. That is, those who are Emerging
Leaders at Box Hill, those who are new leaders who are learning to lead and finally a
reinvigoration program for existing centre managers.

The framework has a menu of compulsory and elective activities developed around 15
competency areas focusing on generic competencies and specific capabilities.

Assessment against those competencies is undertaken through our performance management
system and appropriate support is put in place as part of the career planning sessions and
individual development plan for each of the people within the framework.

In addition to these, we also have wellbeing and support strategies for the renewing, learning
and emerging leaders which involves a manager assist program, health and wellbeing
initiatives, coaching and mentoring together with career development programs and career
transition programs.

The third strategic initiative which the Institute is involved in is the International Leadership
Benchmarking Project.

This initiative arose from within the Postsecondary International Networks where a number of
CEO’s and Chairs of Boards of TAFE Institutes, Polytechnics and Community Colleges from
across the world indicated that a key challenge being faced in the sector was appropriate
succession planning particularly for Presidents or CEO’s for TAFE Institutes, Community
Colleges or Polytechnics. Much anecdotal evidence was presented of appointments that
caused Institutions to either “tread water” or in some cases, lose standing or even led to
market failures due to the appointment of people who lacked the knowledge and/ or
competencies to appropriately lead the Institutions.

It was recognised that in the majority of cases search companies had been engaged to assist
with the recruitment process. However often it was Boards not being fully aware of what they
were seeking as part of the process and the information provided to the search companies that
led to inappropriate short listing and selection of candidates.
It was recognized that no “one size fits all”. Organisations need to carefully analyse where they are in their current educational business life cycle before specifying the requirements for recruiting their new leader. External and internal factors plus the strategic position and directions of the Institute will all be determinant factors.

Different institutions need different aspects of strong leadership at different points of time. For example, strong academic leadership, innovative leadership, an educational or entrepreneurial leader, or a strong financial leader, a major change agent, strong people leadership or as is important in the US, a high level of skills in Fund Raising.

Box Hill Institute took the lead in developing an online tool that can be used in selection and recruitment of the CEO and Executive Director level appointments. It was also designed as a continuous improvement tool to facilitate dialogue between colleagues. Thus it enables self assessment, peer assessment or team assessment and can be useful for producing an organizational wide professional development plan for Senior Executives.

However just as importantly the tool needed to be designed for use by all the international members and also be able to be used as a international benchmarking instrument.

In order to develop the online tool, we mapped the Victorian TAFE Association Key Competency framework against the Box Hill Leadership Framework and then utilized material provided from Scotland and the Minnesota Colleges and Universities system to develop a set of key competencies applicable to CEO’s within any of the member countries. We used representatives from Middle East, UK, Canada, USA, New Zealand and Australia as an advisory panel during the development stages.

This was quite a challenge, given cultural differences and even though all were English speaking the interpretation of the English language had its own nuances. It was agreed to use the language provided by Box Hill Institute and each College would then provide supporting notes, where necessary, for its own customization/interpretation but not change the instrument thus protecting the benchmarking opportunities.

Initially we had between 15-18 competencies however the PIN Advisory Group narrowed it down to 8 key competency areas. The final eight competencies that were agreed to by the Advisory Group were, in no priority order, Academic Leadership; Global Business Growth; Financial Management; People Leadership and Management; Managing Change; Innovation Creativity and Risk Taking; Managing the Students and Customers, and Expertise.

For each of these areas of competency there are behavioral statements written based on the Australian AQTF Framework. Each of these behavioral statements and also the competencies themselves can be re–ranked in order of priorities. They also can be adjusted or removed should the behavioral statements not be applicable to a particular role. This enables the priority order to be changed to reflect the roles and also enables both a ranking and a weighting system if required. It also enables important dialogue on the priorities and future focus between the Senior Executive and the person(s) undertaking the assessment of their capabilities and skills.

There are a number of reports that the tool can provide such as, overall capabilities or your own self assessment compared to others-if that is being used. It will also provide you with a breakdown per capability together with reports and bar charts of the average columns indicating proficiency which can be seen through the slide presented showing the green amber and red representing high medium and low capability.
There are a range of graphical and radial reports depicting strengths and weaknesses and they can also be used for comparative purposes between individuals when being used in the recruitment process.

It was also important to stress that the tool was not designed as a performance assessment tool but rather a selection and/or development tool. The tool was seen to aid the processes rather than be a definitive instrument and was not seen to replace other selection mechanisms, such as isometric testing, the selection interview process itself or the performance appraisal process. The instrument was to inform a dialog to help those involved in processes to clarify their expectations.

The Professional Development plan for a senior executive is selected from an external list of programs that can be mapped against the self assessment opportunities for growth. This tool is a simple online tool which allows flexibility of weighting and has the added benefit of being able to be used as a self assessment tool that stimulates dialog. It has a major focus on personal development and improvement as well as giving people the opportunity to benchmark themselves as against their peers or in this case, against peers internationally.

From an institutional perspective it informs the professional development plan preparations for the senior executive team and is an important tool for our senior executive recruitment process. This instrument can also be used to promote cohesion within our team and identify skills gaps within our Senior Executive group which may need to be supplemented to support the team in terms of achieving our strategic goals.

Finally I would like to share with you a little exercise that I asked to be undertaken within the organisation, within Box Hill, in preparation for this conference. It seems to me if we are talking about VET leaders of the future we should be consulting with our young student members to ascertain what they think would be the key characteristics that they would expect of leaders in the future; be it themselves or people they would be willing to work with.

In my view, these young people were very perceptive in indicating that leaders of the future will need to have a global perspective, good knowledge of computer technology, be able to detect current trends and market conditions, great interpersonal skills, and people skills, be strategic and visionary, be resilient and able to balance jobs, family and outside demands and have the ability to motivate, be decisive and finally have quickness of actions.

I found it interesting that when the students were asked what they want and don’t want the sorts of things they said were very similar to what our staff said in current engagement and satisfaction surveys. They identified better work, better life balance, social responsibilities, honesty, flexibility, lifelong learning and recognition of the “hard work”.

What was more interesting to me was what they do not want. Things such as ‘money as god’, ‘company man’ mentality locked in work hours, and traditional communication.

This creates an interesting challenge for leaders of our future when we consider the new mobile world and the new way of people seeking out narrative or conversational interaction and the use of social media. I wonder whether you and our fellow VET leaders are ready for all of these social media that is occurring as per this slide?
I believe the way we interface with our people, be they students, staff, enterprises or governments is going to be significantly different in the future and I think this is going to be one of the greatest challenges to all of us.

Finally, I would like to leave you with three quotes all of which I believe are applicable for our future VET leaders to consider.

The first one from our student focus group. “Give me ownership in my work and involvement and I’ll give my all.”

The second from McKinneys Quarterly; “How Centred Leaders achieve Extraordinary Results”. “Our senior team is always talking about changing the organisation, changing the mind-sets and behaviour of everyone. Now I see that transformation is not about that. It starts with me and my willingness and ability to transform myself. Only then will others transform.”

And the third and final one from the Chairman of the UNESCO UNEVOC who highlighted the importance of VET when he noted. “If education is the key to development then (T)VET is the master key”.

Thank you.