

MOVING AND SHAKING: MANAGING A LARGE VET COLLEGE THROUGH UNCERTAIN TIMES

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Abstract

Discussion in recent vocational education forums indicates a changing Australian VET landscape where VET Institutions are more actively integrating commercial business operations with vocational training. The roles of VET leaders are evolving in response to reforms of the national VET sector including regulatory frameworks and new customer expectations. The changing landscape is challenging VET leaders to make connections between new organisational goals and entrenched workplace practices.

This paper looks at how a large VET college in NSW is responding to the current VET environment. The case study features a series of interviews with a range of senior managers to explore how they manage the relationship between the organisation's strategic direction and the operations of their workplace. The study brings to light a number of issues facing college leaders as they navigate the new vocational 'edu-business' terrain. The case study is framed by concepts of change management and vocational education management practices.

Introduction

The current VET environment is significantly influenced by two key drivers; policy change at Commonwealth and State Government levels and industry demand for training to meet the challenges of the global and national financial crisis. In order to achieve a more qualified workforce and fill potential labour market shortages, Commonwealth and State Governments have introduced a number of reforms in vocational education and training. These reforms include set targets for increased recognition services, increased completion of trade apprenticeships, increased completion of higher level qualifications and increased training and retraining options for existing workers. To meet these government targets, publicly funded Registered Training Organisations (RTOs) within the VET sector now need to make adjustments to business strategies and delivery practices and meet a vast range of complex compliance and reporting requirements.

While small RTOs are often able to react nimbly to market changes large government regulated RTOs such as TAFE NSW are however, less likely to be able to react quickly and effectively to market changes (Mitchell & Young 2002). Complex government compliance related policy, systems and procedures tend to constrain quick operational changes to meet customer demands.

Industry demands on the VET sector also drive some changes in the way RTOs need to operate. The sector needs to not only deliver training in classrooms but also in workplaces, to assess and recognise work experience and continuously extend and

develop their services. To remain competitive and relevant, RTOs need to be able to attract business clients, provide highly developed and high quality training ‘products’ (courses and customise courses packaged with recognition services). In responding to the changed economy and market, one large TAFE NSW Institute has developed a three-year strategic business plan that includes new business targets to address government reforms and to significantly adjust training options. The organisation has allocated a range of business targets to each of its colleges.

At the college level, the introduction of new targets has meant changes to the focus of college business. At an operational level, the college will need to deliver more courses in the workplaces in addition to courses delivered on campus. More qualifications will need to be delivered through partial or full on-line delivery options and by offering recognition for work experience and previous study. New infrastructure in administrative management systems, technical resources, plant and equipment has also been allocated to support the new training environment. The three year time frame for achieving these business sustainability imperatives has been segmented into three annual plans. The first annual plan includes specific targets for three differentiated market segments. The organisation’s strategic directions are summarised in the following statement extracted from the organisation’s current three year Strategic Plan Towards 2012:

‘A market based approach will improve our service to customers and make us more competitive’. Doc SP 1

Background and rationale

The study is located in a large government vocational education organisation in Sydney, NSW. The study looks specifically at the impacts of this new ‘edu-business’ focussed strategic direction on how training is delivery by teachers and its affect on how non-teaching staff manage college operations. We use this new term ‘edu-business’ to mean ‘an educational organisation operating or planning to operate as a commercial enterprise’. For the purposes of this study a ‘middle level manager’ includes a head teacher, course coordinator, assistant director, business manager and non teaching managers with responsibilities for college administration.

Preliminary inquiries suggest that other vocational educational organisations with similar challenges will need to also adopt and develop new business oriented ways of managing vocational training in the near future to be competitive. We anticipate this study will shed some light on a range of issues which act to assist and constrain implementation of significant organisational change involving middle level managers and as such, will be useful for future change management planning purposes. The introduction of the new business focussed strategic direction over the past two years has created a number of challenges for teaching and non teaching staff. A key implication of this change in focus is for the organisation’s management team to engender new business acumen among staff and to affect significant change in practice and outlook. Observations suggest both teaching and non teaching staff may be challenged to adapt their work and management

practices to more effectively build business opportunities for the organisation along side their existing work in teaching, supporting and managing vocational training.

Observations suggest managers and teachers in this organisation are experiencing some tensions between their commitments to delivering training in the way they 'know' to delivering training in ways 'they don't know', that is, delivery modes with which they are less familiar. A number of teachers and middle managers are facing significant changes in not only course content (what to teach) but also teaching methodologies (how to teach) and the types of students now entering vocational courses (who to teach). Changes appear at the outset to have created some anxiety among both middle level managers and practitioners which could be a cause for some disengagement with the new strategic directions. A recent staff survey (VoiceProject 2009) indicated that staff felt there were insufficient resources within the organisation to meet the demands of work units and insufficient time to work on high priority projects and activities. Some staff felt they needed empowerment, support and acknowledgement and better information about competitors and how to address the organisation's new marketing strategy. Overall, the general feeling from the survey was that staff were not adequately equipped with understanding, resources or support at an organisational level to grow commercial business opportunities.

Literature Review

A review of organisational change literature suggests strategic change requires integration of process of planning, visioning, communicating and implementing significant changes to the way business is organised and conducted (Burnes 1996; Stace & Dunphy 2004). The way businesses manipulate their strategies and redefine their organisational architectures to meet the challenges of changing business environments is critical to their ongoing success. So too is the way organisations adjust their operational strategies to meet the challenges of multiple business contexts. Contemporary organisations often find themselves challenged by the dual demands of managing both differentiation and integration of business strategies (Nadler & Tushman 1999). It is therefore important for organisations undergoing significant change to be able to develop strategies to manage ongoing and changeable practices.

Success factors in a change management process include the creation of a sense of urgency, the perception among workers that planned changes are relevant to them and their work and a desire among staff to participate and support change (Burnes 1996; Hiatt 2006; Mitchell & Young 2002). Successful change management programs also require 'effective management of uncertainty' through proactive communication and establishment of trust (DiFonso & Bordia 1998). Strategic communication however, is a two way engagement between the organisation and workers with the aim of involving workers in and providing feedback on early core ideas (Stace & Dunphy 2004). Further, they suggest a successful change management strategy incorporates a close alignment of not only strategic directions with planned changes but also close alignment with the human resources strategy (Stace & Dunphy 2004). Critical to communication processes therefore are the ways in which workers are enabled to engage with change strategies,

contribute effectively to the development of ideas and give and receive feedback in the process of their 'everyday' on-the-job work. It is clear from change management literature that successful change in organisations requires commitment at all levels and is facilitated by changes in behaviours of individuals and groups who make up the organisation (Burnes 1996). A key element of successful change is how strategies engage and support people within the organisation.

Like most strategic change, challenge and disruption to usual ways of working can create tensions and in some cases resistance from within the organisation.

People in organisations bring with them pre-existing histories and resources which can act to constrain a change process (Clayton et al. 2008) and further inertia to change is common in organisations (Clayton et al. 2008).

Two approaches to organisational change management have evolved in recent decades in response to prevailing economic and environmental circumstances and the changing needs of organisations. Planned approaches to organisational change stress that change is a cyclic process involving diagnosis, action and evaluation (Burnes 1996) and are designed to move the organisation from one fixed state to the next through a series of pre-planned steps' (Lewin in Burnes 1996). However, in response to increases in turbulent external conditions the 'planned stages' approach to managing change has given way to 'emergent' approaches which assume that change is continuous and sometimes unpredictable (Burnes 1996). Both approaches however require commitment from individuals and groups to enable business processes to shift from what are sometimes seen by workers as abstract concepts to concrete realities. As Burnes (1996) suggests, the essence of change in an 'emergent' approach is how the organisation moves from the 'known' to the 'unknown'.

These two concepts of change have since been substituted for models of change which allow managers to exercise more choice and influence over their environment to make incremental changes. As Burnes (2006) suggests, large scale change can easily lose focus on the purpose and relevance of change to many involved, particularly for organisations operating in dynamic and uncertain times. An effective model for managing change is one which enables strategies to be varied to achieve optimum fit with the changing environment (Stace and Dunphy 1993 in Burnes 1996). Small incremental steps in managing change however, allow the organisation to assess the change process and make adjustments when and where necessary.

Important also to managing organisational change is the role managers play in interpreting and communicating strategies and guiding and modelling acceptance of these changes. Managers can make significant contributions to engaging staff and developing worker's core competencies such as understanding organisational strategies and becoming engaged and involved with change. Managers can play important roles in facilitating individual and collective learning strategies through work (Macneil 2001) to assist workers to prepare for change. The reliance on line managers as facilitators of learning has however been challenged by Hager (Bascia et al. 2005). He suggests that in environments of continual change and where line managers are increasingly expected to

facilitate the learning and engagement of others, it is important to also note that line managers 'may not necessarily be as enthusiastic about being learning facilitators as their CEOs may wish them to be'. Common to change management literature is the suggestion that effective organisational changes are often made in incremental steps in alignment with organisational strategic plans, human resource strategies, clear communication strategies and the committed involvement of staff.

Method

A case study strategy (Yin 2003) was used to collect and analyse data for this inquiry. The study incorporates the perspectives of practitioners, senior educational managers and non teaching managers. Semi structured interviews were conducted to inquire into participant's understanding and roles in implementing the organisation's new business strategy. A range of organisational documents were also reviewed to gather insights into the organisation's business strategies and forward planning.

Findings and discussion

Organisational documents indicate there are clear allocations and determinations for colleges and teaching sections to contribute to allocated targets. The ways in which teaching sections contribute to targets is dependent upon capacity and the type of courses taught and as such, section plans to address new strategic directions, vary. While some sections plan for and arrange to increase commercial course delivery, others are better positioned to promote and increase student completions in higher level qualifications and some are well equipped to increase workplace delivery and assessment.

The results of a recent organisational survey indicated staff generally understood how their role contributes to the success of the organisation. Their goals and objectives and interviews indicated a level of acknowledgement and engagement with planning to address allocated strategic directions. Generally, staff indicated positive perspectives on the need to make changes to traditional course delivery and address allocated targets in a new business focused environment. However, the survey also revealed a number of areas for potential organisational improvement. A number of staff commented that there were insufficient people employed to meet the demands of work units and insufficient time to work on high priority projects and activities. The survey also revealed that few staff felt they were given enough support to increase commercial business opportunities for the organisation.

Data from interviews and documents (TAFENSW 2009) were analysed and sorted into themes relating to:

1. staff awareness of the new strategic directions
2. organisational communication
3. engagement of staff with implementing strategies
4. aids and constraints to implementation of the new business focused Strategic Direction

Responses from semi structured interviews with senior educational managers indicate their understanding of the requirements of the strategic plan and how they contribute to it are limited. While managers indicated awareness of the new strategies to build commercial business they were faced with a range of constraints in engaging their teams in developing and applying strategies.

1. staff awareness of the new strategic directions

In interviews, teachers indicated general awareness of the organisation's strategic plan and the need to meet obligations on a number of government reforms in education and training. However, not all teachers interviewed were clear about the areas of reforms nor the percentage targets for their respective disciplines. Teachers indicated a general understanding that the organisation needs to increase its commercial revenue to supplement government funding. Teachers were also aware of the need to make contributions to this through reallocation of resources and more focussed educational practices in their respective teaching sections. Non teaching educational managers were also aware of the government reforms, college targets and need to increase commercial revenue through commercial course packaging, recognition services and workplace delivery. Staff were aware of the organisation's shift from a primarily government funded organisation to a more commercial, business focussed organisation and some had commenced making changes within their teams to respond to and service customers and clients in a more 'customer focused way'.

2. organisational communication

The need for clear, effective and distinctive communication of organisational strategies and directions within organisations as a way to introduce and manage change is noted by Stace and Dunphy (2004), Burnes (1996), DiFonso and Bordia (1998) and others. While interviewees indicated a general awareness of the published Strategic Directions documents and elements of the national vocational agenda, some managers indicated they had not read the document and were not familiar with specific targets set by the organisation. Effective communication strategies for leading change in organisations appears to have been implemented at higher levels with the organisation however, there appeared to be gaps in understanding in some sections of the organisation about how sections would address allocated targets and contribute to overall organisational strategies. While some middle level managers were aware of the existence of the organisation's new strategic directions, others were unsure, and in some cases, unaware of the scale of changes proposed. Some managers were unaware of the specific targets allocated to their own sections and had not commenced planning for implementing significant changes. Much of the 'awareness' among teachers centred around terms familiar to them such as understanding of the need to 'increase commercial delivery' and increase 'recognition'.

While organisational targets have been widely distributed and discussed in organisational forums, evidence suggests that staff understanding of the implications of introducing and

managing reforms in individual sections within the college lacked clarity or any sense of urgency. The study suggests some 'breaks in the communication chain' between senior managers, middle managers and teachers, and between middle managers and non teaching staff. The study suggested a level of inertia among some staff to engage with large scale changes particularly changes which challenge established practice, roles and working conditions. The lack of engagement by some staff was attributed by them to a lack of time and awareness of their responsibilities to address allocated targets. Interviews also indicated some staff felt some of the changes were not relevant to their own work areas and as such had to a large extent, not engaged with the changes. The way in which new targets were to be addressed was perceived to be the responsibility of 'others'. There appeared to be a 'break' in the communication and action chain between different levels within the organisation's hierarchy. As Caldwell 2003 (Andrews, Cameron & Harris 2008) suggest, there is often a 'complex interaction' that takes place between senior managers and middle level managers. The diversity and multiplicity of interactions between levels of managers within the organisation appears to have influenced the way in which strategies and plans are interpreted and operationalised at the teacher level.

3. engagement of staff in implementing strategies

The organisation has developed a strategic direction document in which outcomes are very clearly defined. However, apart from setting incremental targets per year the colleges are responsible for developing a full implementation plan in collaboration with individual teaching sections. Some interviewees indicated they felt uncomfortable about developing 'edu-business' plans at the section level citing concern about implications of particular targets and in some cases concern about the philosophical change in direction of vocational education. Public sector VET teachers are often not in a position to, nor familiar with having responsibility to implement educational profiling decisions which are determined at an organisational level. In the new 'edu-business' focused environment, business targets are now being set at the teaching section level which requires, for the first time, active teacher engagement.

Previous targets have centred around the quality of educational delivery and customer satisfaction. The new targets are now explicit and require more focused teacher engagement. The new targets now demand a change in teacher delivery practices. For example, one new target for the organisation requires fifty percent of delivery to occur in the workplace or online. What this means for the college is a significant reduction in classroom delivery and assessment. Many staff interviewed found this, together with the prospect of teaching and assessing in workplaces to be daunting and difficult. Further, staff interviewed suggested some targets were impractical for their teaching sections and were unsure how they would be able to contribute to achieving targets. Teacher experiences in this study support Doyle et al (2005) in (Andrews, Cameron & Harris 2008), who suggest that in the broader context of managing change, albeit in the UK, the experience of public sector managers is often less satisfactory compared to their private sector counterparts. They attribute this largely to the nature of public policy which is 'based on ministerial edicts, non-negotiable timeframes, lack of planning time and little

consideration of logistical and political implementation issues'. Interviewees in our study indicated they felt more comfortable and some preferred to continue teaching in a traditional institution based training environment where students attend classes and teachers deliver classroom training.

The strategy to increase commercial course delivery was generally acknowledged by teachers and managers as bringing financial benefits to the organisation. Increasing revenue was seen as a high priority for the organisation to supplement diminishing government funding and to build the organisation's capability to become more business focussed. However, teachers including head teachers noted that new commercial pricing on training products could deter students from attaining qualifications and appropriate licensing. There was a concern, particularly among trade teachers that industry standards could be affected if tradesmen and women opt out of obtaining licences and 'work underground' without the required licence. As one teacher noted:

'...students just don't have the money for \$1250 a subject...and 40-50% of students will say well I won't worry about my licence. That will have an impact down the street in 3-4 years time because stubbornness will stop people from doing it. And then we will have a trade shortage and a licence shortage'. Max

Recognition and workplace delivery were also seen as difficult strategies to implement for some trade based courses. While the organisation sees workplace training delivery as presenting a range of benefits for both students and business clients, teachers interviewed indicated that workplace delivery also presents a range of difficulties for students and for teachers. Workplace delivered training and assessments need to be planned and synchronised with workplace commitments. However, training plans which are aligned with curriculum and assessment requirements may not necessarily align with workplace projects and can be disrupted by environmental circumstances. As one teacher noted difficulties when discussing arrangements for workplace assessments:

'...online assessment can be set up for a day , (teacher) goes out , guys start digging, hit rock, have to get a backhoe in, so logistically it's a time matter more than anything'. Ray

There were other perspectives too that indicated there was reticence with the new business focus. Some teachers indicated they had philosophical difficulty addressing the new strategies. Managers in foundational education preparing students for higher level qualifications as part of TAFEs community social obligations, felt that their work was significantly important to the organisation but that their work was not adequately reflected in the market segments depicted in the strategic plan.

4. aids and constraints affecting the implementation of the new business focussed Strategic Direction

A number of constraints to working in this new business focussed environment were noted by teachers and managers. Among the constraints and challenges were issues relating to embracing and dealing with change. For example, one manager noted that:

'(some) staff aren't willing to move with the organisation... some are happy to do what they've always done and the organisation has allowed this to happen and ...some (staff) don't agree that that's the way the organisation should be going ...there are people who are really opposed to education becoming commercialised'. Belinda

Concerns were also noted that some teachers were reluctant to adopt new work practices because past experiences had been either unproductive or not practical. Older managers in one section were seen by younger workers as 'knowing it all' and as 'being complacent'. However, despite this, one younger teacher noted that the new work environment 'had bought a new set of opportunities and anew lease on life for him'. Younger managers appeared generally to be more aware of the benefits of the new business focus for themselves and for the organisation and appeared to be energised by it rather than cynical and resistant as older workers appeared to them to be. The positive effects of change in organisations is noted by (Stace & Dunphy 2004). A number of managers noted the positive perspective bought to the organisation by the new business focus. Several teachers noted a sense of 'belonging' to a large training organisation and their role in delivering competitive, up to date training using up to date technologies. One manager noted the new business behaviour of the organisation was bringing a different level of accountability to the way public money was being spent. Another manager noted a new level of consistency in the way in which information was being presented to customers. The new market identity which formed part of the new strategic plan was seen as a positive change for the organisation and the college.

Conclusion

The new 'edu-business' focused strategy being introduced in this organisation is approaching the end of year one of a three year strategic plan. Evidence suggests that some middle managers and teachers are generally aware of the organisation's new strategic direction and government reforms in vocational education and training and that the new directions will bring significant change to the way vocational training is offered. Some staff are clearly aware of the need to address allocated targets, and as such have commenced planning to increase commercial delivery, recognition and workplace assessments in some course areas. Other middle managers and teachers however, indicate that while they are aware of government reforms and organisational need to operate in a more business focussed way, they are unclear about how they should develop plans to address allocated targets. Further, some teaching sections indicated that the nature of the courses they teach means they are unable to address some reforms and consequently unable to achieve allocated targets. The future of vocational education also concerns some teachers who prefer to see vocational education remain a government funded public and social service.

The study has revealed a number of gaps in understanding of government reforms and the implications for the college over the next few years. There appears to be a relatively weak link between the organisation's strategies and actual proactive planning to achieve allocated targets. There appears to be little sense of urgency for change among staff. A level of complacency appears to exist at the operational and functional level within the organisation.

Findings from this study indicate staff engagement with organisational strategies varies significantly between senior and non senior levels. While senior levels in the organisation are clearly aware of and understand the implications of the new strategy, staff at other levels in the organisation currently perceive the strategies as less urgent and in some cases unachievable. Findings support arguments that successful organisational change requires effective strategies to manage change in increments and that the distance between the originator and those implementing the change is critical. It further supports the precept that no matter how effective the communication model, take up can be impeded if there is a lack of sense of relevance and urgency and if feelings of uncertainty among staff are not adequately addressed. The study suggests a need for the organisation to consider ways to more effectively include staff in early stages of change to 'move and shake' old habits and ensure the new 'edu-business' work environment produces successful outcomes in line with planned strategies.

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