

Management education: A case study

Student perceptions of the role of the employer in formal off-the-job education

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BACKGROUND

The relentless forces propelling Australia into the 'globalised' world have placed pressure upon organisations to ensure the continued development of the skill base of their employees. This has been fuelled by the rapid pace of technological change and the imperative for microeconomic reform. Particular emphasis in policy making (Dawkins, 1987) has been placed on the need for a flexible workforce which is capable of adapting very quickly to changing market conditions and thus to capitalise on opportunity as it presents itself.

The 'West Report' (1998) acknowledges that education has special cultural and social dimensions that contribute to an informed citizenry, the transmission of knowledge and the quality of life in the community, he also sees it as an economic activity with 'considerable potential to create productive jobs and contribute significantly to national wealth... as a competitive industry and indirectly through the learning and skills it creates'

The company which is the subject of this case study, believes that allowing people to reach their full potential through training and development benefits the company and the growth of the business. (Demonstrating Best Practice in VET- The company Experience 1996) It is believed that morale improves when employees understand that their welfare and development is important to the Company This investigation focuses on the experience of employees undertaking further study in the form of formal off the job education.

A belief in the intrinsic societal, organisational and personal gains from education have their basis in Human Capital theory. In his article Capital Concept Applied to Man (1935) J.R. Walsh compared the earnings of educated individuals with the costs of their training and found that investment in education more than paid for itself. (Marginson, 1993) As developed by the Chicago School, human capital theory had two core hypotheses. First, education and training increase individual cognitive capacity and therefore productivity. Second, increased productivity leads to increased individual earnings and these earnings are a measure of the value of the human capital.

Human capital theory informed much of the education policy of the latter part of this century. In particular, in the free market environment of recent years, the emphasis has been on private rather than public investment, along the lines of the theory expounded by Milton Friedman (1945) Karmel (1962):

Education has directly beneficial effects on production and the rate of economic growth, so that there is a sense in which it pays for itself by future production, just as any investment in capital equipment does. Moreover, these economic benefits tend to be underestimated; consequently investment in education tends to be too low, in the sense that additional expenditure can be expected to yield handsome dividends Karmel (1962:19) quoted in Marginson.

The policy coupling of human capital theory with market reforms became dominant in Australia by the end of the eighties. In his Green Paper on higher education the then Minister for Employment, Education and Training, Mr John Dawkins said that:

An expansion of the higher education system is important for several reasons. A better-educated and more highly skilled population will be able to deal more effectively with change. A major function of education is, after all, to increase individual's capacity to learn, to provide them with a framework with which to analyse problems and to increase their capacity to deal with new information. At the same time education facilitates adaptability, making it easier for individuals to learn skills related to their intended profession and improve their ability to learn while pursuing that profession. (Quoted in Marginson) Adaptation to technological change is also facilitated by a better skilled and educated workforce. (Dawkins 1987:1)

There are many factors to be considered in the provision of such training and education at the enterprise level, and in fact many enterprises are now valuing training for more than its ability to develop skills but also to assist with workplace change and the development of employees skills in decision making, teamwork and continuous improvement. (Billett (1994a)) Wolf (1996) suggests from research amongst OECD countries that companies are prepared to pay for the development of specific skills and some generic skills that will lead toward achieving strategic goals

THE STUDY: RATIONALE

The rationale for undertaking this study centres on an organisation's imperative to maximise returns on the education and training dollar. The company has embraced the 'learning culture' and emphasises its importance in company documentation. However the company has seen major change and the education and training sectors have not been quarantined from this. Individual students within the organisation have experienced varying degrees of success in their educational endeavours and this is of concern to the company. It is hoped that by investigating the factors which impact on student success rates, the company will be able to ensure that their efforts in regard to training and education give the best possible chances of success so that the company may remain competitive within the global environment.

Given the acceptance of the benefits of enterprise based education, it would be remiss if organisations such as The company did not seek to maximise the learning outcomes for their staff. This study will inform future policy direction and perhaps point to some changes which will facilitate such success for students. Previous studies have identified a number of organisational constraints in the provision of effective management education. These include factors such as poor facilitation by line managers or trainers, lack of reflection on mistakes, inadequate space for personal transition, practical difficulties in remedying unbalanced learning styles, organisational defences and skilled incompetence, reward management structures, organisational culture and climates of distrust, uncertainty and insecurity. (Woodall, 1998). Woodall also states that '...much care is needed to ensure that the organisation's capacity to support learning is adequate.' (1998, p 157) In part this study seeks to clarify the pertinent issues for the organisation in question, so the output per training and education dollar is maximised.

Inevitably individual students have experienced varying levels of success in this endeavour. Some have successfully completed, some are yet to complete and some have 'dropped out' of the course. This study seeks to isolate the factors, both individual and organisational, which influence student 'success' from the perspective of present and past students and present and past employee development managers. In so doing it will provide information from which modifications or adaptations to current practice may be recommended. It will involve a situation analysis of current and past experiences of these groups of employees and then, using data gathered from interviews and focus groups it will suggest modifications to existing practice in order to better achieve company goals.

The company has in 1999 undergone a significant restructure with the resultant losses of jobs and inevitable uncertainty and fear about the future. It is in this context that this study is undertaken. No cost-benefit analysis has been undertaken to attempt to quantify the contribution of education and training to the enterprise goals and to its profits. However the Company regularly seeks and obtains feedback from the learning that occurs on site.

METHODOLOGY

Focus groups and individual interviews were conducted on site. The respondents were encouraged to narrate their experiences of a specific course in off the job education and training. The interviews were taped after the subject gave their express permission. The interview format was semi structured to enable the subject to narrate their experiences with as little intervention from the researcher as possible. The study used a method of non-probability sampling. Subjects were chosen using a purposive sampling technique which is defined as, the "deliberate choice of subjects relevant to topic." (Sarantakos, S, 1987, p55)

The study used the interview process as it held significant advantages over other methods of data collection for the purpose of this study. As Sarantakos (1987, p59) states the interview process is flexible; has a high response rate; is easily administered; provides an opportunity to observe normal behaviour; and an opportunity to record spontaneous answers. There are some disadvantages

associated with this method since it is costly, inconvenient and may suffer from interviewer bias. In addition it is less anonymous and is less suitable for sensitive issues.

RESULTS AND INTERPRETATION

An analysis of the data collected at interview yielded three main categories of factors which impacted upon student performance in the course. These were matters of organisational policy, matters of the perceived attitude of management and educational considerations. This paper will focus on the role of management and the perceived policy of the company in aiding or hindering a student's learning experience. In summary, this section will address the following aspects of the situation at the company:

- The question as to whether a true 'learning culture' exists
- The perception of decreased commitment to education and training
- The role of line managers
- The importance of a mentor
- The practical benefits for the company.

THE QUESTION AS TO WHETHER A TRUE 'LEARNING CULTURE' EXISTS

The company sees itself as possessing a 'learning culture'. A learning culture is defined as 'an organisation which facilitates the learning of all its members and continuously transforms itself' (Pedler et al 1991).

A learning organisation according to Woodall & Winstanley (1998) is one which has a climate in which individual members are encouraged to learn and develop to their full potential. It also extends this learning culture to include customers, suppliers and other significant stakeholders. In addition, human resource development strategy is central to business policy and there is a continuous process of organisational transformation.

As to whether the Company does in fact possess such a culture, there is some dissent. Some respondents see the situation as one where learning is accepted and believe that this is only one step towards the development of a culture of learning. The company claims to both encourage its employees and provide opportunities for them to undertake training appropriate to their identified career pathways.

THE PERCEPTION OF DECREASED COMMITMENT TO EDUCATION AND TRAINING

There was a general perception evidenced in all respondents' interviews, that there has been deterioration in the company's commitment to education and training at the staff level. Some respondents viewed this as particularly detrimental.

They've really tried to choke training out. They see that as a cost. ...From where I am that will be extremely detrimental to this business over time. We won't be breeding healthy people and maturing people over time. We'll be relying on imports entirely rather than growing people from within. (Respondent A, Dec. 1999)

Knowing what it costs to employ people, it's important to retain people over time; grow them. The cost of people leaving is very high.... It does disappoint me that they've changed.... The last 12 months the business has taken a huge downward slide. (Respondent A, Dec. 1999)

Particular instances cited include the change in the fee-paying arrangements, the level of encouragement for management education, and the resourcing of the training section. The payment of fees was unanimously seen as sending a very positive message to students and prospective students with regard to the level of support forthcoming from the company.

All respondents reported that the company had met all their costs and this was viewed very positively, not only in that it relieved a significant financial burden, but also and perhaps more powerfully, that it signalled a high degree of company support for the process of individual growth through education. Respondents reported that this 'signal of support' added to their motivation and determination to succeed and more specifically, to their willingness to ensure that assignments were conducted with as direct as possible 'spin off' to the business. There was one dissenting view expressed in terms that

although the subject found the payment appropriate in their particular situation, she believed that the indiscriminate provision of such financial assistance may have encouraged some employees to commit to their studies less than would have otherwise been the case. These students dropped out and she believed that there should have been some form of compensation to the company for this.

It was seen that the emphasis has shifted so that the company is now fully focussed on training for factory workers, and whilst all respondents saw this type of training as necessary, they expressed disappointment that this was occurring to the detriment of management training and education.

(There's) not a lot of promotion of (further education) at staff level. You hear a lot about shop floor or operator training... but once you get to that other level its not promoted in a big way at all.... I don't think people are encouraged to develop themselves. (Respondent D, Dec. 1999)

They haven't (promoted) us (management) to add wisdom and knowledge back into the business." (Respondent A, Dec. 1999)

THE ROLE OF LINE MANAGERS

Respondents all viewed the role of their individual line managers as being crucial to their experience of the course. Their comments ranged from the negative to the very positive. "I've had no pat on the back." And "I would have liked more support from my own manager." "...I've had no congratulations or anything like that" (Respondent D) to "(My manager) ... was one of the ... driving forces for me to do the course."

"My manager was no worries at all. I was pretty lucky there." (Respondent J, Dec. 1999)

There were issues surrounding the role of managers in motivating employees which also need to be further investigated.

THE PRACTICAL BENEFITS FOR THE COMPANY

Respondents with one exception reported that they believed the company had benefited in very practical ways from the studies undertaken. These respondents were able to cite practical examples of situations in which a solution to a work problem was found using the knowledge and skills gained in the course undertaken. In addition, it was a commonly held perception that their depth of knowledge, ability to communicate cross functionally and to approach issues with a strategic focus had improved.

My input within my department is greater because I have a better understanding about how everything works. I have more understanding about the big picture. I question things that I might not have questioned before. I seek out better ways. I am more open minded to improvement. I do a lot more suggesting. (Respondent C, Dec. 1999)

Every time I had an assignment to do I tried to relate it on a real life problem... and make use of the techniques in a structured way and apply the learnings from that particular subject. (Respondent B, Dec. 1999)

THE IMPORTANCE OF A MENTOR

Analysis of the respondents' interviews also revealed a common perception of the role of a designated mentor. This was seen as important for two reasons: firstly as the existence of such a mentor signalled the company's support and commitment and secondly, because the mentor was able to provide practical assistance to students. This was a particular issue for those students who had no previous tertiary education.

Respondents all expressed the importance of a designated mentor to their study's success. The role of mentor was seen in two different ways. Firstly, respondents referred to academic support from within the company. This had been provided in the early days of the course in the form of support with academic requirements, proof reading of assignments, liaising with the University provider, assistance with references, etc. All respondents who were studying at this time also referred to the fact that when this person left the company; his role was never taken on by another.

We used to have a chap here... and he was very good. K seemed to have the freedom to add that air of professionalism to your training (and) that's unfortunately gone as well. There's been a lot of pressure put on R to perform his function but he doesn't have the freedom of time to spend with people who are doing these courses. (Respondent B, Dec. 1999)

This was seen, particularly by those with no previous university study, as being most detrimental, and moreover, as a signal of a change in the company's commitment to their study. Some respondents were very critical of this change, citing 'false advertising' of the course. "We were told that we would have a mentor for every subject.... We didn't ever get that..." "It wasn't what was advertised." The other respect in which mentors were mentioned was in terms of seeking assistance from 'experts' from within the company to assist with particular assignments. All respondents were very positive about their colleague's willingness to assist in their particular areas of expertise. All respondents expressed satisfaction with this aspect of the company's support.

CONCLUSION

This paper has highlighted some of the factors that impact upon students' experiences in off the job training. Whilst the company has maintained quite a high profile in the area of training and the official company policy is one which encourages training and education, it seems that the perceptions of employees do not totally match with the company rhetoric. This is problematic in that students have not felt adequately supported and encouraged by the company. Given that the company hopes for the benefits of education and training to flow on through the business, it would seem appropriate to act to ensure maximum returns on their educational investment. To this end, further work needs to be done, particularly in the form of a cost-benefit analysis. Further research might also focus on the experiences and perceptions of students who did not successfully complete the course.

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