

Effective VET networking with industry in the marketplace

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Abstract

Increasingly, the VET marketplace requires vocational education and training (VET) practitioners to network with industry representatives. 'Networking with industry' is a new catch-cry within VET, but more research is needed to understand the complexities and benefits of such networking. This paper is based on research conducted over two years, 2003-2004, of forty networks funded by Reframing the Future. The paper builds on a report entitled *Building Industry Training Networks* (Mitchell 2004), and shows that networks are complex and can be difficult to manage, as participants' needs and ambitions can constantly change. To be sustained, networks also need to continuously provide value for all members. The paper provides the VET sector with guidelines of how to effectively build networks that impact positively on the individuals and organisations involved and that enhance VET's achievements in the marketplace.

Introduction

A simple, preliminary definition of a network is that it is an interlocking web of connections (Cohen and Prusak 2001). Networks are based on collaboration and can provide access to power, information, knowledge and to other networks (Cohen and Prusak 2001).

The paper presents findings from the evaluation of twenty four project teams that were funded by the Reframing the Future program to establish networks in the VET sector in Australia in 2003, in a pilot activity. The full report on the 2003 project teams (*Building Industry Training Networks*, Mitchell 2004), and available from <http://reframingthefuture.net> under 'Publications', provides the basis for this paper. The paper also draws on observations of the experiences of a further set of sixteen networks funded in 2004.

Reframing the Future is the national staff development and change management program funded through the Australian National Training Authority (ANTA). Reframing the Future is designed to support the implementation of a national training system that is industry-led, demand-driven and consistently of a high quality.

The research questions used to frame the 2003-2004 research are as follows:

- Why does VET need industry training networks?
- What skills, knowledge and processes help industry training networks function effectively?
- What knowledge is generated by industry training networks?
- What are the benefits of industry training networks?
- How can the achievements of networks be sustained?

Twenty four networks were supported by Reframing the Future in 2003 and the initial foci of a sample of these are set out in the following table. The range of the networks' goals is an insight into the complexity of the VET sector.

Table 1: Description of a sample of the 2003 networks (from Mitchell 2004)

Network manager	Industry	Initial focus
1. Abortrim Australia Pty Ltd, VIC	Electricity Horticulture	The initial aims are to develop an industry training network of Vegetation Management Industry representatives, RTOs and ITABs responsible for the Electricity and Horticulture Training Packages; provide an opportunity to allow the network to have input into the development of units of competency under review, in the Electricity Supply Industry Transmission and Distribution Sector Training Package, UTT98 and relevant to this emerging industry sector; and develop collaborative methods for the delivery and assessment strategies to be used to implement the revised Training Package.
2. Baking Industry Association of Victoria	Food	This project will establish a Baking Industry Network, which will consist of bakers and RTOs. The bakers will be 'industry champions' supporting RTOs in the planning and implementation of appropriate assessment strategies (AQTF Standard 9) for the Food Industry Retail Baking Training Package.
3. Business Training Advisory Board (ACT) Inc. – Business Services Project	Business Services – SMEs	The aim is to provide the opportunity to small to medium sized businesses (SMEs) and responsible training providers to unlock some of the perceived mysteries that SMEs face with the national Training Framework within Business Services Training Package.
4. Challenger TAFE, WA	Floristry	This project aims to start a national network for floristry training providers and their industry. It will provide an opportunity for communication and cooperation about VET issues between states/territories and peak industry bodies – an opportunity that currently does not exist for the floristry industry.
5. Museums Australia Inc, QLD	Arts	This industry training network will include people from the state branches of Museums Australia Inc, an industry-based RTO, in sharing knowledge and learning about the National Training Framework and ultimately in developing strategies to progress the national implementation of the museum industry Training Package.
6. TAFE NSW – Western Sydney Institute	Tourism and Hospitality	The aim of this project will be to form an industry training network in the training areas of Tourism and Hospitality in the Western Sydney region. It will utilise existing and new networks to address the need to develop relationships between training providers, industry and individual enterprises to provide solutions to community training needs.

The initial foci of the networks described above show the importance of the tasks being undertaken by networks, to ensure that Australian industries' many training needs are met by responsive providers. The following examples of 2004 projects also highlight the national value of the networks' foci.

Table 2: Description of a sample of the 2004 networks (from Mitchell, McKenna, Dau and Perry 2004)

Network manager	Industry/community	Initial focus
1. Optus, Sydney	Telecommunications	Convened by Optus, a group of major telecommunications industry players from across Australia has formed an Industry Training Network to address industry skill standards for their contractor workforce, existing workers and new entrants to the industry. Network members are exploring industry skills standards, including the small business and employability skills required for a range of technical roles. The network aims to work collaboratively to reconnect the supply and demand side of training; to support quality improvements in training; to encourage access to skills development through RTOs; and to prepare for future skill training needs.
2. Creative Industries Skills Council Inc, QLD	Creative Industries	This network is focused on implementing the National Training Framework from the perspective of the creative industries. This perspective is based on a shared understanding among the members of this network of the concept of training for emerging economies. Within the network, the input of industry sector representatives is matched by input from training sector representatives from public and private RTOs, schools and VET in schools professionals, and the tertiary sector. Participants also represent related government departments and agencies such as Arts Queensland, the Department of State Development and Education Queensland. The network will guide skill formation strategies for the arts, entertainment, textile and clothing design, printing and graphics communication industries in Queensland.
3. Human Services Training Advisory Council, NT	Indigenous people with a disability	In this project, networking with industry, remote Indigenous communities, community elders, service providers and RTOs is the agreed strategy for achieving outcomes in employment and learning for Indigenous people with a disability. These Indigenous people live in remote communities in the Katherine region. A range of different processes is being employed to develop a network with people for whom relationships are paramount. These relationships need time to be developed and mentoring is one of the keys. Mentors are assisting communities to facilitate their own processes of community ownership in addressing issues in the network. For people and organisations participating in this project the outcomes are many and include additional support, knowledge of services and who to contact, being able to offer better quality services to clients and being assured that protocols and procedures have the agreement of all stakeholders.

Literature review

While there are many definitions of networks in the literature, Cohen and Prusak (2001) provide a starting point. They suggest that networks are a manifestation of 'the cooperative connections between people' (p.55) and they note that we all build individual networks by investing 'some significant proportion of our time, money,

energy, and emotion in our connections with others' (p.58). Networks form for the following reason:

Because people need one another to reach common material, psychic and social goals. Mutual aid and generalised reciprocity are common to all functioning networks. (Cohen and Prusak 2001, p.58)

Cohen and Prusak (2001) believe that networks can deliver significant value to participants: "a network is one of the most powerful assets any individual can possess. It provides access to power, information, knowledge, and to other networks" (p.59).

Networks are of value to both individuals and organisations:

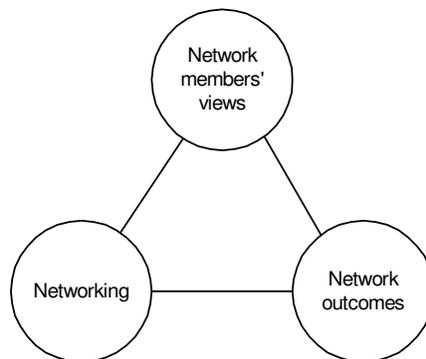
Though network building mainly happens between individuals, it contributes to an organisation's social capital. Many of the benefits individuals derive from networks and communities – a sense of membership and purpose, recognition, learning and knowledge – can also pay huge benefits to the organisation. (Cohen and Prusak 2001, pp.60-61)

Given these benefits of networks, it is not surprising they are increasingly valued in business as well as in society. A formal definition of a business network is provided by Ford et al (2003):

In its most abstract form a network is a structure where a number of nodes are related to each other by specific threads. A business market can be seen as part of a network where the nodes are business units, such as producers, customers, service companies and suppliers of finance, knowledge and influence. The threads are the relationships between the companies. (p.18)

Ford et al (2003) find that not only are networks valued in business, they are essential to the existence of an organisation. However, they are always complex: "The complexity of networks means that the company's interactions with others will always vary in different situations and over time" (p.33). The following model from Ford et al (2003) summarises the three core elements of a network that need to be managed.

Diagram 1: A model of managing three elements of a network (based on Ford et al 2003, p.176)



Callan and Ashworth (2004) provide guidelines for VET providers in establishing and managing successful industry-provider training partnerships. The guidelines reinforce Ford et al's (2003) finding that networks are complex and therefore challenging to manage and sustain:

Recognise the competitive realities businesses are facing as they try to build training and ongoing skills development into their organisations or industries.

Build as much flexibility and customisation into the training as is feasible and manageable within

the allocated budget.

Given the time involved in establishing a larger training partnership, support the establishment of longer-term partnerships.

Accept that a 'break-even' outcome initially may be the best financial result that a training provider may achieve, particularly since some outcomes may not be realised in financial terms.

Find and then develop staff who have special responsibilities for initiating and managing the start-up stages of larger training partnerships.

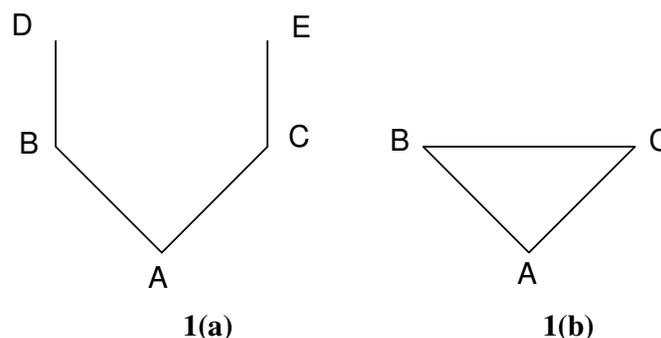
Assemble a core of individuals who want to be responsible for the successful management of the partnership and the achievement of its training objectives. (Callan & Ashworth 2004, pp.9-10)

Different theories are available to explain the nature, benefits and structure of networks formed by individuals, groups and organisations. For instance, Adler and Kwon (in Lesser, 2000, p.97) note that for some theorists, the term networks often simply means informal face-to-face interaction or membership in civic associations or social clubs. Other theorists look deeper into networks and examine their potential benefits and optional structures. Regarding the benefits of networks, some theorists argue that the norms, beliefs and rules that develop in networks create social capital, which is to be valued (Adler and Kwon, pp.97-98). Social capital is defined by Cohen and Prusak (2001) as a company's stock of human connections such as trust, personal networks and a sense of community.

The structure of business networks varies, depending on what the coordinators and participants prefer. Some participants may prefer a loosely organised network, based on collegiality and informality, while others may prefer a more formal structure, with a clear management framework and substantial documentation. Ideally, the structure will be negotiated with the participants.

The business networks funded by Reframing the Future are expected to be more than informal groups who interact randomly. A degree of structure and formality is expected, to ensure that all participants are able to access information and resources and other opportunities. However, in establishing this sub-program on networks in 2003, Reframing the Future was aware that networks can range from open to closed networks, and left it to the judgment of the network members as to the degree of openness or closure of the network. The following diagram shows the two extremes of networks – with closure and without closure.

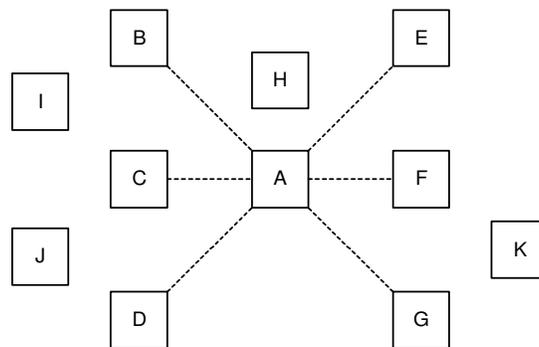
Diagram 2: Networks with and without closure (from Coleman, in Lesser 2000, p.27)



In diagram 1(a), a network without closure, or an open network, person A can impact on persons B and C; but B and C are not directly connected, with one linked to D and one to E. In this open network, there are a limited number of shared norms influencing behaviour. However, in diagram 1 (b), a network with closure, the three parties are all interlinked and can exert influence on each other to observe agreed norms of behaviour: obligations can be imposed (Coleman, in Lesser 2000, p.27).

Regarding the various structures of networks, Adler and Kwon (2000) distinguish between those closed networks where there are direct or dense ties or connections between members and those open networks where the ties are weak. Closed or dense networks facilitate the emergence of shared norms and encourage trust among members while open networks may involve lower levels of trust (p.98). The following diagram is an attempt to describe a network where many of the ties between members are weak.

Diagram 3: An open network with weak ties between members (from Ford et al, 2003, p.160)



Interestingly, some theorists argue that networks with weak ties between members have significant value, allowing for the easy flow of information between members without the need for many shared norms (Adler and Kwon 2000, p.98). This is important to note, because to form closed or dense networks may be difficult within many VET settings, where there are so many different stakeholders, from enterprises, to unions, to training organisations, often separated by distance and by different work patterns.

VET practitioners may wish to consider the benefits of open or loosely structured networks, where a closed network is inappropriate or not feasible. For example, research cited by Adler and Kwon (2000) suggests that, in sparse or open networks, brokers who interact with many different community members can disseminate information of value to members without imposing extensive sociability or obligations on people (p.98). The potential activities of VET practitioners as brokers or intermediaries are described by Gientzotis (2003).

Networks are categorised other than by describing them as closed or open. For instance, Fulop and Linstead (1999) provide the following categories: vertical and horizontal networks, pooled and complementary networks, product and service networks and learning networks.

Methods

This qualitative research was undertaken from July 2003 onwards, with the assistance of the National Project Director of Reframing the Future, Susan Young in 2003, and with the assistance of the Acting National Director Suzy McKenna in 2004. The research methods included observations and discussions at national forums convened at the start of the project and at the mid-way point; reviews of the networks' action plans, mid-term progress reports and final reports; and on-site observations and interviews with network participants.

Findings and discussion

A summary of the key findings is provided below and a fuller description is provided in Mitchell (2004).

The trust, goodwill, innovation and collaboration in industry training networks can support the national training system

The 2003-2004 Reframing the Future projects showed that networks can support the national training system by accessing the trust, goodwill, innovation and willingness to share that exists within the VET system in Australia. Networks can facilitate inter-organisational and provider-industry collaboration and can inform thinking about Training Packages, assessment and other fundamentals of the national system. Networking emerges from this research as a legitimate, necessary and valuable way to support the national training system.

The need for industry training networks is increasing, as VET organisations become more aware of their dependency on relationships

The research suggests that the need for networks in VET is increasing, especially given that VET providers are part of a service industry that needs to maintain high quality connections with industry clients. The research supports the view of Ford et al (2003) that networks are not only essential to business success, but more and better functioning networks are needed, as 'all companies are becoming more dependent on their relationships with those around them' (p.xi).

Open or loosely structured networks suit the diverse and dispersed membership of many industry training networks

While networks can be open or closed, most if not all of the 2003-2004 networks were open or loosely structured, as networks with weak ties allow for the easy flow of information between members (Adler and Kwon 2000, p.98). Open networks are pertinent to VET, because to form closed or dense networks may be difficult within many VET settings, where there are so many different stakeholders, from enterprises, to unions, to training organisations, often separated by distance and by different work patterns.

Building industry training networks is made challenging by factors such as inexperience in networking and the limited resources of small business to participate

Building networks in VET is not straightforward. Challenges faced by the 2003-2004 networks included creating a voice for a previously under-represented section of the industry; gaining involvement by small businesses who are restricted from

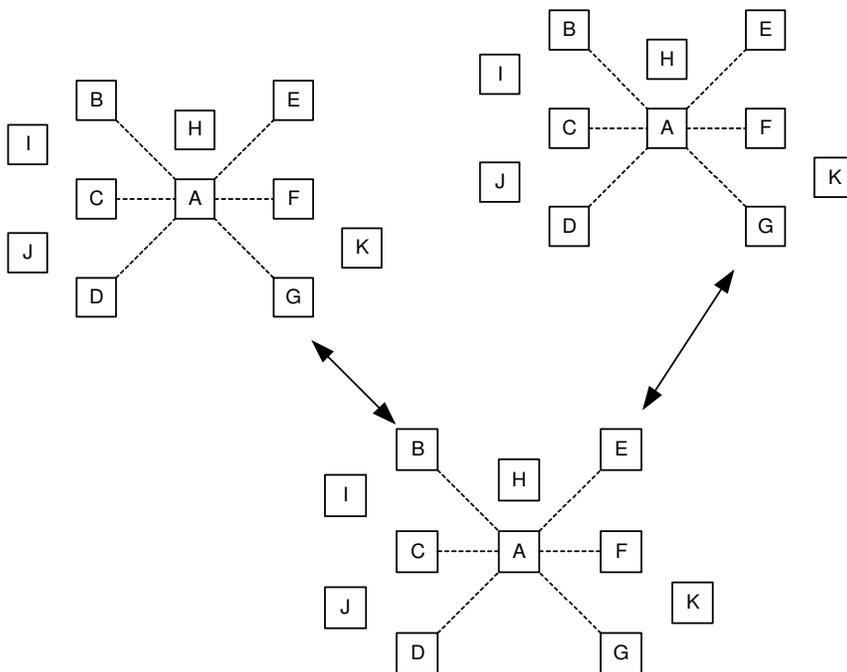
participation by limited resources; overcoming the problems created by members being separated by vast distances; and learning to work with new associates.

A deep knowledge of VET and high-level facilitation skills help industry training networks function effectively

Networks benefit from members' deep knowledge of the industry involved and an advanced understanding of the national training system, including Training Packages and the Australian Quality Training Framework (AQTF). However, the knowledge need not reside in the one person, especially when a team approach is taken to managing a network, as modelled by many of the 2003-2004 networks.

Effective facilitation strategies used by the networks included customising approaches to fit the context; encouraging network members to shape the network to suit their interests; inviting specialists to address members; and using face-to-face activities supplemented by electronic communication. One of the high-order skills was encouraging self-evaluation of the network. Another high-order skill modelled by the network members was linking their newly created networks to existing networks, as illustrated in the next diagram.

Diagram 4: Linking one network to others



Efficient information sharing processes help industry training networks function effectively

The 2003-2004 network members accessed information and resources through their relationships with other members of their own network or with external networks; through mining the information provided by external speakers or key people within their own network; or from relevant websites. Conversations based on good relationships were at the core of many effective networks, as a vehicle for information

exchange and as a means of building the openness and understanding that binds together networks.

Industry training networks generate new knowledge about practices and possibilities in the national training system

Networks are the basis of knowledge sharing in many organisations and, through trusting relationships, networks increase the level of knowledge (Cohen and Prusak 2001). The 2003-2004 networks changed or deepened their knowledge about each others' values and practices and perspectives and about what was possible within a national training system. They did this by learning to understand each others' language and through using a variety of different ways to engage members, such as customising meetings to suit all members, not just the providers.

Networks have the potential to help people develop their identities and their practices (Cohen and Prusak 2001). However, members of the 2003-2004 networks needed some time to become knowledgeable about the experiences of other members of the network and to be comfortable about publicly reflecting on their own practices.

Individuals, organisations and systems benefit from industry training networks

Networks help individuals to acquire new information and resources and share with their peers their explicit and tacit knowledge about their profession. The 2003-2004 networks not only enabled individuals to learn more about their own organisation, but also enabled individuals to learn about industry, if they were a provider, or about providers if they were from industry.

Many different types of organisations were involved in the 2003-2004 networks, from enterprises, to industry associations to provider groups to government agencies. The benefits of participation for these groups varied, but the benefits were many, from developing a better understanding of each other's needs, to working together on training programs, to creating a climate of trust for future collaboration.

The achievements of the 2003-2004 industry training networks are impressive given the complexities faced

The achievements of the 2003-2004 networks are impressive, considering the challenges that networks pose, as indicated above by Ford et al (2003), such as the need for participants to continuously adjust their goals. Their achievements are also impressive, given the potential pitfalls for networks set out by Cohen and Prusak (2001) including the capacity for networks to avoid asking tough questions, to develop 'groupthink' and to ossify. The achievements are all the more impressive given that many of the networks operated across whole states/territories, or across regions, and involved a variety of different organisations, many of which had not collaborated previously.

Conclusions

This research indicates that it is possible to effectively build and manage industry training networks in VET. The stories of human, organisational and systemic collaboration set out in Mitchell (2004) provide hope for the positive future development of the VET sector. Further encouragement is provided by additional

accounts of the 2004 networks set out in Mitchell, McKenna, Perry and Bald (2005; in draft).

To sustain the achievements of the 2003-2004 networks, continued effort is required by the members of each network. All the networks will need to keep revitalising themselves, as members' goals and ambitions change and external conditions shift. Effective networks are like every other type of healthy relationship in that they need continual care and attention. Ford et al (2003) caution that networks can easily become burdens and liabilities, if not managed effectively.

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