

Corporatizing your education offer: meeting the demands of industry and workforce needs

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Grant has an extensive background and experience in Tertiary Education with over 23 years in the Victorian TAFE System and more recently at Victoria University as a Senior Manager, Manager and teacher.

Grant's comprehensive work history in education has always involved providing innovative education and training solutions to industry. This experience has shaped his commitment to developing the skills and knowledge for industry clients using contemporary andragogical approaches that meet the needs of mature age learners seeking to up-skill for compliance needs, career progression or change. As Pro Vice Chancellor Knowledge Exchange & Industry, Grant uses this experience to lead the University's strategy and commitment to engaging with industry to meet their training needs today and into the future.

Mrs Rachel Simmons

Manager Product Identification, Design and Development

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A practical and pragmatic educator, Rachel has a firm belief that a constructivist or hands-on approach to education results in learning that sticks. She takes an innovative approach to learning and assessment, and was an early adopter of eLearning, simulations, work-integration and blended delivery for undergraduate business students.

As Manager Product Identification, Design and Development Rachel creates educational products that resonate with industry - allowing students to achieve outcomes beyond their expectations and employers to achieve substantial productivity gains.

Prior to her involvement in the education sector Rachel worked in marketing, operations and project management for major music events.

The Australian Policy landscape
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The education sector is currently undergoing major change, driven by increasing competition and the rapid development of technology with the potential to provide global access to top-tier Universities. For many education providers this represents a risk of decreasing market share, as we prepare for the fact that our traditional school-leaver markets will soon be presented with the opportunity to carry out their tertiary education via Massive Online Open Courses (MOOCs).

At Victoria University, these changes are further compounded by changes to the Australian education policy landscape, at both a Federal and State level.

In 2009, the Australian Federal Government committed to ambitious growth in higher education attainment, stating that “by 2025, 40 per cent of all 25-34 year olds would hold a qualification at Bachelor level or above” (Commonwealth of Australia, 2009). In order to achieve this goal, the Higher Education market was ‘uncapped’ in 2012 via the implementation of the Higher Education Support Amendment (Demand Driven Funding System and Other Measure) Bill (Commonwealth of Australia, 2011). Essentially this change removed government restrictions on student enrolments, allowing student demand to drive university enrolments. While at a macro level this initiative aims to grow undergraduate student numbers, at a micro level market observations demonstrate that

second-tier universities, like Victoria University, are experiencing a drop in student numbers as market forces shift demand.

In 2009 the Victorian State Government introduced the Victorian Training Guarantee, an initiative that had a twofold impact on Victorian Technical and Further Education (TAFE) Providers and the Vocational Education and Training sector more broadly. In the interests of increasing throughput and competition from for-profit providers, the sector moved to a demand driven system, as well as opening up government funding access to provide private, public and government owned providers funding on an equal basis. This newly competitive market has demonstrated high levels of price sensitivity, with private for-profit providers gaining student numbers due to greater pricing flexibility, a more flexible workforce and the ability to move quickly due to lower levels of bureaucracy and red tape.

In 2012, the Victorian State Government announced further major changes with cuts to the Technical and Further Education (TAFE) sector and significant funding cuts to programs thought to be in oversupply or with low career opportunities. These changes have affected both government and for-profit providers, however due to an inability to change their business model in a timely fashion, the impact on TAFE (government providers) was most severe. According to the Australian Education Union (2012) as a result of the cuts “TAFEs will lose an estimated \$160m annually. Many current TAFE courses will be cancelled and some campuses and facilities are likely to be closed”. Eight months on, this prediction has proven to be correct.

As a Victorian dual-sector provider (delivering both TAFE and Higher Education qualifications), subject to these market forces, Victoria University has made a strategic decision to diversify its revenue sources, with a stronger emphasis being placed on corporate or industry education and training. Our 2012-2016 Strategic Plan ‘Excellent, Engaged and Accessible’ laid the foundations of a new approach to knowledge exchange with industry, via the establishment of a Corporate Training Entity and an innovative approach to corporate education and consulting to industry. This decision to better engage industry has been supported by numerous government, academic and private publications, including a recent Ernst & Young study which advises that improved integration with industry is vital to viable business models in the tertiary education sector (2012).

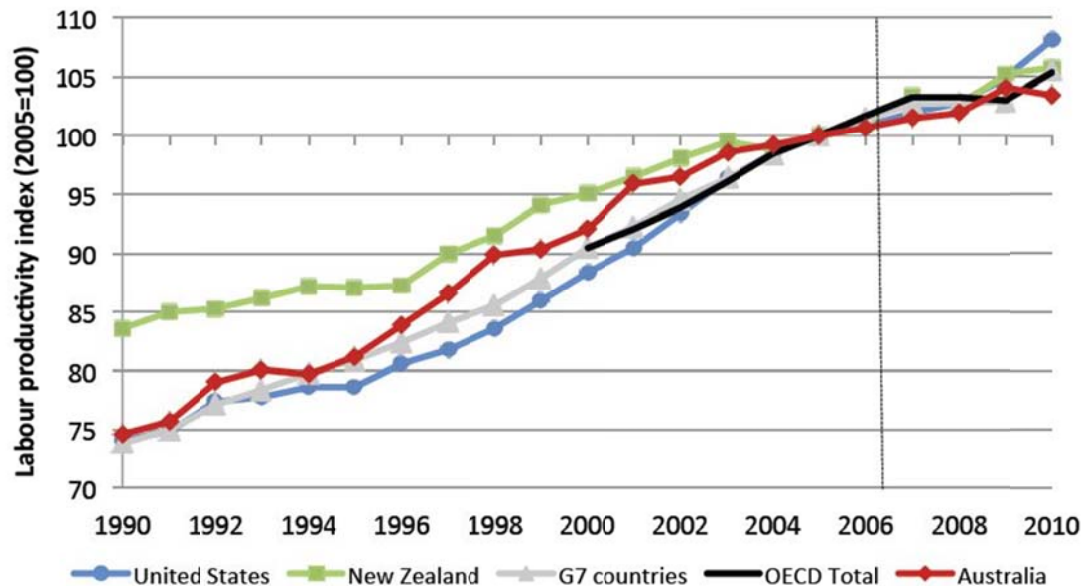
This paper lays out insights into the opportunities and challenges education providers face when broadening their view of what constitutes a student cohort to include industry, government and community clients whose education needs and learning styles are very different to those of the traditional school-leaver market.

Why corporate education?

Victoria University’s decision to focus attention on corporate and industry training is largely driven by the fact that Australia’s workforce productivity has not seen any significant improvement in the last ten years. “Measured as the increase in output per employee, Australia’s labour productivity growth has been weak over the last decade” (AWPA 2012, p. 19)

Labour productivity growth in the total economy, Australia and OECD, 1990-2010

(Source: AHPA, 2012, p. 22)



This lull in productivity gain presents major challenges to Australia as an economy, and as such, Victoria University see a major opportunity to develop a unique corporate offer that addresses a national need to improve productivity in the workplace. “Workforce development contributes to productivity gains by better matching demand for skilled people with supply across industry sectors so that growth is not constrained” (AWPA, 2012, p. 19). Victoria University’s corporate offer focuses on programs that meet the needs of industry and will also include unique metrics built into the design of all education and training products offered to industry that will give empirical evidence as to whether the training has ‘stuck’, demonstrated by changed practice, productivity and other key KPIs as recognised by the client.

Victoria University has also based its development of a corporate offer on two parallel ‘gaps’ that are affecting Australia’s workforce – those of ‘experience’ and ‘skills’.

Uncapped places and demand driven funding in Australia have significantly increased throughput, however industry is now dealing with young graduates who, whilst holding undergraduate and postgraduate degrees, lack experience and work readiness. “Lack of experience is a key issue for new labour market entrants, despite the fact that over 76 per cent of university graduates work in their final year of study.” (AWPA, 2012, p. 38)

Victoria University see an opportunity to improve graduate success in the workplace by addressing this ‘experience gap’. The corporate offer will do this by providing access to ‘real-life situations’. For example, we are in the process of engaging a unique mentoring program that uses bespoke online technology to manage experiential learning and interaction with large and successful consulting and accounting groups through a scalable internship model.

While graduates are being held back by their lack of experience, Australia also faces another ‘gap’ with regards to its workforce. A large number of experienced workers are feeling left behind in a culture that increasingly values formal qualifications over skills developed ‘on-the-job’. Our Corporate Offer will provide these workers the opportunity to receive recognition for their prior

learning, so that they are able to attain formal qualifications in a more timely and work-aligned manner. According to the OECD, “In order to prosper in today’s economy, local communities increasingly need to ensure that they adequately invest in education and skills. Higher level skills, such as the ability to analyse and process complex information, be creative and communicate effectively, are all increasing in importance in the context of the knowledge-based economy... It is more and more likely that future jobs will demand higher skill levels, as low skill jobs are lost and redefined in the current restructuring process” (Froy, F., 2009). It is crucial that to retain the knowledge and conventional wisdom of our existing workforce that we provide existing workers with an opportunity to attain these higher skill levels, while ensuring that they feel valued for the work and learning they have gained throughout their careers. Victoria University’s Corporate Offer will also incorporate Language, Literacy and Numeracy training components to maximise student success in carrying out this up-skilling and further education.

Strategic planning for corporate education

In carrying out planning for industry product offerings, Victoria University have ensured that our market and product decision making has been carried out in a strategic manner. This process has been two-fold involving both internal and external consultation and thought processes.

Any planning process needed to be underpinned by the University’s new Strategic Plan and direction, and our offering must support the areas of ‘Distinctive Specialisation’ that were identified in a broader University context. To ensure our offering matched the capacity of Victoria University to the requirements of the Australian workforce, we cross-referenced our internal planning documents with Australia’s current government planning documents, including the 2012 Future Focus Discussion paper (Australian Workforce and Productivity Agency), in order to identify areas of future industry skills shortage that could provide areas of scalable opportunity for the Corporate Training Arm.

It is important to note that many of the future skills shortage areas in Australia will be at higher qualification levels and these qualifications will need to be attained quickly. This opens up room for discussion, design and testing of new approaches to delivery.

When conducting the strategic planning process it was recognised that as a late entrant to the corporate education space in Australia, Victoria University need to identify a position in the marketplace in which it could operate with new and unique offer, something that will no doubt prove challenging in what is now a global marketplace. In an attempt to manage the potential risk during the initial planning process we undertook a scenario based approach. This was used to mitigate two of the three major uncertainties (KPMG, 2011): business model uncertainty and industry uncertainty. These two areas focus firstly on the internal capability and capacity based around technology, products (existing and in development), competitive strategy and product delivery. Secondly, industry uncertainty covered off the effects of competition, customer behaviour, and technological innovation. This thought process has led us to believe that in order to be nimble and adaptive to change the Corporate Training Arm needs to steer clear of traditional deep V planning and use a ‘www’ model that support rapid prototype development, quick piloting of new products and the ability to fail, cheaply and fast, then rebuild and prototype, pilot again.

Once the direction and opportunities for the Corporate Training Entity were identified, a horizon planning approach (Baghai, M. et al, 1999) was used to determine priorities. In addition to the three standard planning horizons, (Horizons 1, 2 & 3) an additional horizon of 0 was added to determine what we were currently doing that we need to exit from. This approach has meant that an extremely

complex and major task was able to be chunked down in manageable sections and allocated to relevant staff, speeding up the implementation phase.

In carrying out strategic planning, Victoria University also analysed alternate funding sources that could be utilised to augment our revenue streams. For example, The National Workforce Development Fund (NWDF) is an Australian Government program that helps businesses to identify and address their workforce development needs. Under the NWDF businesses are able to apply for funding to support training their workers in areas of identified need. Feedback from industry is that applying for the fund is complex and time-consuming, so Victoria University will work with industry clients to assist them in accessing these funds for relevant courses and cohorts.

Business models that suit the needs of industry

During our external consultation processes, it became clear that industry are voting with their feet and carrying out their professional development and training programs with private for-profit providers who are able to respond quickly to industry need. While there is a high level of interest in accessing University programs customised for industry, feedback has demonstrated that we will need to change the way we do business and improve our processes in order to better engage with industry.

In particular, the university culture needs to accept that the educational landscape has changed. We operate within a competitive market, and as such need to recognise that in order to survive we cannot simply offer education in and of itself, but must move to a model that allows us to offer quality education for a profit. For a University like Victoria University, this requires a significant paradigm shift in the way we conduct and govern our business.

In developing an organisational structure that will support our Corporate Offer, Victoria University have designed a structure and roles that are more closely aligned to the businesses we will be servicing than traditional university structures. We have established a lean business development team, who will be supported by a sophisticated, dynamic and sales oriented Customer Relationship Management system. The team will be allocated opportunities by region (rather than discipline) and will be motivated by an incentive based scheme modelled on successful corporate sales approaches.

We have also recognised a need to respond more quickly, from initial enquiry, right through to product customisation and delivery. We have utilised contemporary business-to-business theory and integrated our sales, marketing and product approaches in order to better align our approach to the way businesses buy (MacFarlane, 2007).

Andragogy and experience based learning

As is to be expected, our Corporate Offer will be targeted at adult learners. This requires a major shift in our approach to learning and teaching principles, as we shift from pedagogical to andragogical approaches. There are increasing bodies of evidence to demonstrate that industry training must recognise the unique requirements of adult learners to ensure that they are engaged with their learning.

Kirwan (2009, p. 35) highlights the importance of trainers adopting adult learning approaches in workplace training and also emphasises the elements that make up good facilitation. Included in his list are:

- Recognition and use of learners' experience

- Learning program flexibility
- Effective group discussion
- Relevant and applicable content
- Small group learning
- An appropriate balance between theory and practice
- Up-to-date and relevant sources and resources

The concept of 'relevant and applicable content' is also explored in the text, *The Adult Learner*, in which Knowles Holton and Swanson (1998, p.67) suggest that adults learn "knowledge, understanding, skills, values and attitudes most effectively when they are presented in the context of application to real-life situations".

Based on our primary and secondary research, Victoria University's Corporate Offer hinges on six key principles:

- Flexible, modular, building-block delivery with multiple entry and exit points
- Mix of accredited and non-accredited training with optional assessment
- Experiential learning with a mentoring option
- Industry based delivery, projects and assessment
- High quality eLearning/blended learning programs
- Embedded language, literacy and numeracy training

The future of industry-based learning at Victoria University

The Victoria University Corporate Offer is in the very early stages of design, with our formal launch slated for August 2013. In keeping with our commitment to horizon-thinking, while we plan the operational delivery of our first corporate programs, we are simultaneously exploring future opportunities, programs, methodologies and delivery models. Without disclosing what we hope will become our competitive advantage, some key areas for exploration in the corporate market are: Design Thinking; Serious Games; Virtual Worlds & Simulations; Wicked Problems; and Problem Identification (as opposed to Problem Solving).

The education sector must recognise that in order to stay relevant in the information age, traditional education providers must ensure that we keep apace and provide non-traditional student cohorts with a level of service, quality and engagement that rivals the vast quantity of education product available through private providers and free online services. Information, education and lifelong learning are crucial to corporate success, and while it may be difficult for traditional academia to accept, we must recognise that education is a product that must be packaged, marketed and sold to corporate customers in a sophisticated manner that is reflective of their own business models.

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