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# Working together

Industry and VET provider training partnerships

*Victor Callan*

*Peta Ashworth*

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# Working together

## Industry and VET provider training partnerships

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# Executive summary

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## Purpose of the research

This research investigated the nature of a number of the larger and more commercial vocational education and training (VET) industry–provider training partnerships operating in Australia today. The project, which involved a review of the literature, a survey of training providers and interviews with 52 providers and their industry partners, addressed the following research questions:

- ✧ What is the nature of the training partnerships?
- ✧ What is the training model being used, including the extent to which training models vary in their levels of flexibility, customisation, administrative arrangements, and the formality of the training relationship?
- ✧ What are the people skills being required by VET providers to build and maintain these partnerships?
- ✧ What are partners learning and needing to improve?
- ✧ What are some practical guidelines that VET and other professionals can use in setting up and managing successful industry–provider training partnerships?

## Findings

### What is the nature of the training partnerships?

The training partnerships:

- ✧ were set up and/or managed in the VET sector by senior managers, heads of school, and business development managers/partnership development managers or persons of similar title
- ✧ involved a core group of provider and industry staff who managed the partnership or multiple partnerships
- ✧ were mostly multiple smaller partnerships worth less than \$200 000 gross annually, with a small percentage generating a million dollars or more in gross income annually. Overall, there was a ‘break-even’ attitude about many partnerships, in that the financial benefits were being viewed against a range of non-financial returns which made continuing the relationships worthwhile
- ✧ involved one industry partner and one provider in the vast majority of cases, but in a small number of cases, multiple players were involved, sometimes as consortia
- ✧ involved predominantly a local industry partner and provider situated within close geographic proximity to each other, although some partnerships were interstate and others were based off shore
- ✧ were ongoing relationships, often involving more than just direct delivery of training and, as a result, often had no defined end date.

In relation to providers, the three major drivers for establishing training partnerships were to generate additional revenue, to provide staff with stronger links with industry, and to build additional capabilities in their staff. For industry and employers, the gains included an enhanced



industry capacity to focus on their core business, and to deal with a skills shortage. Financial benefits included access to a range of funds which allowed support for specific training. State government support packages were often major drivers for the growth of training partnerships.

Partnerships were spread fairly evenly across three types of partnering—those involving the pooling of existing resources, joint ventures combining the training capability of the partners, and partnerships based upon various enhancements to training models. Most operated under some form of formal partnership agreement. Providers wanted to expand into more partnerships involving joint ventures with various industry bodies and organisations. They believed that joint ventures allowed them to demonstrate their ability to work with a variety of partners in a commercial environment.

Providers considered that there was strong support in their organisations for seeking training partnerships with industry, and developing profitable partnerships was a major objective of the VET providers. However, in a number of instances, VET providers were less clear about the strategic objectives of industry–training partnerships. Industry, for its part, identified a number of barriers to partnering. These barriers included procedures, structures and accountability mechanisms within training organisations which slowed down the establishment of partnerships, as well as their day-to-day management.

### What is the training model being used, including to what extent do training models vary in their levels of flexibility, customisation and administrative arrangements?

The research investigated the ability of training organisations to respond to industry needs through adjustments in their approach to training.

The findings demonstrated that:

- ✧ Training involved substantial levels of flexibility and the use of a variety of modes of delivery. Methods of delivery included the use of in-class material, self-paced material, (which was predominantly computer-based and website learning), ‘chalk-and-talk’ classroom teaching, and intensive blocks or staggered attendance programs. Other modes included multiple offerings to allow for shift workers, or ‘tag-team teaching’ with a theory-based technical and further education (TAFE) lecturer and practice-oriented business worker both delivering the same course. Experienced employees were being trained at Certificate IV in Workplace Assessment and Training level to provide further flexibility for delivery options and training schedules.
- ✧ High levels of customisation were a key feature of these larger training partnerships. Businesses wanted the training to be highly customised and contextualised to meet their requirements.
- ✧ Partners used a variety of administrative mechanisms to maximise the levels of communication within the partnership and, in turn, to build upon levels of trust. The advisory committee, comprised of representatives from industry and the training provider, was a major device used to manage the partnership and to maintain high levels of communication.
- ✧ As a result of the flexibility of the training, many industry respondents rated the level of training as world class.

### What are the people skills being required by VET providers to build and maintain these partnerships?

Both providers and industry highlighted the importance of having high levels of mutual trust within the partnership, with mutual trust being a major driver for extending the partnership. Industry partners in particular believed that the strength of their personal relationships with training managers and the teachers at the training institution was central to creating a sustainable and continuing partnership.

Employers wanted a long-term relationship where possible. As far as employers were concerned, the best partnerships grew over time, were dynamic and evolving, and often operated on a three-year cycle.

Successful partnerships were sustainable financially, but partnerships were not expected to be highly profitable; rather, employers and training providers talked about a 'break-even' outcome initially being the primary goal, whereby a mix of financial and non-financial outcomes was realised from the training partnership.

The most successful partnerships were characterised by high levels of cooperation between the two organisations which basically relied on the good relationships and communication between several key people from both sides. Both parties were interested in supporting each other and in meeting their existing and emergent business objectives. They were using each other's contacts to increase business opportunities, and were investigating the possibility of joint bidding approaches in several countries and in other states.

### What are partners learning and needing to improve?

Training organisations believed that they were performing well in their partnerships. They were especially positive about the people and relationship management skills of VET staff, and the ability of the institution to customise and to be flexible in its training approach.

Providers were positive about the performance of their respective industry partners. Over three-quarters of providers believed that staff were comfortable with sharing new ideas which would improve future partnerships. However, the communication across the institution about what was being learned from these larger training partnerships left room for improvement.

Businesses were concerned that many TAFE trainers still did not possess the up-to-date industry knowledge and commercial 'savvy' necessary to assist them to stay current with industry best practice. Training organisations and employers alike wanted those involved in partnering to have a more hard-edged attitude to financial risk management, a greater understanding of commercial issues, especially where ventures and risks were being shared between partners, and a better knowledge of pricing, costing and valuing of intellectual property.

### What are some practical guidelines that VET and other professionals can use in setting up and managing successful industry-provider training partnerships?

Based upon the findings of the research, the following general guidelines emerge for training providers:

- ✧ 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.

- ✧ Ensure that senior management becomes committed early to the partnership. This can be achieved by demonstrating evidence of the financial and non-financial returns to the training organisation and the industry partner through an investment in training.
- ✧ Build a learning environment within the partnership where individuals are encouraged to seek and provide regular feedback and review.
- ✧ Build staff capability in the many skills which support partnering, particularly communication and entrepreneurial skills.
- ✧ Assume that, over time, the quality of the relationship developed will prove to be a more important issue to the industry partner than the actual financial cost of the training to them.

# Background

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## Introduction

There has been considerable growth in the number and variety of industry–provider training partnerships in the vocational education and training (VET) sector. This project examined the reasons for these partnerships, the characteristics of the partners, and the benefits of the partnerships to both the provider and the industry partner. It also examined the financial and non-financial outcomes from industry partnering. At one level, partnering offers clear opportunities for generating new streams of income. At another level, partnering also provides opportunities to generate new sets of knowledge and capabilities which add to the competitive positioning of those involved.

This program of research involved the following:

- ✧ A detailed review of the partnering literature in Australia and elsewhere was undertaken in order to develop a preliminary conceptual framework to guide the research. The literature was drawn mostly from management and business articles and reports about partnerships and alliances. However, considerable use was also made of national and international studies and reports from the education and training disciplines. Literature from the last ten years in particular formed the basis of this first part of the report.
- ✧ A national survey of VET staff currently involved in the development and management of larger training partnerships with industry was conducted, with 102 staff from VET providers responding to the survey. Fifty-two partnership case studies based upon paired-interviews with 52 VET respondents and their industry partners were also compiled.

The methodology is discussed in detail in appendix A.

While the focus of the current research is upon partnerships, a discussion of partnerships raises the related issues of creating learning and change-adept organisations. Successful partnering is linked to the ability to innovate and change. As a result, while the current project offers direct insights about the nature of existing VET industry–provider partnerships, it also provides further commentary on the extent to which the VET sector and its industry partners are responding to the needs for change, continuous learning and innovation (see also Mitchell & Young 2001).

In addition, it is important to note that there is considerable evidence that many partnerships under-perform in a wide range of industries. Success rates of less than 50% are often cited (Parise & Henderson 2001) and 90% of attempts to develop alliances actually fail (Sagawa & Segal 2000). Consequently, while the focus of this research is upon successful VET and industry partnering, some insights on how partnerships can be improved and why some partnerships are more successful than others are also included. This report therefore offers some guidelines to those wanting to engage in such larger-scale training partnerships.

## What are partnerships?

Partnerships are relationships between two or more groups. Partnerships involve collaboration to enable delivery of a service or product, and within the partnership there is a sharing of resources to add value to the product or service for suppliers and customers (Batorski & Hughes 2002). The

terms ‘alliances’, ‘partnerships’ and ‘relationship marketing’ are often used interchangeably to describe these arrangements. Although models and terms differ, in describing the formation and nature of partnerships, there is typically a mix of inter-organisational (for example, environment, structure, level of competition and change) and interpersonal factors (for example trust, friendships, senior executive support) at work (see Olk & Elvira 2001).

Organisations pursue partnerships for many reasons. There are simple demand-and-supply responses where possibly a monopoly provider status means that the customer has little choice and possibly little motivation to seek training through other avenues. At another level, partnerships are a strategy to pool capital, to build scale, to share or reduce risk, to reach new customers or to access new technologies. More recently, organisations of all types have looked to partnerships for the opportunity to learn, to acquire new skills and knowledge, as well as for the more traditional motivations of securing additional income.

## Training partnerships

Many issues shape the development of partnering outcomes. It is proposed that training partnerships, like other types of partnerships (see Lendrum 1998), are shaped by a range of environmental factors, and by a willingness to adapt and change the approach to training. Also central to the success of any partnership are the attitudes of people and the relationships established between them. In this report, training partnerships therefore are examined under three areas:

- ✧ environmental influences upon partnerships
- ✧ changes to the training model
- ✧ the role of people and relationships.

The guiding rationale behind the current project is that successful VET industry–provider training partnerships involve the effective management of a wide range of environmental, training and people issues. The greater or lesser importance of several factors under each of these categories is explored in the current research.

This research is also important, given that many partnerships across a wide variety of industries actually fail. Few organisations manage partnerships very well. Partnership failure is linked to a mix of environmental factors, such as commercial, economic, political or social events external to the partnership which alter the nature of the relationship; performance or business model issues which include the failure of one party to meet minimum performance criteria; and people issues which involve unclear definition of roles, responsibilities and accountability (Roussel 2001). Overall, these findings again highlight the need to examine the multiple, inter-related factors which determine the success or failure of any partnership.

## Levels of competition and change

The VET environment is witnessing the emergence of an increasingly competitive marketplace. As revealed in John Mitchell and Susan Young’s (2001) report, *High-skilled, high-performing VET*, there is an increasing incidence of niche training markets, enterprise-specific training and fee-for-service courses. Registered training organisations (RTOs) face reduced government funding. They are therefore being encouraged to seek cooperative training agreements with industry. Related developments include the growth in partnerships between higher education and VET organisations, and the need to develop cross-sectoral approaches to assessment, credit transfer and recognition of prior learning (RPL). These pressures to change and innovate are being faced not only by the large technical and further education (TAFE) institutions, but also by the numerous and increasing number of smaller registered training organisations.

The increasingly competitive market for training can be associated with the emergence of borderless education in Australia (Cunningham et al. 2000). In this marketplace, Australian universities, TAFE institutes and high schools are competing for domestic students from interstate, as well as marketing overseas for international students, and they are entering into strategic or 'twinning' arrangements with educational institutions throughout the world. Online delivery of education and training and the management of the related financial, contractual, partnering and organisational issues are emerging as substantial challenges for many educational entrepreneurs.

The industry partner operates in an equally, if not more competitive environment. They face a shortage of skilled staff in some high demand areas (Mitchell & Young 2001). Australian companies which engage in school–industry partnerships report that these partnerships have enhanced the company's skills base. They have also provided an opportunity to identify a pool of future employees (Figgis 1998). For example, Tassal Limited, the largest salmon aquaculture company in Australia, has made an important discovery through their partnership with a training provider. The company found that not only do students gain a hands-on perspective of what a career in the aquaculture industry involves, but also the company has gained significant financial benefits from implementing the students' ideas and solutions to various problems (Enterprise and Career Education Foundation 2001).

VET organisations, like those in other sectors, are being asked to rethink the 'rules of the game' (Carnall 2003). As Collins (2001) found, the most successful companies develop cultures in which people embrace change as an opportunity well before change becomes an externally driven threat. While 'slow and steady' may no longer win the race, 'fast and steady' can. In addition, such change-adapted enterprises especially recognise the strategic importance of their key relationships, partnerships or connections. As Kanter (1999) has remarked in her observations about the growth and decline of businesses today, how well a company chooses its partners and how effectively it integrates their activities will determine survival or extinction. This same message is becoming increasingly relevant to registered training organisations in Australia.

## Change, learning and partnerships

According to Ellis (1999) reporting on the challenges facing businesses in the future, enterprises see the need to achieve success on a number of fronts. They must have a strong customer focus, the right people, skills and culture, and strong industry relationships. In other research, Kanter (1999) has described the most important assets for companies in the twenty-first century. She considers that essential qualities include the use of concepts (ideas and technologies driven by innovation); competence (the skills and the ability to use them, improved by teaching and learning); and connections (strategic relationships nurtured by collaboration). Both Ellis and Kanter emphasise how organisations need to be adept at doing many things well if they are to be truly successful.

To provide more innovative solutions to meet customers' training needs, enterprises are entering partnerships which involve creating organisational cultures focusing upon learning and change. VET and other enterprises are taking steps to build cultures which promote organisational learning (Senge 1990; Rylatt 2000). They are using partnerships to build new capabilities which allow the enterprise to be more competitive (Rylatt 2000). Learning and change have become specific corporate goals linked to increased profits and higher levels of performance (Palmer 2002).

### Organisational change

As people in organisations do their jobs, they learn and change how they operate in response to feedback. People learn through experimentation, through continuous improvement and by seeking information outside the organisation (Prokesch 1997; Rheem 1995). In addition, organisations which promote learning and the personal development of employees also promote continual

transformation of the enterprise. Over time, this learning and associated transformation creates changes to procedures, structures, systems and aspects of organisational culture.

## Organisational learning

Organisational learning concerns the processes used to capture and to convert tacit knowledge into explicit knowledge (Watkins & Marsick 1993). This knowledge is invaluable when shaping decisions about the strategy, structure, products and services of the organisation (Senge 1990). Much of this learning can be created through partnerships (Kale, Singh & Perlmutter 2000; Roussel 2001). The first step is content learning, or the ability of one partner to internalise the knowledge it gains from the other partner about a product or service. Second, partner-specific learning involves learning from and about the other partner. Central to this type of learning are trust and transparency. Third, firms can achieve alliance-management learning; that is, learning how to manage more effectively, now and in the future, specific alliances or a portfolio of alliances. Where the alliance involves a less experienced partner, Roussel (2001) found that the more experienced partner needs to be willing to teach, and the less experienced partner needs to be open to learning new skills.

## Organisational culture

Removing structural and cultural constraints are identified as essential steps in allowing people to experiment with new ideas and to learn. In a study of one TAFE institute, Hill (2000) found a diverse range of creative practices which were facilitating the creation of learning communities. At the same time, this report identified numerous real and perceived barriers to the development of more widespread work-based communities of practice. In line with these observations, an Australian National Training Authority (ANTA 2000) report has emphasised the need for provider organisations to develop more demand-driven cultures. These cultures have aligned their cultures, structures and roles to suit student and customer needs.

## Conditions for partnerships

The benefits of partnering and creating true learning relationships include higher levels of mutual trust, greater levels of cooperation and understanding between partners, improved communication and sharing (Gulati, Nohria & Zaheer 2000). Through knowledge sharing and collaboration, in problem-solving, networks of relationships are established and 'communities of practice' evolve (Charp 2001; Cross & Baird 2000). However, to reap the benefits these communities realised in the form of knowledge sharing, Cross and Baird (2000) emphasise that organisations need to invest a significant amount of time and energy into developing strong levels of trust within the partnership, whether this involves partners internal or external to the organisation. In today's most successful organisations, networks, teams and partnerships are replacing tightly defined tasks, control systems and rigid structures.

## Creating the right alliance

Palmer and Mullaney (2001) stress the importance of creating the right alliances initially and then making them work, the latter largely involving alliance and administrative management guidelines. To create the right alliance in the first instance, it is important to ensure a good fit between the alliance opportunity and the organisation's strategy, and identifying and evaluating the best alliance partner. These authors argue that, to manage the ongoing alliance effectively, alliance management processes must be determined early on. While partnerships are not about moving towards acquisitions and mergers, many do ultimately take that form. Interestingly, it is the cultural and strategic match between the merging partners or firms which predicts successful mergers as measured by shorter- and longer-term productivity, as well as employee and client satisfaction (Coffey, Garrow & Holbeche 2002).

Spence, Martinez and Barnes (2000) have described many of these features in their examination of the success of a work-based learning partnership between the University of Western Sydney and the Association of Children's Welfare Agencies. They found that a truly collaborative approach emerged as a result of concentrated time and effort by both partners. There was a strong sense of joint ownership in developing core subject materials and learning opportunities for both partners, and in the management of the collaborative process.

## The growth in partnerships

Partnerships are emerging in almost all sectors of business and education today. As reported by Andersen Consulting (2000), convergence is everywhere. The strategic challenge for businesses today is that competitors are also suppliers, customers and partners. Industry boundaries are dissolving, as are boundaries within organisations. Cross-business or internal alliances are expected. In this era of fewer boundaries and convergence (Slater 1999), alliances, partnerships and strategic outsourcing create new models which facilitate access to a wider range of skills, resources and market offerings.

Partnerships are increasingly being linked to the formation of industry clusters and industry parks. In his work on clusters, Porter (1998) described how clusters and partnerships co-exist. He proposed that educational institutions positioned within a cluster through various partnerships can provide specialised training, education, information, research and technical support. In turn, we know that collaboration between educational and training institutions and companies to achieve specific goals does create cross-business synergies (for example, the computing industries of Silicon Valley, the science parks of Taipei, the software factories of Bangalore, as noted by Hayward 2002). In Queensland, recent examples of cluster arrangements are those emerging between the Southbank Institute of TAFE, high schools and universities in south-east Queensland, and the recent partnership which has created the science and technology precinct operating between the university and the Commonwealth Scientific and Industrial Research Organisation (CSIRO). In addition, there is a co-evolution of the players operating within such clusters and their related partnerships. In particular, a shifting set of relationships emerges which exploits new opportunities for inter-industry synergies and which drops less successful options.

## Advantages of partnerships

There is little doubt that the number of partnerships in the VET sector will continue to increase. The ANTA national strategy for VET 1998–2003, for instance, supports the establishment of industry and institutional partnerships to enhance VET's responsiveness to industry needs. VET's response to partnering is part of a worldwide growth in the use of partnerships to build competitive advantage, to achieve greater levels of responsiveness in the delivery of services, and to build upon the learning capabilities of organisations.

At the same time, it is clear that many existing partnerships in industry today are basic demand-and-supply relationships. A key issue in the current research was to explore the drivers behind successful partnerships. Extra sources of income were expected to be a major driver. Some VET providers and their industry partners, however, anticipated that partnerships would provide an opportunity for collaborative learning, a process which enhanced the capabilities of both players.

## VET and industry partnerships—context

Finally, this study of VET industry and provider partnering needs to be placed within an historical context. As has been argued to this point, successful partnering rests on relationships which demonstrate high levels of mutual support, trust, sharing and cooperation. For the last decade and a half, however, VET providers have been mandated and audited to provide uniform responses to national competency standards, national core curriculum and, more recently, to the endorsed



components of training packages. A failure to comply led to the inability to secure registration, to offer courses, loss of funding and increased competition for the sector. The nature of VET industry-provider partnering also needs to be considered within the historical context, where the nature of the relationship between industry and providers has at times been a difficult one.

# Training partnerships

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As noted earlier, in this report training partnerships will be examined in relation to a number of influences. These are:

- ✧ environmental
- ✧ training models
- ✧ people and relationships.

## Environmental influences on partnerships

The environmental influences on the emergence and growth of partnerships include the size and location of partners, including their location in regional areas; the influence of the track record and reputation of each partner; the levels of formality within the arrangement; and cultural and organisational attitudes about partnering which affect the ability of partners to manage and develop partnerships.

### Size

There are many challenges facing providers in the successful delivery of training. Partnerships in the VET sector are being actively promoted as one method for meeting enterprises' needs for more customised training to suit their context, location and employee needs (ANTA 2000; Mitchell & Young 2001). Australian studies (for example, Moy 2000) conclude that the training needs and preferences of small businesses are not well served by recent VET reforms. More specifically, the training and assessment models are more suited to larger employers and their trainees and apprentices. Increasingly, there is evidence that larger enterprises are seeking a single provider and larger training partnerships to meet all of their needs. Also some training providers are less willing to offer training to small business owners due to the costs of organising and customising the training (Kitching & Blackburn 2002).

### Physical location

Location is another environmental factor at work. The 'provincialism' which has for so long dominated the thinking of Australian organisations is quickly disappearing, as state and other boundaries become irrelevant. However, there is still evidence from other industry sectors that collaboration often works best when the relationships are neither too close nor too distant (Mintzberg et al. 1997). In many instances, the most successful partnerships occur because of a certain degree of physical (due to distance) or psychological (due to culture) separation between the partners. On the other hand, there is evidence that the co-location of people from both partners in the same area or business makes a significant difference in improving the quality of the partnership (Finn & McCamey 2002).

### Regional factors

Training occurs in many regional locations, and access to suitable training is central to maintaining the skills base of regional economies. Moreover, changes to social and business environments are

encouraging enterprises to expect better alignment between their business, social, educational and community goals. Increasingly at a social or community level, for instance, organisations are expected to contribute towards meeting local and national needs and priorities. In a report into the role of vocational education and training in regional Australia, Falk (2000) found that the best partnerships contribute to strong regional communities and socio-economic wellbeing. Such partnerships are collaboratively and locally designed to meet local needs. Quality regional partnerships in vocational education and training assisted in bonding communities, as well as connecting them to external sources for information and support.

## Track record and reputation

Track record and reputation emerge as important ‘pull’ factors in establishing partnerships. A good reputation for producing new products and in dealing with regulatory bodies emerge as key factors in the choice of partners in biotechnology and pharmaceutical partnerships (Finn & McCamey 2002). Reputation and brand are significant attractors in many industries, especially the capacity to link with a perceived market leader with a record of success (Meister 1998; Parise & Henderson 2001). This reputation effect operates at both the level of the organisation and at the level of the key individuals who will be involved. Related to track record is the perception that high-profile partners provide access to the most appropriate resources and the right people to make sure that the partnership works.

Enterprises which seek partnerships often have a good track record established in prior partnerships. They are more likely to have entered partnerships than less experienced enterprises. Their current network of partnerships or ‘intelligence web’ also produces information about the capability, needs and reliability of potential partners (Gulati & Gargiulo 1999). In the VET sector, the positive experiences of students have promoted the reputation of a company and its products. For example, Zing Technologies, a team learning software development company in Redfern, New South Wales, has found that its work placement students have become ‘enthusiastic advocates of Zing’s products’. Teachers also have become interested in the company’s ideas, products and services and the company has benefited through word-of-mouth marketing (Enterprise and Career Education Foundation 2001).

## Levels of formality in the partnering

Partnerships operate at different levels of formality. Typical business models for managing partnerships include joint ventures, long-term licensing agreements, supply contracts, brokering arrangements, and co-branding and co-promotion. Kanter (1994) suggests at least three forms of partnerships. Mutual service involves organisations pooling resources to gain access to benefits too expensive to acquire alone. An example in the VET sector is partners pooling funds to purchase expensive equipment or advanced technology to be used by students. Next, joint ventures enable partners to pursue an opportunity which requires their joint capabilities. The delivery of training programs across states through a consortium of providers is an example of this. Thirdly, Kanter lists value-chain partnerships. Here the partners with different but complementary skills link their capabilities to create enhanced value for the customer. In the VET sector, the on-the-job and off-the-job training arrangement for trainees and apprentices is one example of such value-chain partnering.

The literature review identified a number of VET reports relating to the types of partnerships and levels of formality. The National Centre for Vocational Education Research’s (NCVER) VOCED and related databases list the more detailed reports on such partnering. Bentley (2000) has described the successful tailored training which occurred in the partnerships between Western Sydney Institute of TAFE and industries involved in the Sydney 2000 Olympic Games. Lawson (1999) reported upon training programs delivered by an Australian TAFE college in Malaysia in partnership with an international hotel management company. In addition, Trood (2002) has described three examples of VET partnerships with cooperative research centres (CRCs)—the

Cooperative Research Centre for Renewable Energy, the Cooperative Research Centre for Viticulture, and the Australian Photonics Cooperative Research Centre.

## The growth of partnerships

Partnerships change over time. According to Roussel (2001), partnerships pass through a series of 'transition points'. These are: selecting the appropriate alliance partner; negotiating how the relationship is to operate; establishing decision-making roles and responsibilities; managing conflict and crises; and exiting the partnership. Similarly, Coursey (2000) points to the importance of adopting an interactive and developmental approach to the growth of the provider–industry partnership.

In a review of school–industry links and partnerships in the Australian VET sector, Melville and Hawke (2002) highlighted how many training partnerships arise from multiple sources, including a school or a cluster of schools, an industry sector, an enterprise or a community or region. These partnerships enhanced the work-related learning of the students, assisted in the economic development of the industry or region, and produced a variety of other benefits to both partners.

Melville and Hawke (2002) found that many school–industry partnerships developed over time with goodwill, and once various outcomes began to be achieved. Nevertheless, there was evidence that some employers were reluctant to drive the growth of many school–industry partnerships. Employers felt that demands upon their administrative systems, time and resources were too high and not particularly cost-effective. Melville and Hawke observe that, in these cases, the training partnerships were neither deep nor focused upon real cultural change.

Significantly, effective partnerships in most industries have the right fit culturally and structurally, and are well managed. Successful partnerships have clear joint objectives and sustained effort with a strong and shared vision between partner cultures about learning. As a result, there are consistent efforts to make explicit the learning from the partnership, to measure and review what is learned, and to get employees involved as the key promoters of the learning process (Palmer 2002). Smith (2000), however, reports that although there is a significant amount of collaboration in educational settings in Australia, there are many difficulties. Key challenges include defining a shared vision, managing imbalances in power relationships, and negotiating through the organisational structures and procedures of the other partner. He concludes that a sense of shared identity and core values about its purpose are major factors in successful partnering.

Roussel (2001) asserts that alliance partners should be aligned with regard to their business goals, capabilities, organisational culture and alliance skills. As these issues change, so can the nature of the partnership. On occasions, a perceived clash of cultures operates against partners developing the relationship to its full potential. Trood (2002), for example, notes that cooperative research centres have, in the past, tended to overlook vocational education and training as an alliance partner. According to Trood's (2002) research, cooperative research centres were unaware their work may have implications for vocational education and training or that the VET sector could contribute to their work by assisting with the transfer of technology into the industry, by providing training to target audiences, or by contributing commercial and business skills.

## The training model

In the development of training partnerships, training model issues include a wide range of financial and non-financial drivers for the provision of the training, considerations about the flexibility, customisation and administration of the training partnership, and perceptions about the likely return on investment in training.

## Drivers for training

The drivers for training are becoming broader than just economic outcomes. There is a re-conceptualisation of adult learning beyond the narrow definition of training which focuses primarily on the skills which individuals need for employment, to a broader perspective involving organisational and individual development as a 'single process of relationships' (Bryans & Smith 2002).

Adding to this change of focus is evidence that:

- ✧ The needs of enterprises for formal training vary greatly in content, location and levels.
- ✧ Enterprises normally prefer formal training to be customised to suit their context.
- ✧ Enterprises often prefer training delivered on the job using a variety of methods.
- ✧ Enterprises will sometimes seek a single provider to meet all of their needs, even if such arrangements are cross-regional, cross-institutional etc. (see ANTA 2000; Callan 2001; Mitchell & Young 2001).

The VET industry is currently operating, and in the worst cases, struggling in this increasingly competitive marketplace (Mitchell & Young 2001). This marketplace requires niche training markets, enterprise-specific customised training, and non-award vocational courses. Also, in developing more flexible and customised training, VET institutions need staff with a stronger focus on customer service, better marketing and entrepreneurial skills, as well as staff who are skilled in industry collaboration and project management (see Callan 2001; Mitchell & Young 2001). The best alliance developers, according to Palmer (2002), have skilled staff who adopt a flexible, fluid approach, defining the learning goals clearly, but also broadly.

## Flexible training

Training is integral to maintaining innovation and continuous improvement. Worldwide, the increasingly important features in training are its general flexibility, openness to experimentation, and flexibility in staffing (Meister 1998). Overall, flexibility in the relationship and within the training model (that is, ability to customise, delivery modes) is ranked as the most important criterion for success (Meister 1998).

Flexibility of training delivery is a key concern in industry partnering in the new technologies in Australia. Trood (2002) asserts that a 'one size fits all' approach to partnerships is not appropriate for the 'emergent' nature of new technologies. Flexibility, negotiation of time and resources, awareness of risk potential, careful planning and a long-term perspective are all important considerations.

A KPMG study (2000) found that, in successful Australian training partnerships between industry and training organisations, the partners had carefully managed the location, timing and nature of training. Industry benefited by gaining tailored training at the right price. VET providers benefited by having certainty in their training markets and the potential for growth. Of these KPMG case studies, Brisbane Institute of TAFE developed a business unit to search for new business in apprentice and trainee training, and, because of its willingness to partner and customise its training, was successful in attracting new clients. INCAT, the catamaran ferry builder in Tasmania, negotiated with TAFE Tasmania to establish significant changes to its off-the-job training. This included the establishment of a skills centre at the INCAT site. Tasmania TAFE restructured the training of INCAT staff, and removed about half of the curriculum which was deemed irrelevant to INCAT's business needs. A further instance is provided by Russco, a body repair shop in Townsville, in a partnership with the Barrier Reef Institute of TAFE. This firm was able to offer automotive trade apprenticeship training in Far North Queensland without the need to send apprentices to Brisbane on block release. In each of these cases, the industry-provider partnership led to training which changed the level of training, produced training more focused upon industry needs, and appeared to have been financially advantageous to both partners.

## Return on investment

Return on investment and the performance of training partnerships have emerged as major issues in the VET sector. As Smith (2001) notes, considerable value-adding is realised through training to produce a greater ability to adopt new technology, and employees being able to use new skills across different roles. Case studies in the VET sector have found that return on investment is high, with the principal return for the individual being increased wages in the order of 7–10% for workers who receive employer-sponsored training.

The profitability of Australian and other firms is directly related to the quality and quantity of their training (Blandy, Dockery & Webster 2001). Some firms experience returns of up to 5000% on their expenditures over time (Doucouliagos & Sgro 2001). Also noted is the importance of recognising not only the financial returns to be gained from training, but also those returns which more broadly represent benefits to customers and the wider community (Moy 2001).

However, skills depreciate over time. In industries where there is a high rate of change, the skills gained through training can become obsolete more quickly. As Maglen and Hopkins (2001) assert, the returns from training cannot be fully realised unless training supports other initiatives within the firm. Among these supports are the role of senior leadership in promoting training, and organisational cultures which promote learning, change and staff development.

## People issues

There is substantial evidence that managers in Australia (Karpin 1995) and elsewhere (Kanter, Stein & Jick 1992) view organisations as coalitions of interests and networks of activities. These networks grow by adopting partnering. Coalitions and alliances allow new projects beyond the capacities of single organisations. Moreover, a surprising number of inter-organisational partnerships arise informally and often as a result of the actions of middle managers searching for solutions to problems or to gain access to new resources (Mintzberg et al. 1997).

## The people skills of managers and teachers

The key issues which shape the initial and continuing success of partnerships are the people or social skills of individuals in the partnering organisations. This extensive list of skills includes communication skills, relationship management skills, as well as a mindset among managers which sees the future success of their enterprises being linked to their ability to build solid and high-performing partnerships.

Groves' (2000) discussion of the skills needed by TAFE teachers to build partnerships and collaborative relationships with the industry has highlighted the significance of people and relationship management skills. As a large number of writers now agree, central to effective partnerships is the ability to mobilise and manage people, to allocate the right financial resources, and to bring ideas and projects to fruition (see also Kurato & Hodgetts 2001; Allen 1999).

There is a considerable literature which describes the various people skills required to make partnerships work. As Kanter (1999) notes, 'the tricky step for managers is how to dance with dissimilar partners without stepping on any toes' (p.20). Partnering requires interpersonal and organisational social sensitivity. In managing difference and diversity, she suggests that a high level of self-awareness is required which involves sharing information, keeping the partners' interests in mind, and respecting differences in people and organisational cultures.

People skills are also viewed as more important than certain environmental factors in making partnerships succeed. While environmental factors like those outlined earlier are important (such as location, size, reputation), Porter (1998) for example, asserts that environmental drivers are not enough. To succeed, organisations need to develop personal relationships, have face-to-face contact,

a shared interest, and develop long-term relationships with local institutions such as research groups and training providers.

## Skill deficits

Unfortunately, as Mintzberg and his colleagues (1997) conclude: ‘collaborations are complicated relationships that can be nuanced, intense, glorious, illicit, imbalanced, unrecognized, unrecognizable, titillating and tiresome’. In addition, various reviews of Australian businesses (Carter, Nicholson & Barlow 1995; Parry 1996; Ellyard 1998) report that, for the modern senior executive, a required skill is the ability to manage relationships with customers, suppliers, partners, investors and colleagues. Moreover, as Karpin (1995) noted, Australian managers place at the top of their perceived weaknesses, their short-term view, their lack of a strategic vision and an inability to build strategic partnerships which work. This issue is a critical failing especially in Australian small-to-medium sized enterprises (Wawn & Green 1995).

The best partnering occurs when people are highly skilled, committed and empowered individuals. They are skilled in developing multi-level, cross-functional relationships focused on continuous improvement which benefits the customers and the partners (Lendrum 1998). In the Australian VET sector, Callan (2001) found that establishing partnerships placed considerable pressure upon the strategic and entrepreneurial skills of VET senior managers and their teams. He found that much was being asked of the educational entrepreneur, and that many felt they were falling short in their performance. VET managers believe that, as a result of partnering opportunities, they need enhanced entrepreneurship and partnering skills. These skills included an ability to recognise business opportunities, and a desire to manage appropriate risk-taking activities to ensure such opportunities reach their full potential. A KPMG (2000) report concluded that VET providers in Australian partnerships have to raise their level of professional development activities for their staff. Staff needed to become more expert in marketing, negotiation skills, training needs analysis, employer liaison activities, and legal and contractual arrangements.

# A partnership model for VET

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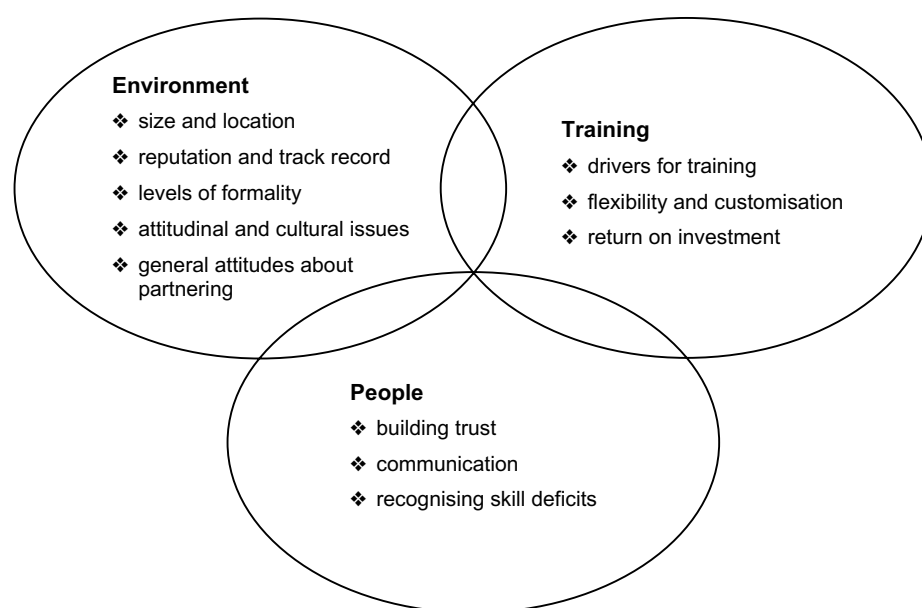
The literature reviewed has demonstrated that there are clearly a wide range of factors which influence the development and maintenance of partnerships in vocational education and training and other industry sectors. When the key variables are assembled, an interesting mix of situational, organisational, cultural and people factors is presented.

Figure 1 presents the framework which guides the current research. In this framework, it is proposed that three sets of overlapping factors operate in determining the success of training partnerships.

The *environment* sets the boundaries within which VET industry–provider partnerships operate. Factors operating here include the features of the training environment (for example, size, location, reputation, levels of formality of the partnership). The second component of the framework is the *training model*. As the earlier review highlighted, partnerships involve meeting customer needs for flexibility, targeted training and value for money. To make sure the training occurs when and where it should, financial and administrative supports are established.

Finally, success will not come unless the right *people* with appropriate skills are involved. Thus, it is proposed that people issues comprise a third key element which shapes the development of successful VET industry–provider partnerships. Together the combination of these elements shapes perceptions of the performance of the VET industry–provider training partnership.

**Figure 1: Partnerships—the optimum environment, training and people mix**





## Research questions

The current project investigated the following research questions under the three headings of the partnership framework.

### Environmental issues

What are the general environmental factors impacting upon the creation of the partnership and the willingness to partner? What types of partnerships have emerged? How do these factors vary according to the size and location of the industry and VET partner? How are reputational effects operating? What are the attitudinal and organisational cultural issues at work?

### Training model

What are the key drivers for training? What is the nature of the training model being used? In turn, to what extent do training models vary in their levels of flexibility, customisation, administrative arrangements, and the formality of the training relationship? What is the perceived return on investment for the industry partner?

### People issues

What are the people skills being required by VET providers, in particular, to build and maintain these partnerships? What are the skills deficits being reported?

# Respondents to the survey

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## Confidentiality

The vast majority of respondents contacted were keen to be involved in the study, but were concerned about the confidentiality of the information that they were being asked to provide. Because much of the information was about one or more large commercial industry partnerships, many in the telephone interviews and surveys did not want the information provided by them being linked specifically to their partnership or organisation. Some providers remarked that they did not want to be seen to be talking 'out of school' and perhaps inappropriately sharing commercial confidences. This was also true for many of the industry partners.

Due to those concerns we have not attributed specific examples or comments to named providers or employers; rather, we have used more generic titles to describe the nature of the training and the industry. At the same time, a full list of those participating in the research is provided (see appendix C), but which organisations make up the 'pair' is not disclosed.

In locating respondents for both the survey and interviews, the researchers found that, in most cases, a core group of people in the institution actually had responsibility for managing these larger more commercial training partnerships. The number of people managing formal partnerships of some size and significance was not particularly large, even in larger institutions. In addition, many of these individuals managed multiple partnerships.

In almost all of the telephone interviews, the pairs tended to give almost identical responses to the questions asked. Almost all of the partnerships being discussed were long-term and successful ones. A key characteristic of all of these was open and regular communication between partners. As a result, pairs tended to know generally what the other partner thought about the partnership, and recognised the common issues they were attempting to solve.

Very few major differences emerged between providers and industry partners in talking about these successful and ongoing partnerships.

## Characteristics of respondents

### Respondents to the survey

Appendix D presents a list of tables which summarise the major characteristics of the 102 respondents who completed the electronic survey.

#### *Leaders of the partnerships*

As can be seen, the majority of respondents were senior managers, heads of school, teachers and business development managers/partnership development managers (see Q1 table, appendix D). In the 'other' category comprising about 18% of respondents, titles provided by respondents include apprentice allocations officer, associate director, consultant or industry consultant, coordinator workplace projects, director academic development, educational manager, manager education and training, manager quality systems, program manager, and projects director (educational development).

### *Their role in the partnership*

About a third of respondents identified themselves as the person who established and who continued to manage the partnership (see Q2 table, appendix D). A quarter of respondents identified themselves as persons who were reported to by those who managed major partnership activities. Other respondents set up (14%) or managed (16%) the partnerships.

### *The type of provider*

Respondents were predominantly from TAFE institutions, 12% were from universities, and 4% were private providers (see Q3 table, appendix D). Some 66% of respondents were based in metropolitan public provider institutions, and the next largest category of respondents (22%) was in regional public provider institutions (Q4 table, appendix D). All states and territories were represented. The largest percentages of respondents were from Victoria, Queensland and New South Wales (Q5 table, appendix D).

### *Location of the training*

Some 86% of respondents reported that these larger training partnerships were in their local area (Q6 table, appendix A). However, 63% also mentioned involvement in a training partnership which was located in other areas of their home state. About a quarter also listed that they were involved in training partnerships in other states or overseas.

### *Training niche or specialisation*

Asked to nominate those areas where respondents felt their institution had gained a special reputation (Q9 table, appendix D), they listed Aboriginal and Torres Strait Islander studies, automotive smash repairs, broadly based graphic technology training, printing/graphic arts, business, aviation, information technology, logistics, fashion design and production, clothing manufacture, computer technology, telecommunications and forest industries. Other areas nominated were wine and food technology, engineering training for the mining industry, aquaculture, viticulture, equine studies, call centres, hospitality, food and beverage, health and community services, horticulture, turf management, para-dental education, transport and distribution, and workplace and English language and literacy.

## Interview respondents

In the interviews, the spread of the 52 training providers included 11 from South Australia, 12 from New South Wales, 7 from Victoria, 6 from Queensland, 7 from Western Australia, 5 from Tasmania, and 2 from both the Northern Territory and the Australian Capital Territory.

Of the 52 providers interviewed, four represented private training providers and the rest belonged to public institutions. Some of the industry partners were also registered training providers.

The industries represented in the interviews included the wine industry, refineries, agricultural machinery, transport, telecommunications, laundry and dry-cleaning, abattoirs, boat manufacture, bakery, paper and pulp milling, flour mills, new technologies, employment, defence, car manufacturing, forestry, hotels, food and beverage, sport, not-for-profits, mining, information technology, power generation, consulting, a casino, shire and city councils, health services and other government organisations.

Appendix C lists the providers and employers who were interviewed for this study.

# Environmental issues—findings

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## Types of partnership

*Partnerships were mutually beneficial business relationships which enhanced the skills and performance of people and their communities.*

In the survey questionnaire, providers were asked to describe what they understood by the term ‘partnership’. Specifically, they were asked: What do you understand by the term VET industry–provider partnerships? Think about the range and type of partnerships which you are involved with. What are they essentially about? (for example, a formal or informal training relationship, in one or several locations, about making money now or realistically in the longer term, less about money and more about other outcomes, specific outcomes are expected and so on).

There was strong agreement among the providers in their descriptions of partnerships, with the following comments offering examples of this accord:

- ✧ We need a business partnership whereby we provide training and education services to organisations/ industry groups on a financially viable basis.
- ✧ Partnerships involve a range of arrangements from preferred provider status, memoranda of agreements, project by project contracts, programs we put together and market to industry, and training needs expressed to us by industry clients and professional associations. We aim to meet the needs of industry first, give the needed training, offer gap training, offer business and personal development to achieve goals. We always try to ensure financial viability.
- ✧ We all look for a true partnership where there are lots of two-way benefits. We should be about making money at least in the longer term, and providing a range of quality services.
- ✧ Partnerships should result in a variety of outcomes including short- and long-term relationship building for long-term financial gain or for creating a community profile.
- ✧ The expectation is that every teacher should be able to form these relationships. The more challenging partnerships are the ongoing and formal partnerships where each party has considerable financial investment. The outcomes of the partnership have to be both profitable and enhancing for each partner’s reputation in their spheres of influence.
- ✧ Partnerships involve a range of activities—not just training—that are established to the mutual agreement and benefit of all parties.
- ✧ As a training provider, it is about working with industry stakeholders and other training providers to develop relationships which will direct their efforts towards the improvement of skills, performance and quality for the benefit of the industry and the community at large. Partnership arrangements tend largely to focus on meeting the needs of a client. These arrangements are formed to extend the coverage of these needs where an organisation’s coverage may not exist or may not be to the standards required. The basis of the partnership is largely dependent on the type of work involved, degree of risk, resource base required, statutory reporting requirements, partner’s status (government, non-government) and the location. In most instances, joint ventures are required, and then a formal agreement is required. Where the economic outcomes are independent, then verbal arrangements exist. Most of the relationships are project-specific and even though these may exist for a substantial duration, the requirements of our government status mean that we need to operate through the competitive processes to show impartiality.

*There is tremendous variety in the training partnerships which are currently operating.*

Providers in the survey were also asked to describe the characteristics of a partnership they were currently most involved in. The partnerships described included:

- ✧ assessing current aged care workers about their knowledge and skills against the units of competency of the Community Services Training Package, identifying gaps and providing training to bring participants up to standard for the defined qualification
- ✧ training for postal workers
- ✧ developing a working farm and research facility within an existing mixed fruit orchard. Potential markets have been established through a major retailer and other minor outlets locally
- ✧ community capacity building and innovative flexible delivery
- ✧ delivery of assessment and workplace training to a large organisation in preparation for the implementation of a new training package
- ✧ delivery of workplace-based training in the food processing industry through a strong partnership over eight to nine years
- ✧ updating industry about new technology through a third party
- ✧ establishing a facility for heavy duty automotive training
- ✧ technology transfer, where parties become aware of a high-tech company's products, evaluate them and, if appropriate, arrange introductions to the relevant people
- ✧ training of hospitality trainees on the job, online and in the institute
- ✧ improving the educational development of employees within the industry enterprise while at the same time providing opportunities for staff to gain access to vital high-tech equipment
- ✧ providing a telecommunications firm with a training arm which can satisfy their current and future training requirements in an ageing workforce
- ✧ partnerships with several hospitals to secure field placements for nursing students with a view to employment after training
- ✧ providing business start-up training for the unemployed, training and education to a major cohort of entry-level trainees for a Commonwealth department, family day care workers, training to a range of small businesses, training up to management level for English as a second language and non-English speaking background clients, integrated training to a major hotel/resort establishment
- ✧ research into the training needs of overseas students
- ✧ technical skills development to improve operator skills to increase production and reduce manufacturing costs.

*Partnerships were evenly spread across mutual service arrangement, joint ventures and extending value chains.*

The survey findings revealed that the partnerships were spread evenly across three types: mutual service partnerships where resources were pooled to gain access to equipment or resources which aided training (31%); joint ventures where they pursued a training opportunity together by combining capabilities (27%); and value-chain partnerships where they worked together to develop a training model to create enhanced training benefits for learners (31%).

About 15% of respondents reported 'other partnerships', and an examination of these responses revealed what they described as ad hoc partnerships, consultancy work completed on an ad hoc basis, and partnering, but only when each partner saw a benefit.

### *Providers wanted to be involved in more joint ventures.*

When asked in the survey what types of partnership the provider would like to develop further, joint ventures were mentioned more frequently than any other type of partnership. Providers believed that more joint ventures would allow them to demonstrate more effectively their ability to work with a variety of partners in a commercial environment.

They felt that such arrangements more adequately reflected the realities of the business environment in which they wished to operate. Furthermore, such alliances were seen to allow institutions a greater opportunity to expand their experience base rather than be tied to it. In many instances they cited a preference for joint ventures where the provider undertook the generic business skills development and the industry partner delivered training in industry-specific competencies.

Providers were also interested in developing joint ventures with organisations which had more difficulty in accessing formal training (for example, having clients with a disability from low socio-economic or disadvantaged backgrounds who were not catered for or unable to afford formal training).

In other cases, mutual partnerships were mentioned as a choice in situations where there was a genuine sense of perceived inequality. As one respondent declared: 'With reduced funds, obviously the mutual service partnerships would be wonderful, as many of our clients have restricted and limited funds. What we can do though, is utilise their knowledge and industry relationships to enhance opportunities for both the industry and our TAFE college'.

The interviews indicated that most of the partnerships tended to be a two-way arrangement between the training provider and the industry partner. However, there were examples of three-way partnerships—between a government institution, a private provider and the industry partner. There was also a consortium of eight organisations, both private and public, forming an alliance to tender and deliver training both locally and overseas; and other partnerships between an institute and an industry reference group which comprised several industry partners.

## Location of the partnerships

### *The majority of the training partnerships were in the local area or state.*

Survey findings revealed that partnerships were mostly based in the local region, followed by other parts of the state (see appendix C). About a quarter of respondents mentioned the existence of partnerships in other Australian states, and in overseas countries. In the survey, overseas partnerships more frequently listed China, Singapore, Malaysia and Indonesia as the locations of the industry partner, followed by New Zealand, Fiji, Denmark, Indonesia, United States, India, Samoa, Hong Kong, Kuwait, Saudi Arabia, Papua New Guinea, and Vietnam.

The interviews demonstrated that generally the industry partner was located in the same state and in geographic proximity to the training partner. Of the partnerships discussed in the interviews, four involved delivery at overseas locations including New Zealand, Singapore, Samoa, Tonga and Vietnam; three involved delivery of training in all states and territories; two others delivered across five different states or territories; one partnership involved delivery in four states; three partnerships delivered across three states; seven across two; and the remaining thirty-two operated only in the state in which they were situated.

The number of locations where training occurred varied greatly across the partnerships. In some cases the spread of the training delivery was so large and varied that respondents said that it was difficult to quantify—it was described as 'at various sites all over the country'. Thirteen of the partnerships delivered only into one location and most often this location was the industry site. One partnership involved some 200 locations for training delivery for a large government organisation and 85 locations across Australia for onsite training delivery to a dealer network.

*The provider and industry partner were geographically close to each other.*

Geographic proximity to the industry was important. The benefits in having the provider close to the workplace meant that they were easily accessible, could deliver on site, and could attend meetings on site. For example, in a small regional town the provider was situated less than half a kilometre from the industry. Being so close had resulted in a healthy and active partnership which had carried across to shared sporting activities on weekends. This type of relationship was common in other small regional centres where mining, forestry, and paper production companies actively sought a local provider because of beneficial flow-on effects into the local community.

*Often industry chooses a local provider to demonstrate their commitment to the local community.*

Industries which provided employment in remote or regional locations explained that they wanted to demonstrate their commitment to the area by choosing their preferred supplier from within the region. They could have engaged a training provider based in the capital city, but they felt that, by engaging a local provider, it sent a strong message to employees. This arrangement indicated their longer-term commitment to the region and, as one employer explained, there are both 'social and community issues' attached to their choices about training providers for their firm.

Some industry organisations had turned to local providers because of a lack of satisfaction with the performance of larger metropolitan training providers. The catalyst for one new partnership evolved from a level of dissatisfaction with a large metropolitan provider and the quality and inflexibility of the training in meeting specific industry needs. As one employer described his situation: 'We were not happy with our former RTO so we changed to our local RTO which was keener to participate in an active partnership and allow us to do some of the training. The previous group were only seen as a service provider, and came down and delivered courses without giving anything else'.

## Gross revenue

*Most of the training partnerships are generating less than \$200 000 gross annually.*

Respondents to the survey provided information about the annual gross revenue derived from the various partnerships they were aware of as being managed from their institution (see Q13 table, appendix D). The majority of respondents were aware of at least one partnership in their training organisation generating up to \$200 000 gross annually. However, only 20% were aware of a partnership generating more than \$1 million gross annually. Respondents were more aware of numerous smaller partnerships in their training organisations, with a third of respondents aware of five or more training partnerships valued at under \$50 000 gross annually.

In the interviews, the financial value of the partnerships was often difficult for both or either party to identify. About a fifth of those interviewed did not wish to disclose the amount of revenue, either due to the confidentiality of the figure, or because it was very difficult to calculate. As with the survey, the majority of partnerships were valued at less than \$200 000 gross annually. However, the largest partnership was estimated to be approximately \$8 million, alongside 11 others estimated to be over \$1 million.

## Track record and reputation

*The larger training partnerships have raised the standing of the providers in the training community.*

Many of the providers discussed the kudos they received in the training marketplace from being associated with certain large and much admired industry players. Examples of these included the

provision of training for large public sector government agencies and large multinational and national companies. It was felt that these training relationships generally:

- ✧ raised the profile of the institution
- ✧ increased their reputation in specific niche training markets
- ✧ helped providers to compete on a larger scale and to tender for more business nationally and internationally
- ✧ had led to structural and cultural changes which allowed providers to become more competitive, especially in developing new partnerships in other Australian states, particularly in paper production, transport and logistics, manufacturing, abattoirs, mining, wine, and food and hospitality industries.

### *The partnership had challenged the stereotype about the provider's inflexibility.*

Several providers felt that working in successful partnerships had helped to change industry's perceptions of them and, in turn, had opened up opportunities in other industries.

- ✧ *Case 1:* Providers working with a large car manufacturer felt that industry's perception of TAFE had been one of inflexibility. Since they had developed the successful partnership, the car industry had reconsidered its view of TAFE and more partnerships with other industry players were emerging.
- ✧ *Case 2:* A high-profile partnership which involved the provision of training to sports people had led to an association with the sporting organisation's network of corporate partners. This association has provided an entrée into a 'very tight networking club' of over 100 corporate organisations and prospective clients.

### *The partnership had led to other deals.*

The potential spin-offs for many providers involved the transition into other larger projects which might contribute further revenue to the training organisation. Spin-offs from winning high-profile training included bids for other work nationally and also internationally, as well as increasingly larger jobs. Overall, the reputation gained from delivering often high-profile training had increased their training operations. As providers explained:

- ✧ Our training success at this mining company has seen it become a role model in training and a leader to other businesses in this region. We have grown with the growth of the mining company.
- ✧ Our successful relationship has followed on to other partnerships in nursing homes and health services. Everyone knows everyone else.
- ✧ This success has increased our marketability to other industries, and made our staff available for international projects; for example, a power project in the Pacific.
- ✧ Now that we have set up this partnership, we find that we are now looking at other pathways where we can replicate the partnership. We find others are coming to visit to see what we are doing as they have heard about our success.

## The development of partnerships

### *Most partnerships occurred in response to an articulated industry need or from the providers' marketing efforts.*

In the structured survey, VET providers explained that the most recent training partnership with industry had resulted from an industry need or through marketing efforts by the provider.



In more detail, this included:

- ✧ approaches by the industry or employer groups which had identified, for instance: a skills shortage, such as a lack of apprentice numbers in an industry; a need for information technology training in remote areas; concerns that students and apprentices had to travel to the city to undertake training via block release; persons of non-English speaking background being unable to access training due to their commitments during the day; accreditation requirements which necessitated a training partner; a manager of a hotel being committed to training and development of staff to ensure the organisation maintained its reputation as a leading food and beverage service provider; an enterprise undertaking major organisational change approaching the provider to find a way to improve their enterprise training so that it reflected its new workplace culture
- ✧ efforts made solely by the provider (usually an industry consultant, business development unit or industry consultancy unit manager) which included following up word-of-mouth contacts, industry networking, a referral given to them by another client, 'cold-calling' on the industry, or as a result of winning an award for training.

*Many partnerships were broadly scoped and set around a 1–3-year timeframe.*

In the interviews, many partnerships were seen as ongoing relationships which often involved more than direct delivery of training. The partnership was broadly scoped, and always open for review and possible extension if other training or more general needs arose. As a result, the partnership had no defined end date. Of these ongoing relationships, some were being regularly reviewed and others were reviewed over a five-year cycle.

However, many partnerships ranged in length from one to three years, with many having defined end points but with options for renewal if funding was available. In these partnerships tenure was based on continued government or other industry funding and the partnership would not continue if certain funds were cut. Three of these types of partnerships had associations and links going back as far as the late 1980s, 11 of the partnerships had been formed in 2002, eight in 2001, six in 2000, five in 1999, four in 1997, six in 1996, two in 1995 and one in 1994.

As indicated earlier, the interviews revealed that some partnerships were long-term associations originating as far back as the 1980s. Small training arrangements had grown over time into larger partnerships and were now operating at a high strategic level due to the substantial levels of trust which had built up over time. Examples included:

- ✧ *Case 1:* One partnership between a public provider and a large public sector organisation had run for over 14 years. The industry partner reported that their long-term training partner 'knows us pretty well', and 'they get the job done for us'. In this case the trainers were seen by industry to have gone out of their way to familiarise themselves with the working environment of the business. They attended company meetings to learn about the operating systems of the business, worked alongside business employees on site or joined a group from the company travelling overseas to research new technology.
- ✧ *Case 2:* An eight-year partnership began with the delivery of a traineeship program. It had continued and developed over time into a partnership where the partners worked together to recruit staff, co-writing job advertisements and conducting joint interviews. Over time they established a very flexible relationship where both parties had a very clear understanding of how the other operated. Both the provider and the industry partner talked about the need to create an enduring bond which meant, as one described: 'rolling with the storm, keeping in touch, being flexible and totally honest'. In the eight-year partnership, both respondents classified the relationship as very close.
- ✧ *Case 3:* Another partnership had evolved over time, commencing with the successful training of one individual. This non-profit partnership involved an immigrant community network, a not-for-profit training provider and a community centre using shared facilities to deliver the training. The centre provides free space, sewing machines, servicing of the machines, tea and coffee, as well as child-minding facilities for the women when they attend the classes. The

training provider supplies staff and specialist services in education, employment opportunities, business development and other niche courses which have allowed many of the participants to develop their own business plans and which are now being implemented.

- ✧ *Case 4:* Another particular partnership eventuated from a long-standing relationship where the provider worked half a day a week with an industry training advisory board in the area of dry cleaning and laundry. The provider sought funding to try to develop an analysis of industry needs and was successful. Consequently, the training provider was able to attract funding for training. It was described as a very active partnership where the industry association is seen to be very willing to talk and share information about their training needs.

Other very long-term partners described the seamless nature of the partnership as the size of the partnership grew over time. This level of blending was identified in close successful long-term associations. In some instances, business employees were trained as trainers and assessors, and became part-time trainers themselves. With large businesses, a lecturer or training manager from the training provider was sometimes permanently stationed on site to analyse the business's needs and to develop and coordinate training.

*Training coordinators are used to manage the day-to-day problems which arise in running the training partnership.*

Industries which used on-site training coordinators in some form included paper production, forestry, food production, aquaculture, flour production, manufacturing and transport. One of the big advantages of using a coordinator was that it ensured a specific point of contact for both the industry and the provider, as well as helping to overcome cultural difficulties and everyday problems which could arise from both ends.

One TAFE providing training services in a prison had a resident training delivery and assessment coordinator who had been nominated for a training award for, among other things, bridging the gap to the prison's culture. In the electricity industry, the resident training partner manager was seen as an important link. As explained by the industry respondent: 'Electricity is a very strong culture, it can reject someone who doesn't appear to understand it. The training partner has won that level of respect and credibility'.

*Personal relationships are often the initial source of the partnership.*

In the interviews, respondents described how the training partnership had emerged through a contact in the industry or a personal friend or colleague from a previous role. Often the industry partner and provider had been working together on other issues prior to the formation of the partnership. In some cases, employees had moved from the training provider into the business, or from the business into the training provider, providing the link. In other cases, the same people in both organisations had a long experience of working with each other and this engendered confidence in the relationship.

As an industry partner declared: 'At the end of the day it's people—people you're dealing with, and knowing which people is the key. We have been dealing with them for a number of years so we know each other and have developed a relationship of trust. We are happy with the service they provide, the quality of their courses and their fee structure'. On the other hand, one industry manager identified the central role of a highly successful TAFE employee as a potential weakness: 'I have some concern about their succession planning, because the individual is so important here and I don't think they've looked at who will replace her. If she goes, the whole relationship could change for the worse'.

## Levels of formality

### *Partners want formal agreements.*

In the interviews, more details emerged about the tools used to formalise the nature of the training partnership. A wide cross-section of industries had used formal memoranda of understanding (MOUs) for their partnership agreements, often because government regulations prevented them from entering into a formal contract. Some of these memoranda of understanding included financial arrangements, which ensured that the industry was compensated for any training they conducted (for example, as were the cases mentioned with the boat building industry, meat industry, and oil refinery).

As one teacher explained:

Our partnership is a true partnership because the industry wanted to share the training so we have worked with them to help them to employ teachers who will meet our standards. We have agreed to give them a percentage of the funding for the parts they deliver. Our teachers still sign off on all of the results and moderate any assignments and exams. We have entered into a memoranda of understanding where we have also set up a financial agreement regarding the payment for delivery of training by the industry partner.

In this case, a very active partnership had used a memoranda of understanding, which the respondents described as a living document describing how each partner had input into the training.

An unincorporated joint venture was used to formalise the agreement between one training provider and a transport industry. The company operated training centres in other countries throughout the world, but due to the smaller population in Australia decided upon a training partnership. The company approached the provider to investigate various possibilities about the delivery of training and this led to an unincorporated joint venture. This development had resulted in the establishment of another training business which was quickly becoming an industry specialist in the area and was enabling both partners to tender for other work internationally.

Several industry partners who were interviewed were registered training organisations in their own right and played a significant role in providing training. For example, a major machinery firm delivered their technical training to their dealers. There were a range of reasons for this decision, including the dynamic nature of the technology which altered almost every two years and the cost of the equipment (valued at \$200 000), making it impractical to outsource the training. Also, by training in house they had continued to develop the capability of their technical staff.

In more volatile industries (in terms of funding) such as sport, the arts and new technologies, letters of agreement were often used in partnerships as it was felt they did not inhibit the structure of the partnership, allowing both parties to continually develop the partnership.

- ✧ *Case 1:* One provider had a letter of agreement with a sporting body which enabled access to the networks of their corporate sponsors. As the preferred trainer for the sporting body, this further benefited the provider by enabling access to a wide range of other industry partnering opportunities.
- ✧ *Case 2:* The partners regularly sent letters of agreement to each other with a list of emerging opportunities. They would reply accepting the list or seeking other points of view on a number of additional items. Both the industry partner and provider felt this approach allowed a very flexible arrangement not tied down by a formal partnership agreement which might have restricted the growth of the partnership.

### *Government partners are adhering to the requirements of a formal procurement process.*

Another factor in making partnerships more formal were requirements that the training provider and industry progress through a fair and appropriate procurement process. This issue was

particularly true for partnerships with large government organisations. It was judged to be impossible to work for major government agencies without being willing to go through a formal process even if the provider had a pre-existing relationship. In another case, the industry partner and a number of public providers had a deed of agreement with an expiration date. The deed did not guarantee that the public provider would complete any training locally or nationally, but it did mean that they had been through the procurement process. Over time, the industry partner had moved on one of these agreements to access a provider to deliver national frontline management training to team leaders in call centres.

*Providers found that ad hoc training partnerships were among their least satisfying partnerships.*

A small number of the industry–provider partnerships had no established formal agreement, but the institution worked as a service provider to meet ad hoc specific needs of an industry partner as they emerged. Many of these relationships were highly successful. However, other partners interviewed explained how some of these service relationships never reached the level of a true partnership. There was no tailoring of training to meet specific industry needs. The training was random and reactionary. Providers delivered a number of short courses to various groups of employees, workplace trainers and assessors, computing courses, or were involved in full-time industry placements.

Overall, providers were least satisfied with these types of partnerships. The training was typically short-term. It was regarded by providers as a quick-fix approach to deeper cultural and structural issues which would be resolved more successfully if the industry partner became committed to a more comprehensive program of training and staff development.

*Providers are seeking out brokering arrangements.*

A few providers had acted as brokers of training especially in industries judged to have more sophisticated training needs. Alternatively, if an industry was situated in a remote location, it had brokered training through a training provider to fill gaps and in doing so fulfilled its desire to give the business to the local community.

- ✧ *Case 1:* In one relationship, a provider had a contract to administer training for a mining company. The provider did not provide the training itself but brokered in consultants on behalf of the mining company which administered the training for them. As the provider explained: ‘It is a commercial relationship and a deliberate brokering arrangement which suits our needs’.
- ✧ *Case 2:* Brokering was used in the wine industry. The provider had the philosophy of working closely with its business partners to ‘grow their learning ability including training the business’s own employees as trainers and assessors. It’s important for us to develop their processes and to support them after they are developed. We’re their one-stop shop’. The training firm provided good quality control, according to their wine industry partner, and they had a good relationship from the start.
- ✧ *Case 3:* Another broker described her role as ‘working creatively to define the needs of the health service and finding who could provide what they needed. It’s a question of thinking outside the square’. A large public sector agency had decided to outsource in order to give more credibility to the program internally. In addition, participants gained an accredited diploma that was valued by employees.

A similar approach to training covered the situation where those in charge of the training, either in a human resource management role or other management role, felt the business did not have the necessary expertise. The decision was made to outsource the training to people who were experts in training. A similar rationale was behind the outsourcing of training by a mining and construction company. Also linked to the brokering of training were decisions by the industry partner to outsource a number of human resource management and information technology activities which were typically associated with larger-scale organisational change programs.

## Attitudinal and cultural issues

*Organisational cultures and attitudes in training and industry enterprises are encouraging more partnerships.*

A number of industry partners had very positive attitudes about the continued efforts of their provider partners to make the partnership work. They often used as examples what they perceived to be considerable (but ultimately manageable) hurdles which their providers had overcome to successfully take on the role of training provider or broker.

In addition, a major challenge for providers was the need to learn and understand the organisation's procedures and organisational cultures. Employers in construction, mining and large public sector enterprises were very positive about the efforts made by both public and private providers to learn about their organisations and to appreciate the change agenda being pursued by their organisations. In a number of instances, the provider had become responsible for delivering training which was part of a larger program of cultural change. As one employer remarked: 'Training is important to ensure that the employees transfer the new knowledge and do not drift back into their old habits once they are back on site. The provider did a great job in assisting us with this cultural change'.

Providers were asked in the survey to describe the features of their institution which made it an attractive organisation for industry to partner with. The reasons given by providers mostly focused on the positive attitudes they had about their institution—including its size, location, the skills and commitment of staff, and its ability to be flexible. In more detail:

- ✧ Size was a major advantage. Examples included being a multi-sector university which meant that partnership arrangements enabled the utilisation of both TAFE and university staff; being one of the largest TAFE institutes in the state which provided access to a large range of courses, and the ability, due to scale and scope, to adopt more non-traditional training methods.
- ✧ The institution was well located. Examples included having a regional location with a spread of local delivery outlets; being a large metropolitan provider with a high profile; being 'local' and with a business development unit which had an excellent reputation for service and delivering outcomes.
- ✧ Staff were very skilled and motivated. This meant having capable, friendly and motivated staff who were committed to working closely with industry; staff who were very experienced in the training area and with the institution having key positions in the organisation devoted to business development activities to support staff; staff with excellent links to industry and who knew what was going on in the industry.
- ✧ Institution staff had attitudes which support flexibility in training, including beliefs that their institution as a partner was willing to customise the training delivery; the institution was able to provide a quick response supported by good systems; and the institution and its staff were innovative in their approach towards providing one-stop training solutions for clients.

VET respondents also rated a number of statements in which they indicated their levels of agreement or disagreement about several aspects of partnering (see table 1). These statements provided a further opportunity to explore in a more structured way respondents' attitudes about their partnering arrangements than was possible in the interviews. Some 91% of VET respondents believed that there was strong support in their organisation for seeking training partnerships with industry. The vast majority believed that developing profitable partnerships was a major objective of the organisation, but at the same time all players were operating in a highly competitive training environment.

Providers believed that (see table 1) their organisation:

- ✧ had a successful track record in partnering with industry, with industry being attracted to them partly on the basis of this record
- ✧ was successful as a provider of training to particular niche markets

- ✧ was a partner of choice
- ✧ had an organisational culture which supported training partnerships
- ✧ had mostly geographical or location advantages which assisted the development of partnerships with key industries.

**Table 1: Attitudinal and cultural issues**

| Per cent of respondents who agree   | Per cent |
|---|----------|
| We are operating in a highly competitive training market  | 92.9     |
| There is a strong support in our organisation for seeking industry training partnerships that will be profitable and high-profile | 90.8     |
| Increasing the levels of profitable training partnerships is a major goal of our organisation                                     | 90.8     |
| We see ourselves being successful in particular niche markets of industry training  | 84.7     |
| Industry is attracted by our track record as a successful partner   | 78.6     |
| Our geographical location gives us competitive advantages in gaining access to certain key industry partners                      | 77.6     |
| Our organisational culture (e.g. our values, how we relate to people) is proving to be an asset in our partnering with industry   | 77.5     |
| We are the 'partner of choice' for a number of industries   | 75.5     |
| We have a highly successful track record in partnering with industry  | 73.5     |
| We are still developing a track record as a good training partner   | 67.3     |
| We still operate almost as the only provider of certain types of industry training  | 65.3     |
| Our institution does manage partnerships interstate   | 62.2     |
| The organisation has a clear strategy about how it will build its level of industry partnering                                    | 59.2     |
| Our organisational structure (e.g. level of hierarchy, control systems) is proving an asset in our partnering with industry       | 56.1     |

*Some provider organisations are unclear about the strategic outcomes to be gained from partnering.*

On the other hand, providers' ratings were lower about their organisation having clear strategic objectives about how to build upon their level of industry partnership (see table 1). Also, concerns were expressed about the existence of barriers to partnering due to institutional procedures, structures and accountability mechanisms which influenced the initial establishment of partnerships, as well as their day-to-day management. These issues are discussed further in later sections.

# Training issues—findings

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The key findings reported here include:

- ✧ the drivers for training
- ✧ the issues of flexibility and customisation
- ✧ administrative arrangements to support the training partnership
- ✧ the return on the investment from the partnership.

## Drivers for training

*Major drivers for providers are money, skills and industry links.*

Table 2 presents the opinions given by the 102 VET respondents in the survey on the main drivers operating for entering training partnerships.

As can be seen, there were three major drivers—the opportunity for additional revenue, to provide staff with stronger links with industry, and to build additional capabilities in their staff through the challenges and experiences of the partnership.

**Table 2: Main drivers for the industry–employer partnerships**

| Per cent of respondents who agree  | Per cent |
|--|----------|
| To bring in additional revenue   | 88.2     |
| To give staff stronger links with industry   | 82.3     |
| To build extra capability within our staff   | 82.3     |
| If we did not get involved in the partnering, another institution would have taken the opportunity | 67.1     |
| To find future employers for our students  | 57.6     |
| Industries/employers have demanded that we assist them   | 45.9     |
| To copy what other institutions are doing  | 34.1     |
| Our motivations are not really clear   | 32.9     |

Institutions were less likely to enter partnerships to copy what other institutions were doing. About two-thirds of providers mentioned that they entered partnerships with the knowledge that another institution would take up the opportunity if they did not. About a third of providers felt that their institution was unclear about its motivations for entering training partnerships.

Asked to describe in more detail the benefits brought to their institution through partnering, providers in the survey mentioned most often the financial benefits. At the same time, financial benefits were typically bundled with a wide range of beneficial non-financial outcomes. For example, training partnerships have acted as catalysts for change. They had not only produced a new and often immediate income stream (thereby reducing pressures in certain parts of various institutions), but involvement in partnerships had also introduced more flexibility into provider programs. Staff were being challenged to rethink how they delivered training and how they used existing technology.

When placed into broad clusters of benefits, providers cited most often:

- ✧ financial benefits from being in training partnerships which included a better understanding of commercial life; a better understanding of the differences between working as a public or private enterprise; and specific financial benefits, including increasing the size of the budget for the institute or providing extra funds that were used to leverage access to additional governmental support
- ✧ student and staff benefits which involved access for students and staff to the latest equipment and technology, thereby reducing the expense of capital investment for the institution; employment and staff development opportunities for a large number of students and staff, including placements for students on fieldwork assignments; and staff seeking higher-level qualifications, more varied work for the staff, and opportunities for multiskilling; and access to mentoring for students and staff from senior personnel from the partner
- ✧ improved standing and reputation due to the increased awareness of the institution in the marketplace; increased credibility and status in the regional community; improved relationships with industry; kudos of working with a large multi-national organisation
- ✧ strategic outcomes which established better alignment of industry goals and institutional goals
- ✧ new models of delivery being established, including the further development of flexible teaching/delivery, the introduction of new training courses, and better links with universities for accreditation.

Many of these drivers were described in more detail in the interviews. Here, respondents were asked to talk about the political, industry, social and regional factors facilitating the development of successful industry–training partnerships. In the interviews, many providers again emphasised the financial benefits to their organisation. More specifically, these benefits were direct ones in terms of:

- ✧ additional income
- ✧ opportunities to increase enrolment numbers
- ✧ allowing the institution to continue to deliver certain types of industry training which had been under threat
- ✧ opportunities to increase full-time and casual staffing levels in high-growth areas of demand as well as in more marginal or specialised areas which had suffered declining interest. For instance, in a previous low-growth area of training, one partnership led to the employment of a full-time education manager, a project coordinator, two teachers, an apprentice coordinator, and an extra administrative person who was shared between the project and other activities.

*State government support packages are central to the emergence and continuation of many partnerships.*

The interviews revealed that state government support packages were often major drivers for the growth of training partnerships. These support packages tended to be with larger manufacturers or larger multi-national companies which were looking at purchasing or establishing businesses within Australia and the financial package was an incentive for them to make the investment (for example, a pulp and paper mill, a motor vehicle manufacturer, a wine producer and a transport company). There was also evidence from some industries that they were unwilling to meet the full cost of providing high-quality, flexible training unless it was subsidised by government funding through a TAFE college or private provider.

- ✧ *Case 1:* In New South Wales, the state government support package spanned three major stages of a project, which included the construction of the mill, mill operations and forest management.
- ✧ *Case 2:* Another state package supported the management of the training strategy to provide skilled employees for a growth industry. A training centre was purpose-built to meet the training needs of the wine and food industry. Financial commitment from the government enabled the building of seminar rooms, workshops, and laboratories. The key to success of the venture was



the special facility, in addition to having people involved who were in key positions within their organisations who were able to make commitments to the centre. An industry reference group had been instrumental in guiding the development of the partnership.

- ✧ *Case 3:* In another case, the establishment of training led rather than followed the incentive package. Commitment from the state government was given when the industry had demonstrated that it had adopted a more integrated approach to education and training of employees.

### *The partnership helped industry learn how to win more government funding.*

Training partnerships had assisted industry to seek more government funding. Several industry partners, including those involved in laundry services, manufacturing, health, food production and forestry, mentioned how the experiences with the existing provider relationship helped them work through the regulations and requirements to access additional funds. The provider played a very active role in raising industry understanding of how the VET sector works and assisted industry in negotiating through what was judged to be considerable 'red tape' or 'the alphabet soup of who organisations are' to apply for additional funding support.

Many industries reported that, prior to their current training partnership, they had not fully realised the full level of support available to assist them in managing and funding training to meet their industry needs.

### *Personal and industry visions drive many partnerships.*

In the interviews, a number of industry respondents discussed a vision they shared with the providers in relation to the future of the industry.

This vision was a key driver. These individuals, for instance, were passionate about trying to improve and maintain the professional standing of their industry. They wanted to set up training partnerships which would, for example, increase retention rates in their industry, overcome a skilled labour shortage, and build a skilled workforce to satisfy the customer needs of the service industry.

In other cases, many players in the industry and across different industries shared the same vision. Abattoirs, health services, forestry, transport and the food and wine industries, for example, all had strong employer advocates who wanted improved training of staff in occupational health and safety.

Other employer visions included the desire to:

- ✧ improve the training of immigrant women in job skills
- ✧ develop a program for workers with a disability
- ✧ solve a problem related to the access or delivery of training to make it more customised or flexible
- ✧ establish a formal training structure which meant regular review and communication about the skills being learned and their application.

The following provide examples of partnerships vision:

- ✧ *Case 1:* An example of the commitment to open communication and regular review was the partnering between a private registered training organisation and a franchised bakery operation. Both reported that they were committed to working together to achieve the shared vision of the highest quality products and services for staff of the bakery.
- ✧ *Case 2:* Another example was the need for a more professional dealer network within the agricultural field to enable the industry to cope with the increased competition and changes taking place. The vision was to give employees access to better operational skills to cope with the growing complexities of business.

*Over time, the quality of the relationship becomes more important than the financial cost of the training.*

While price was still important, a number of VET providers noted that once they had worked with industry partners for some time, they spent less time negotiating a price for future training delivery. Their explanation was that both players had a good understanding of what a fair price should be to benefit both parties in the relationship. In addition, opportunities often arose over time which enabled the provider to extend coverage for the same industry to other states, so providing greater economies of scale.

In other cases, the employer had decided that financial reasons for outsourcing the training were now of secondary importance. The more important consideration was that: 'We had a good local partner who we trust and can deliver at our site'. Other employers did not want to lose a level of training which they had come to rate as world class.

In a related example, an overseas company taking over a privatised public utility wanted access to world-class training. The company had training houses throughout the world but, upon visiting Australia, their executives concluded that it was difficult to set up the same training model and some aspects of the training had less applicability in Australia. However, they needed to satisfy various international standards and franchise agreements. Overall, the visiting senior executives were very impressed by the Australian TAFE system. They judged the training to be more valuable, practical and contextualised than the overseas delivery. As a result, they chose to use a local provider to deliver training for their newly acquired Australian businesses.

## Flexibility and customisation

*Providers are using a wide range of delivery modes to maximise the flexibility of the training.*

Providers and industry partners described a wide range of delivery models for the successful delivery of industry training. Training was being delivered through the use of:

- ✧ in-class material
- ✧ self-paced material, including computer-based and website learning
- ✧ 'chalk-and-talk' classroom teaching, intensive blocks or staggered attendance programs
- ✧ multiple offerings to allow for shift workers
- ✧ 'tag-team teaching' with a theory-based TAFE lecturer and a practice-oriented business worker both delivering the same course
- ✧ experienced employees trained in the Certificate IV in Workplace Assessment and Training to provide further flexibility into delivery options and training schedules.

Overall, businesses interviewed believed that on-site training had saved worker time and therefore money by returning workers to their job more quickly. As one TAFE trainer declared: 'It's better for students to learn on site as it allows them to demonstrate competency and go back to work rather than having them trapped at the college. Once deemed to be competent, they are released back to their jobs even ahead of the time allocated to block training'.

There were many examples of very close cooperation between partners in the design of course materials.

- ✧ *Case 1:* 'Our business partner is at the frontier of manufacturing technology and that has allowed our staff to be at the forefront. For example, our lecturer went with our business partner overseas to learn about the new robots that they need to use. We got the best and latest update for our lecturing staff. Our business partner got a customised, up-to-the minute training program designed to meet their needs.'

- ❖ *Case 2:* Other partnerships had developed reciprocal training agreements. Teachers trained alongside the business's employees who were working with new technology, and workers trained alongside the lecturers in developing skills in other areas.

### *Employers want to maximise employee time on the job.*

A major challenge in the delivery of training involved balancing production time and time spent on training, especially in industries which operate 24 hours a day, seven days a week (that is, production, services, public utilities, mining).

Employees and providers in the partnerships reported that it was difficult to pull people away from sites for training as site managers and their companies were trying to meet the basic operational needs of the site or business. In response, providers gave numerous examples of how they had provided highly flexible times for training, including training 24 hours a day across three shifts at the worksite. A wine training manager, for example, noted: 'They run some subjects three weeks in a row to catch all our shift workers'. A manager in the mining industry reported: 'They go out of their way to do things. If we want 40 hours a week they provide it. It's not unusual to have lecturers working long hours; I don't know how they do it'.

At the same time, several industry partners mentioned that they did not really care how the provider managed to provide training—whether it was delivered at night, in remote locations, around staff rosters or to allow fast turnaround times. They were only concerned when the training did not happen.

As a TAFE business manager stated: 'We have become a 24 hour, seven days a week business. Making people available for training can be difficult to manage, but we need to do it. Over time you become very clever in how you balance your delivery, levels of flexibility, costs, class sizes and teacher availability to maximise effectiveness and flexibility, and to minimise the effects on the teachers and learners'.

### *Industry is using providers to develop in-house trainers.*

Another aspect of flexibility was the brief provided by industry that the provider, as part of the partnership, train industry staff so that they could undertake much of the delivery and reduce the reliance on the provider. In turn, the provider's role was to become more of a coach and mentor to those they had trained to deliver the courses. The industry saw major cost-benefits in using in-house trainers, a practice which ensured that skilled trainers were always available within the company.

In remote and regional areas, developing in-house trainers was a frequent aspect of partnerships in the hospitality, beverage and food industries. In addition, new technology areas reported a huge requirement to increase numbers of trainers in house because of the specialised knowledge required within emergent and high-tech industries. One agricultural company, for instance, sent their in-house trainers overseas for at least two weeks each year to receive further high-level training in the use of emerging technologies which were seen as vital to maintaining a competitive edge.

### *Levels of customisation are high.*

High levels of customisation were a key feature of the training partnerships. Businesses wanted the training to be highly customised and contextualised to meet their requirements.

- ❖ *Case 1:* Providers reported that, using the various components of packages which facilitate focussing on specific training needs, they had customised the national training package materials as fully as possible to suit the needs of their training partners. This also included the associated assessment documentation. Additional training materials were also being developed.
- ❖ *Case 2:* In an agricultural business, separate courses were developed for different types of agricultural production.

- ✧ *Case 3:* In other cases, coursework was developed from scratch as the industry believed it did not have access to training packages which met their current industry needs (for example, emerging technologies).
- ✧ *Case 4:* Other industries had used a range of providers to ensure that there was variety among training deliverers in personalities and instructional styles. They believed that this form of ‘customisation’ had translated into a greater variety in styles and teacher–learner dynamics and, in turn, into increased levels of motivation among staff to attend training.

*Special attention is given to meeting literacy and numeracy needs as part of the approach to training.*

Literacy and numeracy requirements guided the further customisation of some training programs. Some industries requested access to special courses for people needing to improve their literacy and numeracy skills so that employees would not feel that ‘the whole package was too daunting for them which in turn affected their confidence levels’.

In many instances, additional training was provided to improve literacy and numeracy prior to the formal skills training, or different training materials were incorporated into the training sessions and included the use of animated online diagrams. In the literacy and numeracy programs, music was used to facilitate the English language skills training of Indigenous groups. A program for immigrant women employed action-learning methods to facilitate communication and language development.

## Regional and remote area issues

*Employers are choosing to use local providers in regional areas.*

Due to their impact upon regional economies, a number of industries were committed to using local providers. The size of regional wine and food industries, for example, made it a very important contributor to the economic wealth of areas. Providers also expressed a major commitment to meeting the training needs of the particular industry.

Similar explanations were given for training relationships with local hotels and restaurant chains in regional locations, including the choice of regional over metropolitan training providers. The managers of the businesses wanted to increase the skills of local hotel or hospitality staff without sending them to city training centres. At the same time, providers reported that the partnership gave training staff in the regions an opportunity to increase their levels of industry knowledge and skills.

In smaller regional centres, new partnerships had important flow-on effects for local communities. In some cases where a region or parts of it (for example, Pilbara, Tumut, Riverina, Hamersley) had been perceived to be ‘dying’, the partnership had breathed new life into the area. The partnerships provided a base in two cases to develop relationships with large national and multi-national companies which had guaranteed future work once initial enrolments were established.

*New methods of training were often trialled in regional and remote locations.*

Regional locations were often used by companies to develop new approaches to training. This approach allowed for a cross-fertilisation of ideas which translated into improvements and changes to training at regional TAFEs, as well as at other locations where the company operated with different training providers.

- ✧ *Case 1:* Students were being trained through a partnership with a large hotel, whereby skilled staff were gained through the arrangement, and the site became a centre of training in the region for the provider. As noted by the provider: ‘A service that is needed by the local community is being provided well and resourced well and is meeting the aims of the program which we would not have been able to offer under a user-pays scheme’.

- ✧ *Case 2:* In another example, a TAFE in a regional centre was able to utilise the facilities of the local hospital kitchen to train hospital staff as well as other students. The kitchen in the hospital was state of the art and the local TAFE could not possibly have afforded the equipment available in the hospital kitchen. As this partnership progressed, the TAFE went on and employed one of the experienced hospital cooks to assist in the delivery of training there and in other locations.

For the remote area training providers, there were special demands in managing the delivery of training—whether to pulp and paper mills, mines, or a large national agency with regional and remote locations. As one aquaculture employer stated: ‘ It is an accepted practice in our area here that when you mention TAFE you are talking about on-site assistance. Tutors will come out on site, be it monthly, weekly or so forth’. Employers often noted that if there was a local TAFE, it had an automatic advantage by being approached to deliver their training. Using the local TAFE as a training provider was seen by employer partners to offer numerous social and community benefits and the use of the local TAFE was an integral aspect of doing business in remote communities. Remote-area TAFEs were also seen to provide important access to the local employment pool.

### *The partnerships typically met local training challenges head on.*

Regional providers and their industry partners talked at length about the special challenges they faced in the management and delivery of training. However, the major benefits in providing training solutions in regional and more remote locations were the size of the organisation and its training needs and, in turn, the profitability of the partnership to the provider. Thus most providers were keen to meet the challenge ‘head on’, as one teacher described it.

Regional and remote issues included:

- ✧ the very cyclical needs for training in some industries (for example, meat industry)
- ✧ locating appropriate, skilled staff in the region to deliver the training required
- ✧ meeting the special overheads, which included the financial costs in transport and possibly accommodation
- ✧ dealing with sometimes extreme physical conditions of heat, dust and distance which required special forms of customisation in the delivery of the training
- ✧ the need for access to specialist technology to deliver the training, such as digital networking for teleconferencing, computer laboratories and the preparation of CD-ROMs for flexible delivery
- ✧ cultural differences in the learning styles of employees from diverse educational and cultural backgrounds.

Regional locations were more likely to face cultural issues which shaped the training partnership. A provider working with various groups of Indigenous Australians reported that teachers had to deal with cultural differences in the use and applicability of various forms of assessment. In addition, the delivery of training was influenced by cultural demands upon Indigenous students which meant that some students were missing at different times during the program. The provider soon learned to build the need to manage such cultural differences into the costs of the program delivery. An advisory committee had proved to be a most critical administrative arrangement for learning more about these cultural needs and for suggesting various training solutions which allowed for the delivery of quality, flexible, but also cost-effective training. Cultural differences in appropriate forms of assessment of learners also emerged, with providers conducting workplace assessment for companies in Singapore and other parts of Asia.

## Administrative arrangements

*Steering committees are a major device for managing the training partnership.*

The partners interviewed used a variety of administrative mechanisms to maximise the levels of communication, and thus build upon levels of trust. They noted the use of ‘structured quarterly reviews with a strict agenda in face-to-face meetings which raised issues and evaluated what is happening’; ‘constant teleconference conversations’; ‘regular monthly meetings which will end up quarterly as the partnership progresses, with either partner having the right to call a meeting if they feel the need’.

A major vehicle for facilitating these levels of review and communication was the use of a steering or advisory committee.

Providers and the industry partners emphasised the need for ongoing, high levels of professionalism in the delivery of training. Both groups pointed to the significant role of advisory panels. They believed that advisory groups served to facilitate communication about the sharing of expectations, about roles and responsibilities and the perceived performance of the delivery of the training. Once partnerships were up and running, providers and industry partners reported that rather clumsy and burdensome administrative arrangements had been resolved quite quickly once the ‘reality of managing the partnership hit both of us, but especially the training provider’.

A special concern was the delay in many institutions in dispensing certificates. ‘TAFE still sees itself as a slow-moving tertiary institution, and not as a deliverer of client service. But that is changing, and the more they work with us, the better they are getting, whether it is providing certificates, meeting our deadlines or customising the training’, observed one business training manager.

In many instances the use of advisory committees has given providers a direct line to information about the industry, emergent training needs and access to key decision-makers who authorise future training for business. Having key decision-makers on such committees was crucial in enabling decisions to be made quickly. In turn, providers have used input from the industry to help in the selection of staff, especially where they are trying to build new expertise in an area. In several cases the industry partners have contributed input into the advertisement and job descriptions for new staff and have participated in selection interviews.

In addition, membership on these committees by the industry partner often facilitated feedback which promoted alternative views about the performance of the organisation and identified future training opportunities. Steering committees operated on the basis of being able to give honest feedback to one another and to raise issues at any time. In the boat manufacturing industry for example, the advisory committee included an apprentice representative who was able to present the opinions of the student body and make suggestions for improvements if necessary.

*Partnership managers are employed to facilitate the smooth running of the partnerships.*

A number of partnerships employed client liaison officers to drive and manage the process of open communication and regular review.

✧ *Case 1:* One industry, which had set up a wine training centre with its partner, had a client liaison officer for each part of the business. The officers spent time in all industries, getting to know the staff and in turn staff knew whom to approach if they had any concerns. This initiative also helped to raise the profile of training in the industry. Paperwork and costs were minimised for industry by the provider hiring staff to develop the training plans and to manage the financial statements weekly. ‘As the partnership developed we received significantly more input from the training provider, who now has a training coordinator on site to help us better understand their requirements and how they operate.’

### *Information technology and administrative systems are shared between partners.*

Most industry partners praised providers for how well they had managed the administrative arrangements supporting the delivery of training. Often the providers' in-house systems meant it was easier for them to manage the enrolments, organise training schedules and chase up funding support rather than leave these issues in the hands of the industry partner. In many cases, due to the high level of administrative support available, industry had decided that the provider would completely host and maintain their training database.

❖ *Case 1:* In this instance, industry employees involved in the training could dial into the provider database at any time to access individual information about the progress of specific trainees.

Other initiatives to smooth the administrative issues included having a dedicated person within the TAFE institute following up with the information required by the industry partner about the training in general or the progress of specific learners.

❖ *Case 2:* Marrying databases caused some initial challenges in some partnerships. However, in the longer term their consolidation assisted with the better management of many training partnerships. To reduce duplication and to facilitate communication, various solutions were attempted to manage training data and information. A mining industry had an advanced internal system which worked so well that the business ensured that the provider also ran the same system for administrative data management. Although this was difficult and time-consuming at first, the provider and industry partner both reported that, two years down the track, they were starting to reap the benefits. As a result, they were now searching for other ways to improve the management and communication of training data.

As another employer noted: 'We have also seen an improvement in the effectiveness in administrative arrangements. There are less cancellations and therefore higher attendance rates'. Many employers mentioned that they were gaining quicker access to quality outcomes because the provider had learned to recognise and accept the quality of their in-house training. Both had built in assurance and review checks to meet requirements which now allowed them to accept each other's training inputs.

Many providers in the survey and interviews, however, referred to examples of a 'clash of cultures' between industry and the provider. This clash arose most often in the provision of staff to meet training needs for the industry partner. As summarised by a TAFE manager: 'Here we are given a three-year profile to deliver a budget, trying to balance the need for transparency and the ability to equip public money with the urgent need of the private company. It is difficult for them to understand when we need to employ a training coordinator, we just could not go and buy a person a cup of coffee and offer them the job. They find it difficult to understand that we had a certain recruitment process we needed to follow before making an appointment'.

### *Administrative delays at the provider end have harmed some partnerships.*

Providers and industry talked at length in the interviews about the levels of management which often influenced their ability to respond quickly to industry needs. As one public provider quipped:

It would be great if we could have a slightly different management structure for decision-making. There needs to be more empowerment. Presently we have a local manager, a campus manager and then a director of our institute. For any decision to be made it needs to progress through these three levels and therefore really slows down the decision-making. It would be really good if there was just one person to talk to and make the decision promptly. This would allow us to meet the needs of industry more quickly and would improve our credibility.

Providers gave many examples of how the partnerships were often negatively affected by administrative delays due to the inability of providers to respond quickly to partners' needs.

Other examples included:

- ✧ setting up new university qualifications which required the approval of a senate or council, and then delays into the next year until the degree could be offered
- ✧ meeting the training needs of company employees who were from overseas, but in order to receive funding for their training, a number of complex policies and procedures had to be resolved by the provider
- ✧ bridging the cultural and administrative issues required to allow TAFE to partner with a variety of research and development (R&D) enterprises to enable the development of new ideas and technology
- ✧ restrictions placed on the institution because of the university act which would not allow a second bank account for the partnership because of the need for government levels of financial visibility.

A major issue among employers was a view that there were sometimes quite considerable levels of administrative inconsistency within some training providers in their service delivery. The major thrust of these complaints related to large TAFE providers. While one department in the TAFE institution was seen to meet their business needs, others in the same college were seen to be not interested. Or at another level, some lecturers were performing at a very high standard according to the industry partners, while others were not. As one employer explained: 'If other colleges, or other parts of this college, could model themselves on the efficient section, it would be a much better relationship'.

Almost all TAFE providers who were interviewed identified problems with what they described as their bureaucratic, government-based structure and the need to bridge the gap with a business culture. However, as they also acknowledged, they were funded by government grants and they had to meet government priorities, including paperwork and high levels of accountability in relation to the expenditure of taxpayer funds. They believed that their business partners understood this situation.

Many TAFE institutes were viewed by employers to be actively managing their bureaucratic hurdles and were seen as very responsive to industry needs. As one business partner stated: 'We'd given them two weeks to put together a Christmas training package and they hit the nail right on the head. We understand their structures and accountability systems, but we also appreciate how well they are operating within these systems to deliver the training that we need'.

### *There are special challenges in managing training partnerships across state boundaries.*

Another challenge that emerged for some partnerships operating nationally was different regulations between state bodies.

- ✧ *Case 1:* A partnership with a bakery franchise began in Victoria and received an amount of funding from the state government. However, when they went to deliver into other states they found that the funding amount available was much less than that required.
- ✧ *Case 2:* Another example was given within the context of developing an industry in a new technology area. Although the initial partnership was established in one state, it was important for the industry's future to become national. As a result, the driving TAFE was able to introduce the industry partner to forums in other states to help the industry develop partnerships with those states.
- ✧ *Case 3:* A partnership with a car manufacturer had been developed in one state with a series of TAFE providers. It was a national partnership which led to the development of partnerships with other TAFE institutes in various states of Australia. This arrangement created a challenge for the initiating state in terms of achieving a consistent level of delivery, and commitment to the partnership across the states to ensure that the car manufacturer received high-quality and consistent training across the country.



### *Managing state awards around the training needs of the industry partner provided challenges for providers.*

Other administrative challenges for TAFE providers were the various state public sector awards for TAFE teachers. Public providers reported that they often relied on part-time trainers to give them the degree of flexibility required to meet the needs of the industry partner. These state awards were seen by industry partners to be very restrictive and rather old-fashioned, limiting the number of hours each teacher taught, and providing little or no access to highly trained teachers, especially over the quieter summer break when many industries were most able to provide staff for training.

Some industries required trainers to be available 48–50 weeks each year, including over the summer period, which is traditionally a period when TAFE staff take annual leave. In some industries, for instance in retail, hospitality and aquaculture, their most productive times are generally during the December, January and February period which are traditionally ‘break’ time for the TAFE sector. So they were less concerned about access to training during these periods. However, in other industries, like printing and graphic arts, the New Year period is an ideal down time for training, but full-time TAFE staff were not available to fully meet the needs in the partnership.

Trying to equate different state teacher awards was an issue for a provider working with an international telecommunications company attempting to deliver training into Singapore. The awards did not enable management of the travel time required for staff to travel to Singapore to deliver the training. This was also a problem for a provider delivering to the dairy industry. The teacher award did not cater fully for flexible delivery modes such as online delivery where a teacher with large numbers of students could use up their allocated student hours in the first three weeks of term. The award was structured for class delivery for a set number of hours per week.

Providers complained about a lack of access to skilled trainers. Locating specialised trainers to deliver the training at TAFE-level funding was proving to be very difficult. As explained by one manager, TAFE’s budget for a guest lecturer may be \$360 per day but the outside consultant may expect up to \$2000 per day. As a result, resourcing was often inadequate and many of the training programs in this institution had to be heavily subsidised to enable them to survive.

## Returns on investment in the training partnership

### *Providers believe that returns on training investment include better focused, cost-effective industry training which has enhanced industry competitiveness.*

Providers were asked in the survey to describe the benefits they believed were brought to the industry partner through the partnership.

They considered that the gains for industry and employers fell into five broad categories:

- ✧ training outcomes, including enhanced industry capacity to focus on their core business; quality, cost-effective training and programs; a timely response to industry training needs which addressed a skills shortage; access to the latest skills through a customised program on quality equipment; an improved service which had made apprentices much happier and more likely to stay in the industry; introduced Indigenous people into an industry; more contextualised training which reflected how the enterprise ‘thinks and works and directly attuned to the learners’ needs’; reduced training costs; better administration of training through a workable one point of contact for training
- ✧ financial benefits for the industry partner, including access to a range of funds which allowed support for specific training and the provision of accredited training; improved work practices which have resulted in work efficiencies, thereby saving money for the business; ability to steer the VET system towards the industry partner; the industry winning further training support and grants from government

- ✧ better provision of customer service by the industry, including client needs being better identified and monitored; happier customers and clients
- ✧ staff development for employees, including having a better understanding of the organisation's mission, values, standards, policies and strategies as a result of being involved in a training program; improved staff skills, knowledge and self-confidence, including enhanced career paths; a culture in the workplace more supportive of learning and innovation
- ✧ broader organisational benefits, including raising the profile of the enterprise in the industry and the broader community in terms of being seen as an organisation which cared for its staff and was committed to the career development of employees.

Industry partners in the interviews were very positive about the outcomes which were emerging from the training. For instance, employers spoke about: 'Seeing the whole VET thing infiltrate into the workplace, seeing it in action not just in the classroom. Where it really is bringing the concept of lifelong learning into the workplace. People get a buzz out of their portfolios of evidence, their qualifications'. Another mentioned: 'Seeing the growth in these women in both confidence and their ability. We have now trained another ten women in small business practice and they have all written a business plan. We are now assisting them to start appearing at the markets so they are becoming full economic participants within the community'. Another focused upon the standing of the qualifications gained: 'Because the qualifications that staff receive are nationally accredited, it provides them with wonderful opportunities to transfer their skills. Because they [the qualifications] are mobile, if not completed before a move, they can always be finished off in the next position'.

Businesses noted that, for some older employees, training delivered their first formal recognition and certification, and this was a boost to employee morale, enthusiasm, productivity, knowledge and self-esteem. 'It has been a wonderful development for many people—when people on the tractors realised they didn't have to be on the tractors for the rest of their lives and there were other rewarding things they could do, such as training and assessing others, and other career opportunities. They don't even have to work in a vineyard for the rest of their lives.'

Training providers also expanded upon the non-financial benefits from being involved in training partnerships. Benefits included:

- ✧ the creation of new training models which could be used in other partnerships
- ✧ an increase in the variety of both personal and practical skills of those directly involved in the partnership, including practical skills, such as knowledge of occupational health and safety
- ✧ greater insights and knowledge for training provider staff of how to run a business, and the importance of being more commercial in their attitude
- ✧ new ideas for training and record keeping for industry, including new consultancies related to developing their in-house human resource systems
- ✧ new ideas from training which encouraged consideration of problems and solutions differently
- ✧ an increased network of experienced people in the institution to access for future partnerships
- ✧ being involved in partnerships which created cultural change by further raising staff awareness of the importance of customer service and meeting the needs of the client.

*A major benefit from the training partnerships is the updating of staff skills.*

According to providers and the industry partners, one of the major benefits of the partnerships to providers was the updating of the industry skills, knowledge and experience of teaching and training staff. Because of their increased knowledge and business skills, it was also felt that these stronger skills and capabilities made training staff more employable outside the VET sector. 'The exposure to the national marketplace gives us incredible experiences', reported one training coordinator. Almost every industry-provider pair interviewed agreed on the importance to the professional development of provider staff of the relevant and up-to-date industry experience and knowledge gained through

partnerships between providers and industry. TAFE staff found the upgrade of their skills invaluable for improving their delivery as well as their understanding of the needs of a commercial business.

Many providers argued that the skills being learned had kept staff, and in turn their institution, at the cutting edge of what was happening in industry and allowed their training teachers to keep up with the industry trends by delivering so much of the training on site. It also provided students and teachers with opportunities to return to industry at very little cost. An example is provided by the instance where teachers worked with new technology industries to develop their skills and then transferred that knowledge by developing formal courses in their TAFE institutes, thus enabling qualifications to be presented within a new area of technology.

*Many senior managers in industry are still not convinced about the returns from investment in training by their company.*

At the same time, both training managers in the provider institutions and the business training managers in companies expressed some frustration about their capacity to quantify to senior management and other key stakeholders, the extent of returns on investment being received through the training partnership. In particular, whether on providers or on the training manager in the firm, there were constant pressures to demonstrate the actual return on the investment, typically in dollar terms. According to one provider: 'Lots of industries and their senior managers claim that "training is important" and claim that they recognise the need, but they're not always prepared to pay. The bottom line dictates'.

- ✧ *Case 1:* In response to this focus on the 'bottom line', business training managers had developed techniques which allowed them to put a dollar value on training, and to demonstrate to the employer how training contributed to the bottom line. One training manager tested new workers coming into an operating environment on their first day. He subsequently compared their levels of knowledge and understanding to untrained workers who had been operating the system for more than five years. At this first time of testing, both groups had the same level of operational understanding. After three weeks of training, the new workers' understanding had 'gone through the roof'. This measure allowed him to argue for more widespread training in the business, based on the financial savings through improved operational efficiencies.
- ✧ *Case 2:* In a production company, considerable cost savings were demonstrated through evidence gathered that better skilled operators had reduced down time on expensive pieces of machinery.
- ✧ *Case 3:* In the agricultural sector, a business training manager worked with reporting staff in the business to record periods when production line down time was actually related to employers lacking skills in problem-solving or a lack of confidence in resolving technical issues on the line. The training manager also recorded levels of defective stock, and measured how training had helped achieve benchmarks in hygiene and sanitation.

There were many examples of returns from the investment in training which emerged as improved employee attitudes and behaviours. Employees talked about improved levels of customer support, which were linked to having better trained, and more satisfied staff. Staff were judged to be more motivated because their enhanced technical qualifications were often recognised by subsequent pay increments or through promotion. In the wine and food industry, employers emphasised the value and savings to them in having high-quality, well-trained technicians who better understood the needs of customers.

At the same time, many providers talked about their difficulties in measuring and recording the attitudinal changes which had emerged as a result of staff training. A related issue was the measurement of other 'spin-offs' which had occurred through training, such as increased levels of cooperation through staff from different parts of the business knowing each other as a result of attending training together, and informal mentoring initiatives which had flowed on from training meetings.

# People issues—findings

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## Building trust

### *Successful training partnerships had high levels of trust.*

Almost all of the provider–industry pairs who were interviewed discussed the importance of high levels of mutual trust required to create a successful partnership.

Cited as general examples of high levels of trust were:

- ✧ having provider staff seconded to the industry to offer the industry with ongoing support and access to knowledge about TAFE’s capacity to provide additional training in other areas
- ✧ partners using each other within various organisational reference groups
- ✧ highly proactive approaches towards the management and future growth of the partnership. As one industry partner summarised the situation: ‘If there are issues which arise where we have some concerns about the content or delivery, because of the trusting nature of our relationship and being so open, we are very comfortable to say that things should be changed. Because of the nature of the relationship, we can discuss it openly, which is a measure of the trust and confidence we have in one another’.

More specific examples included the following:

- ✧ *Case 1:* An art centre had found the selection of a training provider to be quite difficult because of the number and variety of available providers. Moreover, a number of training providers were keen to access funding for Indigenous groups. In the end, the centre selected a provider on the basis that they had worked with the same teacher from the institution before, and this person had an ‘excellent approach in their relationship with the Indigenous people, was very trusting and managed it in such a way to ensure that it had the best impact on the art centre’.
- ✧ *Case 2:* Personal and professional relationships between providers and industry had grown directly from many partnerships. In particular, industry partners believed that the strength of their personal relationships with training managers and the teachers at the training institution was central to creating a sustainable relationship. According to a provider working with a bakery:

It is a wonderful working relationship between this business and myself and between the project managers and the trainers. The whole relationship is based on an open door policy. You are only a phone call or an email away. In the early stages of the partnership, the key personalities from both organisations were keen to make it succeed. Importantly, we came from like-minded organisations which are always aiming for the best.

- ✧ *Case 3:* A high level of trust emerged as a major driver for extending a partnership. As the employer described it:

They are always thinking what can they do for us, and so do we and really anything is possible. We have used their photography students, sports trainers and so forth. Because the institute is committed to providing meaningful opportunities for their students, it works really well. As result of the trust we have in them, we are always looking at how we can grow what we are doing.

❖ *Case 4:* A provider described her situation as follows:

There is now a degree of loyalty between the industry reference group and us. We know that all of those in the industry will focus on us as the provider before going anywhere else. It also means we have set ourselves up as a one-stop shop and if we cannot meet the needs internally, we will broker the need, so it is a seamless partnership.

Strong personal and professional relationships had arisen directly from partnerships. These relationships were established as a result of being able to work with the same people over a period of time and eventually led to other relationships and training opportunities. A business development manager in a provider institution commented: ‘From a personal perspective, we have formed some nice friendships. We have like personalities. I remember my industry colleague saying, “Oh I forgot you don’t work for us”, which gives a good example of how close our working relationship is’.

### *Employers want longer-term training partnerships.*

Where possible, employers wanted to adopt a long-term relationship. They noted that their best partnerships grew over time and were often those with providers who had wanted to be very responsive to their needs, and who also took a long-term approach to developing industry capabilities. Such partnerships were dynamic and evolving, and often operated around a three-year cycle. During this time, as levels of trust grew, the best providers were invited to become more involved in all levels of the organisation, and to increase their impact upon the business through the introduction of other forms of training.

Industry providers made it clear that they did not want to waste time developing new partnerships when old relationships could be extended with people whom they trusted and were already familiar with.

Employers gave various examples of their preference for longer-term training partnerships:

❖ *Case 1:* One employer noted:

In the wine industry, the training over time has been a lot more successful because of the innovations that have happened. Our provider has been able to modify the delivery mechanism to move it into our workplace which better meets our needs and makes training more relevant to our employees.

❖ *Case 2:* Another employer reported:

We prefer long-term relationships, as long as no one gets complacent. Long-term relationships save us time through the familiarity. There is no need for partners to reinvent the wheel and by continuing with a familiar partner which has been successful, we are more efficient with our time and money. The amount of time these new relationships consume is amazing. By continuing with this partnership we overcome these hurdles and having fewer people to deal with makes it easier and more successful in the long run.

### *Training partnerships are being negatively affected by staff turnover.*

Maintaining relationships where a particular industry had high staff turnover was a major challenge for providers. Mining companies and defence industries, for example, were generally located in regional and more remote areas where people in senior positions moved on quite regularly. As a result, it was difficult for training providers to maintain a consistent approach since, with a change in personnel, came a change in direction of what was required by the organisation.

A related issue was turnover of staff in the training organisation. TAFE institutes in particular found that, as their staff built up their industry experience, their skills became highly valued by industry. In turn, they lost the staff most involved in the training partnerships to a higher-paying industry-based job and were forced to begin training another teacher for the position.

Many of the providers mentioned the difficulty of finding the 'right' person in their institution to work with their industry partners. They were enthusiastic and committed to the idea of establishing industry partnerships and were proactive in seeking partnerships for their institution. However, they felt there was some cultural resistance within many of the TAFE institutes, in particular from teaching staff who were not interested in pursuing or servicing such relationships.

A number of providers reported that many of the TAFE staff had left industry employment several years before and moved to TAFE to seek a more stable 'nine-to-five' job. They were reluctant to work closely with industry or to respond to industry needs for more flexible delivery hours. In response to this perceived shortage of the 'right people' inside the TAFE institution, a person from industry was often recruited specifically to manage a particular partner or partners.

Many employers were concerned about the need for increased levels of professionalism among TAFE staff in attitudes and presentation. 'Lecturers need to be more aware that they need to be on time, focused and to present themselves better visually in dress and manner, and in the professionalism of their presentation. In the past, TAFE lecturers have been used to lecturing to students. It's a different audience in the workforce'.

## Communication skills and relationship management

*Open and regular communication is central to successful training partnerships.*

The most successful partnerships were characterised by high levels of cooperation between the two organisations which basically rested on good relationships and communication between several key people from both sides. At this level, both parties were interested in supporting each other and in meeting their existing and emergent business objectives. They were using each other's existing contacts to increase business opportunities, and a number were investigating the possibility of joint bidding approaches in several countries and in other states.

Open communication is seen as central to the success of partnerships. Many of the employer-provider pairs interviewed noted that they felt there was a partnership in the 'true meaning of the word' when communication was open, honest and day to day. Providers and employers were continually talking and working together and would not make changes without first consulting the other partners. This meant regular communication between all of the parties involved. They felt that the high and sustained quality of the partnership was a direct consequence of the quality of the communication between one another and the effort dedicated to keeping it that way.

Training also facilitated the growth of relationships and levels of communication within the employer enterprises. Meetings about training offered an opportunity for all levels of management to meet to discuss the future training needs of the business and their aspirations in relation to the skills needed by staff. In-house training, which required the attendance and input of managers, made these managers more aware of the existing skills and abilities of staff, as well as what staff believed were the strengths and shortcomings of the organisation. These meetings also provided an opportunity for organisation-wide problems to be identified and resolved. As one supervisor remarked: 'Through these meetings about the training, we identified and talked at length about major sources of stress, and in turn certain workcover stress claims. These meetings helped us to convince senior management not only about the need for the current training partnership but also areas to grow the partnership once it was established'.

*Provider staff managing partnerships possess strong communication and other appropriate skills.*

The survey illustrated that VET providers believed their staff who managed industry-provider partnerships possessed particularly strong communication skills. They also believed staff had a

strong customer focus, considerable levels of industry experience, solid project management skills and relationship-building skills, and were very capable in completing training needs analyses.

In the same survey, providers rated the effectiveness of staff in several specific areas of partnering (see table 3). As can be seen, provider staff were judged to have good skills in building relationships with the industry partner, in winning work, setting shared goals, showing a real interest in the partner’s proposals and concerns in employer liaison and undertaking training needs analyses. The single area to emerge where staff were rated as less effective was in managing the legal and contractual arrangements behind partnerships.

**Table 3: Effectiveness of provider staff in partnering**

| Per cent of respondents rating their staff as effective in   | Per cent |
|--|----------|
| Building personal relationships with the industry partner  | 95.7     |
| Setting shared goals with the industry partner   | 85.7     |
| Winning the job  | 82.8     |
| Showing real interest in partners’ proposals and concerns  | 81.4     |
| Doing training needs analyses  | 80.0     |
| Employer liaison   | 80.0     |
| Provide information and regular feedback to the institution about the performance of partnerships that they manage | 75.7     |
| Negotiation skills   | 71.4     |
| Project management   | 70.0     |
| Marketing what we can do   | 67.1     |
| Identifying and managing risk in the partnership   | 67.1     |
| Legal and contractual arrangements   | 44.2     |

The ability to complete effective training needs analysis was judged by providers in the survey and by industry partners in the interviews to be a major strength. The successful completion of a detailed training needs analysis was seen by providers and industry as a major tool available to providers to secure and build upon the relationship. It was central to selling the need for training to the business. As one employer noted: ‘Our training provider is taking a leading position. They contacted us, did a very useful needs analysis and told us what we needed to know. That built our confidence in them almost straight away, and got us committed to getting the training underway’. In other instances, however, industry partners felt this ability to assist in the identification of training needs was lacking among providers. According to one business manager: ‘They did not show enough connection with our business needs. We wanted them to lead, for example saying “let’s offer a course in fluid mechanics because that’s where our analysis shows that your local business is having problems with systems failure”. They needed to be much better in their ability to review the organisation and say “you need this”, not be waiting for us to tell them’.

# Performance of the partnership— findings

## Partnership performance

In the survey questionnaire, respondents were invited to rate the performance of their current training partnerships. The in-depth interviews also provided an opportunity for respondents to talk at length about the overall performance of the training partnerships they had been involved in.

The set of questions encouraged respondents to integrate earlier comments and to reflect upon the performance of VET industry–provider training partnerships. In addition, respondents were asked to reflect upon the ways in which both partners had engaged in learning and continuous improvement throughout the partnership. Or, in other words, to test if any of the qualities of a learning organisation were being applied to these partnerships.

### *Providers were very satisfied with the performance of the partnerships.*

In the survey, providers rated the overall performance of their organisation in partnering with industry. As table 4 demonstrates, they believed that their training organisations were performing well on the vast majority of criteria presented. Highest ratings were given to the people and relationship management skills of VET staff, and the ability of the institution to customise and to be flexible in its training approach.

The application of financial and non-financial indicators of success, as well as the actual financial returns, received slightly lower ratings of satisfaction, but these ratings were still high overall. In summary, providers were generally very satisfied about the performance of their staff and institutions in the delivery of the training partnership.

**Table 4: Performance of the organisation in partnering with industry (perceived levels of satisfaction)**

| Per cent of respondents rating themselves as satisfied with  | Per cent |
|--|----------|
| The quality of our communication with the industry partner   | 89.0     |
| Our ability to establish trust   | 87.6     |
| Our willingness to customise training to meet industry needs   | 87.6     |
| Our success in customising the training  | 86.3     |
| Our willingness to make changes to the nature of the off-the-job training                                    | 84.9     |
| Our openness to experimentation  | 83.5     |
| The commitment shown by our staff to make the partnership a success  | 82.1     |
| The financial returns to us in the longer term   | 79.4     |
| Our willingness to adopt a long-term perspective in judging the success of the partnership                   | 79.4     |
| Our level of planning within the partnership   | 76.7     |
| Our flexibility with staffing arrangements   | 75.3     |
| Our flexibility in providing different delivery modes for the training                                       | 75.3     |
| The administrative arrangements we put in place to manage the day-to-day issues arising in such partnerships | 72.6     |
| The financial returns to us to date  | 67.1     |
| Our application of non-financial measures of the success of the partnering                                   | 65.7     |
| Our application of financial measures to determine the success of the partnering                             | 64.3     |



Providers also rated the performance of their respective industry partners on these same criteria. Ratings were again high, although slightly less positive than ratings given to their own institutions (table 5). The highest ratings were again associated with the trust, customisation and openness to change to the training model which occurred within the partnerships.

Industry partners gave lower ratings to the application of financial and non-financial indicators to determine the success of the partnering, and the flexibility of industry staff and the training arrangements.

**Table 5: Performance of the industry partners (perceived levels of satisfaction)**

| <b>Per cent of respondents rating themselves as satisfied with</b>   | <b>Per cent</b> |
|--|-----------------|
| Their willingness to customise the training  | 74.6            |
| The financial returns to them in the longer term   | 74.6            |
| Their ability to establish trust with us   | 73.2            |
| The commitment shown by their staff to make such partnerships a success  | 71.8            |
| Their openness to experimentation with the training model  | 70.4            |
| Their success in customising the training on the job   | 69.0            |
| Their willingness to adopt a long-term perspective in judging the success of the partnership                   | 69.0            |
| The quality of their communication with us   | 66.2            |
| The financial returns to them to date  | 64.7            |
| Willingness to make changes to the nature of the on-the-job training   | 63.3            |
| Their level of planning within the partnership   | 60.5            |
| Their application of financial measures to determine the success of the partnering                             | 59.1            |
| Their flexibility in providing different delivery modes for the training                                       | 57.7            |
| The administrative arrangements they put in place to manage the day-to-day issues arising in such partnerships | 57.7            |
| Their flexibility with staffing arrangements   | 56.3            |
| Their application of non-financial measures of the success of the partnering                                   | 52.1            |

In the interviews, employers were also very satisfied with the outcomes which appeared to be emerging from the current training partnerships with various public and private providers. Employers reinforced their earlier comments that the partnerships were helping them to meet a local or even national training need for their industry. They were pleased with the ability of providers to deliver high-quality and industry-relevant training, which was also flexible, sensitive to the cost of having employees off the job for long periods of time, and which was open for regular review.

Again, several employers raised concerns about the administrative demands training had placed on them and their providers. At the same time, they believed that these constraints were being successfully managed over the lifetime of the partnership. Overall, employers were pleased enough with the performance of their current training partnerships with their providers that the vast majority wanted to search for other opportunities to partner.

## Learning from partnerships

Most providers felt that their knowledge about what creates successful training partnerships was increasing with each partnership they became involved in. Many acknowledged that they had learned much from their initial partnerships and now did things quite differently as a result of those earlier experiences. These experiences meant that it was easier for them to enter into subsequent partnerships as they were actively applying all they had learned, and while they had systems and people in place which made them more responsive to potential new partnerships.

As one provider remarked:

We are getting smarter all the time. Three years ago our TAFE had not done anything nationally outside our state and certainly there were no other cases where we were managing simultaneous delivery across a country. It required us to create a lot of systems and processes as well as learning resources. Now we have people in those jobs [who can do them] and [which now enables] us to make commitments about such delivery.

In the survey and interviews, providers responded to a number of questions asking about organisational learning, feedback, and openness to review within the partnership. Providers' ratings were very positive. The majority of staff were happy to share ideas which would improve future partnering (see table 6). There was open discussion about partnering and new ideas were seen to benefit partnering. As a TAFE teacher remarked: 'We make sure it works. It is reviewed on a continual basis and we provide as much support as we can. By being on their doorstep at all times means that you can respond and lead the industry to make the training the best for their staff and the industry'.

Other providers talked about 'creating a learning organisation is [an] ultimate goal', and how they 'wanted to create a culture where we talk, learn and grow and get better and better at delivering training that is high quality and very profitable for both partners'.

However, these same providers felt that their institution needed to be more proficient in identifying what was being learned from the partnering experience (table 6). Here the issue was largely related to developing and sharing across institutional boundaries, the learning gained from both successful and unsuccessful partnering. As reported in the interviews, a significant amount of partnering is undertaken within specific business centres in each training institution. At the best of times, high levels of communication are not sustained between centres or departments in most organisations. This communication is even less likely in relation to commercial activities which are prized by a department as an added financial advantage they do not wish to lose to others in the same institution.

In many instances the partnerships are managed by a small group of staff in each institution who are the individuals most interested in developing industry and commercial partnering. In addition, they tend to spend a fair amount of time external to their institutions searching out other potential partnerships. On the other hand, many teachers are perceived to be not interested in the additional demands and challenges of managing a commercial training relationship. Together these factors mean that quite explicit strategies are needed to promote the outcomes of larger-scale training partnerships within the larger training institutions in particular.

**Table 6: Learning from partnerships**

| <b>Per cent of respondents who agree</b>   | <b>Per cent</b> |
|--|-----------------|
| Staff are comfortable about sharing new ideas that might improve the partnering outcomes                                     | 77.4            |
| New ideas that challenge current training practices are welcomed   | 77.4            |
| I work in an environment where constructive feedback is welcomed by management about how our industry partnerships are going | 76.0            |
| There is open discussion of what we have learned from our mistakes in partnering   | 69.0            |
| A failed partnership is seen as an opportunity to learn and improve our operations   | 67.6            |
| We regularly review the progress of partnerships with our industry partners  | 66.2            |
| Our institution does a good job in communicating to all staff what we have learned from successful and failed partnering     | 54.9            |

*Only a minority of providers have been involved in ending a larger training partnership.*

Partners also learn from failed industry partnerships. Some 23% of providers had been involved in ending an industry–provider training partnership. Asked about the most significant reasons for the loss, most frequently mentioned was the loss of funding or sudden reductions to funding, and insufficient financial returns.

Other issues mentioned, but less often, were relationship problems which included a lack of clearly stated outcomes and roles and responsibilities; the lack of a genuine partnership; changes to the needs of the parties; and unrealistic expectations which centred upon partners not meeting their requirements, being too demanding and unwilling to fully contribute to the project.

- ✧ *Case 1:* A provider reported that a particular partnership had been unsuccessful because it was not ‘a true partnership’, but had developed more as a form of a service provider contract. The provider delivered training for a government organisation. In this arrangement, they were not expected to modify the training package in any way to suit the needs of those attending the training. The provider felt the course had been ‘designed in an ivory tower’ and it proved to be unsuccessful because it was not as relevant or beneficial to employees as it could have been.
- ✧ *Case 2:* Another example of a failed partnership involved a large alliance. It was felt that the large number of partners prohibited good and timely communication between the partners. Members of the consortia were not actively involved in the partnership and the decision-making was undertaken by a handful of dominant partners. Moreover, the decisions made by these few dominant partners were perceived to be advantageous to them and less so to those not centrally involved in the training partnership. The lessons believed to be learned focused upon ways to maximise efficient communication and consultation despite the number of partners and the distances between them.
- ✧ *Case 3:* An employer involved in an area of specialised manufacturing had ended a partnership with a provider because of concerns about delivery methods and levels of service. Overall, the employer felt that both were outdated. Also the partnership had been an informal one: ‘There was no real documentation—it was all more on a handshake’. However, as a result of these frustrations the industry partner had actively sought a new TAFE partner and embarked on a more formal contractual partnership. Within this partnership, the industry negotiated to deliver some of the training, and the provider compensated them for this. They felt this partnership was more successful because it was more equitable, with the provider being more proactive and willing to meet them halfway.

# Developing better partnerships

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## Industry concerns

Employers emphasised that, in order to be effective as training providers, training organisations must recognise a number of realities about businesses in Australia today. Firstly, they emphasised that business is in a state of constant change in a highly competitive marketplace. Industry required the services of training providers who understood this, and who were willing to keep up with them.

The pace of change is an enormous challenge to our business and people outside the industry would not be very aware of the rate of technological and cultural change involved these days. To be our partner, a provider must actively work with us as we evolve, change and reassess our capabilities to stay highly competitive.

Secondly, training is a substantial cost to any business. The costs are largely financial, but also include lost staff time, lower production and difficult administrative arrangements to cover for staff in training. Many businesses see training as a cost and not as an investment.

Thirdly, entrenched and negative stereotypes about large public providers of training are still prevalent. These organisations are seen by some employers to be unwilling to provide training that is relevant, flexible and tailored to meet their specific industry needs. Industry did accept, however, that TAFE institutions were making the effort to respond to industry needs so that teaching staff were less inhibited by their institutional cultures, policies and procedures. The training systems and bureaucracy were clearly being pushed and squeezed to enable more flexible and customised training.

Finally, many businesses felt that TAFE trainers still did not have the industry edge, commercial 'savvy' or real understanding of what was needed to help them. 'Some TAFE trainers have been out of the workplace for 10 to 15 years and they've lost track. They need more credibility with my workers', reported one business partner. Importantly, many training providers were well aware of this. The need for training partners to develop a much stronger understanding of the commercial demands being faced by their partners was identified. Training organisations and employers alike wanted those involved in partnering to have a more hard-edged attitude to financial risk management, a greater understanding of commercial issues, especially where ventures and risks were being shared between partners, and a better knowledge of pricing, costing and valuing of intellectual property. Linked to this was the need for a better understanding of legal and contractual arrangements.

In addition, the vast majority of training providers surveyed and interviewed wanted their teachers and trainers to be more up to date with industry best practice, and latest developments. Institutions were strongly encouraging training staff to visit and talk to employers regularly, especially in relation to the management of various training partnerships and other forms of training. A number of staff had taken secondments to industry. Many used opportunities for on-the-job training and assessment to enable them to remain in touch with their industries.

## Areas for improvement

VET providers and industry were generally very satisfied with the current training partnerships. But a bias implicit in the current research is that we tended to contact partners who were or had been involved in successful partnerships.

On the other hand, despite the success of the partnerships, most individuals still had very strong views about the key areas for improvement in VET industry–provider partnering.

Employers and providers alike mentioned six areas for improvement:

- ✧ Develop greater consistency of service and product delivery, including ensuring that providers regularly review their activities to ensure industry needs were being met; that more regular reviews and reporting of client expectations were undertaken; and checks that interpretation and understanding of client needs were accurate.
- ✧ Continue to develop the capabilities of staff in the training organisations so that staff are more readily able to identify good and bad prospects; to develop higher levels of business planning and better team management to ensure that teams of staff operate more successfully; and to develop more people across the institution as marketers and business development managers with higher levels of business savvy, marketing, negotiation and liaison skills, who were ‘doers who make things happen’.
- ✧ Reduce costs, many of which were often too high or not fully recognised in determining the delivery and profitability of training; and keep a closer eye on financial/budget hotspots which had made many of these larger partnerships much less profitable than initially expected.
- ✧ Introduce greater flexibility and ensure ongoing change in the training organisations, including the provision of a wider range of staffing arrangements, modes of delivery, more flexible cost structures, and changes to policies and procedures to make training more flexible; pay greater attention to the just-in-time mentality of industry which expected courses to be delivered on very short notice; encourage the attitudes of provider senior management to partnerships to be more flexible and supportive of the changes needed to systems and cultures to ensure larger commercial partnerships are more viable and successful.
- ✧ Focus more on the non-financial benefits among the measures of success, including adopting a longer-term view to the rewards from such partnerships.
- ✧ Adopt a more proactive and strategic approach to partnerships, including the need to reduce the reactionary and ad hoc responses perceived as still quite typical of many institutions in their approach to opportunities to partner.

## Guidelines for building better partnerships

A number of guidelines to emerge from this research which might assist training organisations as they seek opportunities to develop larger and typically fee-for-service training partnerships with industry are presented:

- ✧ Recognise the competitive realities faced by businesses as they try to build training and ongoing skills development into their organisations or industries. Training needs to take the operational requirements of the business into consideration. This is especially true of smaller businesses where training can be a major disruption to their productivity. Accept that industry can be very resistant to entering larger-scale training partnerships due to a fundamental lack of confidence in training staff, in technology and to a commitment to managing the training around the day-to-day operational demands on employees. An ideal strategy is to engage in ‘stereotype questioning’ activities which force the partner to challenge their tired and false perceptions about public providers.
- ✧ Build as many elements of flexibility and customisation into the training within the allocated budget as feasibly possible. If industry is seeking a longer-term partnership, it is highly likely that

a more seamless delivery of training will be required. In response to this, the provider can utilise a wide range of options, including joint appointments, training workplace assessors, shared information technology and administrative systems for the management of the training, and a range of on- and off-the-job options for the delivery of the training.

- ✧ Given the time involved in establishing larger training partnerships, it would appear that industry would prefer, in most cases, a longer-term partnership. Partnership development takes a great deal of time. Industry is reluctant to spend too much time chasing a new partner when a good partner is already working with them.
- ✧ Accept that initially a 'break-even' outcome may be the best result realised by a training provider. From this starting point, with a proven track record and higher levels of trust, it is likely that greater financial benefits will accrue from either the current project or new partnerships with the employer or industry. Look locally as that is where most of the partnerships will emerge. But once established, use the training model or knowledge developed to think more globally (that is, in other states or countries) about future training partnerships.
- ✧ Find and then develop staff who have special abilities for initiating and managing the beginning stages of larger training partnerships. These staff need to be skilled communicators, able to build trust, not averse to risk and committed to the vision that often drives industry to want this type of larger-scale training. At the same time, avoid creating 'heroes' on whom the success of the whole partnership seems to rest. Recruit others who will work with these project managers or partnership managers and, who, in time, can successfully replace them.
- ✧ Assemble a core of individuals who want to be responsible for the successful management of the partnership and the achievement of its training objectives. At a more formal level, establish a steering committee which consists of this core of people who, with others, see the leadership of the partnership as a shared responsibility. In particular, it is this group which needs to develop and communicate the vision driving the training. Their relationship with one another establishes the climate for others involved in the partnership. This group must check that the right people and resources are available, that there are clear responsibilities and expectations among those delivering and receiving the training, and that there is constructive resolution of the conflicts which will emerge in any relationship.
- ✧ Ensure senior management commitment early for the partnership, especially by demonstration of evidence of the financial and non-financial returns to the training organisation and the industry partner through this investment in training. Over the lifetime of the partnership, continue to 'manage upwards' and promote widely the benefits being realised by all of those involved in a mutually rewarding, strong and long-term partnership.
- ✧ Build a learning environment within the partnership where individuals are encouraged to seek and provide regular feedback and review. Successful training partnerships regularly review how well the partnership is meeting industry needs. While the ideal is continuous evaluation, in many instances the first step is regular evaluation at various stages of the development of the training partnership, supported by timely communication and responsiveness by partners. Constant evaluation serves as a justification to employers of the value of return on their investment in this training partnership.
- ✧ Build staff capability in the many skills which support partnering. It is highly likely that staff will self-select to be involved in larger training partnerships because of their interest in industry, their strong communication skills and their natural entrepreneurial spirit. At the same time, their skill deficits are most likely to involve the management of the legal and contractual arrangements behind partnerships, risk analysis and marketing.
- ✧ Assume that over time, the quality of the relationship developed will prove to be a more important issue to the industry partner than the actual financial cost of the training to them. Building trust will be central to the success of the training partnership. Many partnerships will originate informally and from personal relationships between teachers and their friends in industry.

## Future research

The current research provides a useful initial examination of how a wide range of issues are shaping the nature and performance of larger VET industry–provider training partnerships. The model guiding the research, while still quite preliminary, did provide a useful conceptual rationale for identifying and categorising many of the key variables at work.

This project could be usefully followed by more in-depth investigation into each of the three domains highlighted here. That is:

- ✧ the role of the so-called environmental or situational factors in shaping what and how the partnerships emerge
- ✧ more specific examples and in-depth cases of how these more commercial and often larger relationships have responded to needs for flexibility, customisation, regional and cultural issues
- ✧ the strategies used by partners and employers to continue to build trust, open communication and an environment of learning and continuous improvement.

It is suggested that, for this future research methodology involving in-depth interviews and case studies rather than survey research be utilised. In-depth interviews proved to be a more suitable method for examining the complex and changing nature of these larger training partnerships than did the structured and anonymous survey. The ‘pairing’ of provider and employer perceptions about their training partnership arguably provided a more balanced report on the history, performance and success of the partnership. This study found that provider and employer pairs had highly similar attitudes which may reflect the longer-term nature of many of the partnerships, and the levels of trust and communication established between them. Moreover, while the current project touched upon failed partnerships in the survey, this issue needs to be further investigated through interviews with both partners and other stakeholders affected by the failed partnership.

Finally, the current project is not only exploratory, but also cross-sectional in its research design. A more longitudinal approach could be achieved by replicating the current research in two to three years time. Ideally, these longitudinal studies would not only follow up the progress of the partnerships examined in this study, but also investigate new partnerships as they formed, grew and shut down.

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# Appendix A: Methodology

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The research was conducted between July and December 2002. Two research methods were used. The research used a structured survey completed by public and private sector providers and an interview study in which both the provider and the industry partner were asked about their specific training partnership.

The survey questionnaire was developed around the partnership framework described earlier (that is, environmental, training model, and people issues). The structured questionnaire was established as an electronic questionnaire which could be accessed from the investigators' website. The website was promoted through email to directors of public and private providers and others who had been contacted throughout the development of the research. In an effort to maximise the response rate, each of these individuals was sent various follow-up reminders as the closing date for the survey approached.

The questionnaire was:

- ✧ highly structured, with a large number of open-ended questions
- ✧ organised in three parts around the issues of environmental factors (size of institution, state, location, industry, areas of training expertise, number of partnerships, types of major competitors, length of major partnerships, financial arrangements); training model issues (perceptions of the level of flexibility, customisation, levels of choice for trainees/apprentices/employers, ratings of the success of the training partnerships, administrative systems); and people issues (areas of professional strength among staff, strategies in gaining trust/commitment in the relationship)
- ✧ confidential in nature, with no names requested of respondents
- ✧ sent to all TAFE institutions, and to the larger private providers in all states and territories. An earlier project on VET manager capabilities (Callan 2001) had developed this mailing list.

In total, there were 102 respondents to the electronic survey. This sample of respondents is not representative of Australian providers, but at this preliminary stage of research into such larger training partnerships, it is an indicative sample which provides a useful description and analysis of the nature of such partnerships. Clearly this survey needs to be followed up by a survey which gains a more representative sample of providers and their larger training partnerships, either through representative state or national samples.

The questionnaire provided both quantitative and more qualitative data about training partnerships. Ratings scales in the survey questionnaire providing the more quantitative data were collapsed for the structured items, with items 4, 5 and 6 being collapsed to provide ratings of agreement with each statement.

All open-ended qualitative questions in the survey were recorded and content analysed. These are reported either as summaries or as selected verbatim comments in the report. The verbatim quotes were used to emphasise a point, were chosen selectively, and were placed typically within a broader discussion of an issue to support the point being made.

The second technique involved 52 'paired interviews' with the training provider and industry partner being separately interviewed by telephone. Using a form of 'network' or 'snowball'

sampling, names of individuals known to be involved in major training partnerships were compiled. Again this sample is small and provides an indicative sample which can form the basis of analysis to guide future research. These 104 individuals in total were identified through contacts made at conferences in 2002 (for example, Spotlight on the Provider Conference, Albury; NSW TAFE Directors Conference in Sydney), other VET research being undertaken (Callan 2003), by working through industry and provider networks, and through reference to published reports about the partnerships. When this list was exhausted, institutes were randomly selected from a directory of all TAFE institutes across Australia and the larger private providers for each state, compiled by the investigators developed in cooperation with State Departments.

This sampling ensured that a wide variety of opinions were sought. A number of the institutes generated more than one paired partnership for the study, especially when partnerships were seen as being integral to their strategic objectives. It is important to note again that this sampling provided a wide variety of institutions across Australia, but not a representative sample.

Telephone interviews were completed separately with the VET provider and the industry partner, each of whom talked about the same partnership. The 104 separate interviews ranged from 50 to 90 minutes in length. Throughout the research, many respondents were concerned about other persons becoming aware of the commercial nature of the partnership. For this reason, the lists of respondents provided in appendix C to this report is in alphabetical order. Thus, the order in each list for industry and the provider does not reflect the 'pairs' who comprised each partnership. In addition, in a further effort not to disclose the name of the organisation, specific companies are not mentioned in the findings for this report. Rather, we have used broad titles such as mining company, manufacturing company and so on.

Again verbatim comments from the interviews were selected and put into the report to emphasise a point or to provide an example. In addition, we have used the concept of mini cases (for example, case 1, case 2) to provide short examples of 3–6 lines about certain partnerships within a number of the sub-sections in the report.

Another issue is that the sampling process was unable to determine the length or stage of the specific partnerships being investigated. In the vast majority of cases we found the respondents in the surveys were reporting upon well-established partnerships. But they were often reflecting on commercial training partnerships of varying size and different lengths. We did not get them to focus upon a specific partnership in any great detail; rather, we gained their general impressions based on experiences in multiple partnerships. However, in the interviews, we were able to screen partners to check that they were commenting on one large, more commercially focused training partnership which was both well-established and current. This selection process was used as we wanted to determine the attitudes of their partner to the same training partnership.

Appendix B provides a copy of the questions asked in the telephone interviews.

Appendix C provides a list of the industry partner and providers who were interviewed.

Appendix D is the background information about respondents who replied to the survey.

Appendix E is a hard copy version of the questionnaire (the electronic version had a different format, and used pull down menus and items that were clicked on).

# Appendix B: Telephone interview questions

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## A BACKGROUND INFORMATION

Q1 TYPE OF RESPONDENT

1. Provider                      2. Industry

Q2 NAME \_\_\_\_\_

LOCATION \_\_\_\_\_

PHONE \_\_\_\_\_

EMAIL \_\_\_\_\_

Q3 The Provider/Industry partner who makes up the partnership?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## OTHER DETAILS ON A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## B ENVIRONMENTAL FACTORS

Q4 What is the nature of the partnership?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Q5 When did it begin? \_\_\_\_\_ year.

Q6 When is it planned to finish? \_\_\_\_\_ year.

Q7 Who is the recipient of the training?

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Q8 What were the key drivers for making this partnership happen? (e.g. key people, availability of seed capital, need to share resources, reputation of other partner etc.)

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Q9 What are the benefits (financial and non-financial) of the partnership to you as a provider/industry partner?

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Q10 On the other hand, what have been the major challenges to you as a provider/industry partner in making the best out of this partnership? (e.g. clashes of culture, problems in delivery of training)

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Q11 When you compare the current success of this partnership to other partnerships you are involved in, is it:

More successful than other partnerships

About the same success

Less successful than other partnerships

Why?

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Q12 What is the:

Dollar value of the partnership? \$ \_\_\_\_\_

Number of staff involved? \_\_\_\_\_ employees

Number of states (in 1 or more)? \_\_\_\_\_ states

Number of locations for delivery of the training? \_\_\_\_\_ locations approximately



D PEOPLE ISSUES

How has the partnership benefited your people who have been involved in the partnership? (e.g. increased their skills in marketing, better understanding of ...)

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What people issues need to be improved to make this and other partnerships work better. For instance, what training needs exist among your staff involved in the partnership?

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OTHER DETAILS ON D

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E FINAL COMMENTS

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# Appendix C:

## Lists of VET providers and industry

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### Providers

Adelaide Institute of TAFE, Department of Juris Studies, Adelaide, South Australia  
Adelaide Institute of TAFE, Hospitality, Adelaide, South Australia  
AMES Education, Bellawongarah, New South Wales  
AMES Education, Melbourne, Victoria  
Boyle Consulting, Taren Point, New South Wales  
Campbell Page, Employment and Training, Nowra, New South Wales  
Canberra Institute of Technology, Canberra, Australian Capital Territory  
Central West College of TAFE, Geraldton, Western Australia  
Centralian College, Alice Springs, Northern Territory  
Cooloola Sunshine Institute of TAFE, Nambour, Queensland  
Douglas Mawson Institute of TAFE, Panorama, South Australia  
Drysdale Hotel School, TAFE Tasmania, Tasmania  
Futurum Australia, Hawthorn East, Victoria  
Gold Coast Institute of TAFE, Bundall, Queensland  
Gordon Institute of TAFE, Geelong, Victoria  
Illawarra Institute of TAFE, Nowra Campus, Nowra, New South Wales  
Kimberley College of TAFE, Kununurra, Western Australia  
Light Manufacturing Australia, Melbourne, Victoria  
Murray Institute of TAFE, Barossa Campus, Nuriootpa, South Australia  
National Environment Centre, Riverina Institute of TAFE, Albury, New South Wales  
North Coast Institute of TAFE, Part Macquarie, New South Wales  
Northern Territory University, Darwin, Northern Territory  
New South Wales TAFE Industry Partnership Centre, Australian Technology Park, Evenleigh, New South Wales  
Onkaparinga TAFE, Noarlunga, South Australia  
Regency Institute of TAFE, Regency Park, South Australia  
River Murray Training, Berri, South Australia  
Riverina Institute of TAFE, Albury Campus, Albury, New South Wales  
Riverina Institute of TAFE, Tumut Campus, Tumut, New South Wales  
Riverina Institute of TAFE, Albury Campus, New South Wales  
Riverina Wine and Food Technology Centre, Riverina Institute of TAFE, Griffith, New South Wales  
South East Institute of TAFE, Mt Gambier, South Australia

South West Regional College of TAFE, Bunbury, Western Australia  
Southbank Institute of TAFE, COTAH, South Brisbane, Queensland  
Southbank Institute of TAFE, South Brisbane, Queensland  
Southbank TAFE, Brisbane, Queensland  
Southern Sydney Institute of TAFE, Bankstown Square, New South Wales  
Spencer Institute of TAFE, Whyalla Campus, Whyalla Norrie, South Australia  
TAFE Tasmania, Metals and Engineering, Tasmania  
TAFE Tasmania, Natural Resources, Tasmania  
Torrens Valley Institute of TAFE, Modbury, South Australia  
Tropical North Queensland Institute of TAFE, Cairns, Queensland  
VET in Schools Directorate, New South Wales Department of Education and Training,  
Darlinghurst, New South Wales  
Victoria University, Melbourne, Victoria  
Victoria University, School of Engineering, Melbourne, Victoria  
West Coast College, Joondalup, Western Australia  
West Pilbara College of TAFE, Karratha, Western Australia  
Western Institute of TAFE, Orange Campus, Orange, New South Wales

## Industry

Aurukun Shire Council, Aurukun, Queensland  
Australian Bulk Minerals, Burnie, Tasmania  
Australian Photonix CRC, Australian Technology Park, Evenleigh, New South Wales  
Bakers Delight Holdings Ltd, Campberwell, Victoria  
BRL Hardy, Reynella, South Australia  
Camelon IT & Training, Marrochydore, Queensland  
Camp Quality, Perth, Western Australia  
Canberra Cannons, Canberra, Australian Capital Territory  
Centrelink, Canberra, Australian Capital Territory  
Classic Foods, Edith Creek, Tasmania  
Connex Rail, Melbourne, Victoria  
Delta Electricity, Wallerawang, New South Wales  
Department of Defence, Canberra, Australian Capital Territory  
Flemington North Melbourne Community Centre, Melbourne, Victoria  
Forestry Tasmania, Hobart, Tasmania  
Geraldton Health Services, Geraldton, Western Australia  
Goodwill Industries, Malaga, Western Australia  
Group Four, Mt Gambier Prison, Mt Gambier, South Australia  
Hammersley Iron Pty Ltd, Perth Western Australia  
Hilton International Hotel, Adelaide, South Australia  
Holden, Elizabeth, South Australia

Homestart Finance, Adelaide, South Australia  
Hotel Grand Chancellor, Hobart, Tasmania  
Injalak Art Centre, Gunbalanya (Oenpelli), Northern Territory  
Job Pathways Program  
John Deere Limited, Brisbane, Queensland  
Lake Argyle Industries, Lake Argyle, Western Australia  
Lasseters Casino, Alice Springs, Northern Territory  
Manildra Shoalhaven Starches, Nowra, New South Wales  
McWilliams Wines, Yenda, New South Wales  
Meerilinga Young Children's Foundation, Perth, Western Australia  
MMM, Darwin, Northern Territory  
Motor Trades Association, Royal Park, South Australia  
QAF Meat Industries, Corowa, New South Wales  
Queensland Transport, Brisbane, Queensland  
Regional Parklands, Albury Wodonga, New South Wales  
Riviera Group, Coomera, Queensland  
Strategon, Adelaide, South Australia  
Taylors Wines, Auburn, South Australia  
Textiles Rental and Laundry Association (TRLA), Melbourne, Victoria  
Toyota Motor Corporation, Caringbah, New South Wales  
University of South Australia, School of International Business, South Australia  
Vinpac, Agaston, South Australia  
Visy Industries, VP9 Mill, Tumut, New South Wales  
Western Mining Corporation (WMC), Roxby Downs, South Australia  
Worsley Alumina, Collie, Western Australia

# Appendix D: Background characteristics

## Q1: What is your title?

| Title  | Frequency  | Per cent     |
|--|------------|--------------|
| Other senior manager   | 21         | 20.6         |
| Business development manager/partnership management coordinator        | 21         | 20.6         |
| Head of school/department  | 18         | 17.6         |
| Other  | 18         | 17.6         |
| Teacher  | 14         | 13.7         |
| Chief executive officer/director/managing director/pro vice-chancellor | 7          | 6.9          |
| Dean/executive dean  | 3          | 2.9          |
| <b>Total</b>   | <b>102</b> | <b>100.0</b> |

## Q2: What is your level of involvement in VET industry–provider partnerships?

| Involvement                                       | Frequency  | Per cent     |
|---|------------|--------------|
| I set up and continue to manage such partnerships | 39         | 38.2         |
| Those managing key partnerships report to me      | 24         | 23.5         |
| I manage such partnerships                        | 16         | 15.7         |
| I set up these partnerships                       | 14         | 13.7         |
| Other   | 9          | 8.8          |
| <b>Total</b>                                      | <b>102</b> | <b>100.0</b> |

## Q3: How would you classify your institution?

| Institution type | Frequency  | Per cent     |
|------------------|------------|--------------|
| TAFE             | 84         | 82.4         |
| University       | 12         | 11.8         |
| Private provider | 4          | 3.9          |
| Other            | 2          | 2.0          |
| High school      | 0          |              |
| <b>Total</b>     | <b>102</b> | <b>100.0</b> |

## Q4: How would you classify your institution?

| Location & type                      | Frequency  | Per cent     |
|--------------------------------------|------------|--------------|
| Metropolitan-based, public provider  | 68         | 66.7         |
| Regional, public provider            | 22         | 21.6         |
| Other                                | 6          | 5.9          |
| Metropolitan-based, private provider | 3          | 2.9          |
| Regional, private provider           | 3          | 2.9          |
| <b>Total</b>                         | <b>102</b> | <b>100.0</b> |

**Q5: What state/territory is your institution based in?**

| State/territory              | Frequency  | Per cent     |
|------------------------------|------------|--------------|
| Victoria                     | 25         | 24.5         |
| Queensland                   | 21         | 20.6         |
| New South Wales              | 19         | 18.6         |
| South Australia              | 11         | 10.8         |
| Western Australia            | 10         | 9.8          |
| Tasmania                     | 9          | 8.8          |
| Australian Capital Territory | 4          | 3.9          |
| Northern Territory           | 3          | 2.9          |
| <b>Total</b>                 | <b>102</b> | <b>100.0</b> |

**Q6: In which of the following locations does your institution have VET industry–provider partnerships?**

| Location                   | Frequency | Per cent |
|----------------------------|-----------|----------|
| Your local region          | 86        | 84.3     |
| Other parts of your state  | 63        | 61.8     |
| In overseas countries      | 25        | 24.5     |
| In other Australian states | 24        | 23.5     |

Note: Responses sum to more than 100% because respondents could select more than one option.

**Q9: What percentage of your training partnerships with industry falls under each of the following categories?**

| Category   | Range     | Mean | Mode |
|--|-----------|------|------|
| Mutual service partnerships where we pool resources with the industry partner to gain access to equipment or resources that aid training | 0 to 100% | 31.0 | 30   |
| Joint ventures where we pursue a training opportunity together by combining our capabilities   | 0 to 100% | 27.6 | 30   |
| Value chain partnership where we work together to change the training model to create enhanced training benefits for learners            | 0 to 100% | 30.9 | 20   |
| Other  | 0 to 100% | 15.2 | 20   |

**Q13: Please give a conservative estimate of the annual gross revenue and number of VET industry–provider partnerships that you know are operating at present between your institution and industry/employers.**

| Gross revenue category                   | % of partnerships producing this revenue |      |      |      |      |      |
|--|--|------|------|------|------|------|
|  | 0  | 1    | 2    | 3    | 4    | 5+   |
| Under \$50 000 in gross revenue annually | 24.7                                     | 10.4 | 5.2  | 14.3 | 11.7 | 33.8 |
| From \$50 000–\$100 000 annually         | 28.6                                     | 18.2 | 18.2 | 11.7 | 3.9  | 19.5 |
| From \$101 000–\$200 000 annually        | 41.6                                     | 20.8 | 19.5 | 7.8  | 2.6  | 7.8  |
| From \$201 000–\$300 000 annually        | 59.7                                     | 20.8 | 11.7 | 2.6  | 0.0  | 5.2  |
| From \$301 000–\$400 000 annually        | 70.1                                     | 14.3 | 5.2  | 2.6  | 0.0  | 7.8  |
| From \$401 000–\$500 000 annually        | 68.8                                     | 18.2 | 9.1  | 0.0  | 0.0  | 3.9  |
| From \$500 000–\$1 million annually      | 72.7                                     | 14.3 | 11.7 | 0.0  | 0.0  | 1.3  |
| Over \$1 million annually                | 79.2                                     | 15.6 | 3.9  | 0.0  | 0.0  | 1.3  |

# Appendix E: Survey questionnaire

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(This is the version used to produce the e-version of the survey.)

## CONFIDENTIAL

### A Review of VET Industry-Provider Partnerships

#### A QUESTIONNAIRE FOR COMPLETION BY THOSE WHO MANAGE OR WHO ARE CURRENTLY IN PARTNERSHIPS

Dear Colleague,

You have been identified by your institution as someone who knows about the significant challenges in setting up and managing training partnerships with industry.

**The aim of the survey** is to gather your opinions about partnerships between your institution and industry/employers. The survey is being conducted by Professor Victor Callan (University of Queensland), under the sponsorship of National Centre for Vocational Education Research (NCVER).

This survey questionnaire follows up in more detail several issues raised in interviews so far with people like yourself who know about or who actually lead and manage training partnerships between your institution and industry. Completing this questionnaire will require about 20-30 minutes or less of your time.

Key points to note in completing the questionnaire:

- **This survey is being sent electronically to key people in your institution who do industry partnering**
- **Responses to this questionnaire will be strictly confidential**
- **If you are unable to answer a question or a part of it, just leave the question out**
- **Please do not attach your name to the completed questionnaire**
- **All completed questionnaires will be seen only by Professor Callan who is conducting the survey**
- **No replies to the questionnaire will be analysed in a manner that would identify an individual, group of staff or the specific institution**
- **All replies will be destroyed once the data are analysed**
- **Summaries of the survey findings will be sent back to all institutions by early 2003**
- **PLEASE RETURN THE COMPLETED QUESTIONNAIRE BY OCTOBER 30<sup>th</sup>, 2002 OR SOONER.**

Please feel free to contact Victor Callan on (07) 3365 9009 or [v.callan@business.uq.edu.au](mailto:v.callan@business.uq.edu.au) if you have any questions. Thank you for your involvement in this significant opportunity to give feedback about the nature and success of VET industry-provider partnerships.

Professor Victor Callan  
UQ Business School  
University of Queensland

These first questions examine the nature of your institution, your role, and the type of partnering arrangements.

**Q1** What is your title? *(Please circle one or more numbers or write in).*

1. Chief Executive Officer/Director/Managing Director/Pro Vice-Chancellor
2. Dean/Executive Dean
3. Other Senior Manager
4. Head of School/Department
5. Teacher
6. Business Development Manager/Partnership Management Coordinator
7. Other \_\_\_\_\_

**Q2** What is your level of involvement in VET industry-provider partnerships? *(please circle one number)*

1. I set up these partnerships
2. I manage such partnerships
3. I set up and continue to manage such partnerships
4. Those managing key partnerships report to me
5. Other (please specify) \_\_\_\_\_

**Q3** How would you classify your institution? *(Please circle a number).*

1. TAFE            2. University            3. Private Provider            4. High School
5. Other (please write in) \_\_\_\_\_

**Q4** How would you classify your institution? *(Please circle a number)*

1. Metropolitan-based, public provider            2. Metropolitan-based, private provider
3. Regional, public provider            4. Regional, private provider
5. Other (please write in) \_\_\_\_\_

**Q5** What State/Territory is your institution based in? *(Please circle a number)*

- |                    |                      |                       |
|--------------------|----------------------|-----------------------|
| 1. Queensland      | 4. Tasmania          | 7. ACT                |
| 2. New South Wales | 5. South Australia   | 8. Northern Territory |
| 3. Victoria        | 6. Western Australia |                       |

**Q6** In which of the following locations does your institution have VET industry-provider partnerships (Circle one or more numbers)

1. Your local region      2. Other parts of your State      3. In other Australian States

4. In overseas countries (if so, please name them) \_\_\_\_\_

**Q7** What do you understand by the term 'VET industry-provider partnerships'? Think about the range and type of partnerships that you are involved with. What are they essentially about? (e.g. a formal or informal training relationship, in one or several locations, about making money now or realistically in the longer term, less about money and more about other outcomes, specific outcomes are expected and so on)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Q8** Please circle a number from 1 (Strongly Disagree) to 6 (Strongly Agree) to show how much you agree or disagree with each of these general statements.

|   | Strongly Disagree |   |   | Strongly Agree |   |   |
|---|-------------------|---|---|----------------|---|---|
| There is a strong support in our organisation for seeking industry training partnerships that will be profitable and high profile | 1                 | 2 | 3 | 4              | 5 | 6 |
| We are operating in a highly competitive training market  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Increasing the levels of profitable training partnerships is a major goal of our organisation                                     | 1                 | 2 | 3 | 4              | 5 | 6 |
| We still operate almost as the only provider of certain types of industry training  | 1                 | 2 | 3 | 4              | 5 | 6 |
| We have a highly successful track record in partnering with industry  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our geographical location gives us competitive advantages in gaining access to certain key industry partners                      | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our institution does manage partnerships interstate   | 1                 | 2 | 3 | 4              | 5 | 6 |
| The organization has a clear strategy about how it will build its level of industry partnering                                    | 1                 | 2 | 3 | 4              | 5 | 6 |
| Industry is attracted by our track record as a successful partner   | 1                 | 2 | 3 | 4              | 5 | 6 |
| We see ourselves being successful in particular niche markets of industry training  | 1                 | 2 | 3 | 4              | 5 | 6 |
| We are still developing a track record as a good training partner   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our organisational culture (e.g. our values, how we relate to people) is proving to be an asset in our partnering with industry   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our organizational structure (e.g. level of hierarchy, control systems) is proving an asset in our partnering with industry       | 1                 | 2 | 3 | 4              | 5 | 6 |
| We are the 'partner of choice' for a number of industries   | 1                 | 2 | 3 | 4              | 5 | 6 |



**Q9 What percentage of your training partnerships with industry falls under each of the following categories (the total score should add up to 100%)?**

- 1. Mutual service partnerships where we pool resources with the industry partner to gain access to equipment or resources that aid training \_\_\_\_\_%
  - 2. Joint ventures where we pursue a training opportunity together by combining our capabilities \_\_\_\_\_%
  - 3. Value chain partnership where we work together to change the training model to create enhanced training benefits for learners \_\_\_\_\_%
  - 4. Other (please write in) \_\_\_\_\_ \_\_\_\_\_%
- 100%

**Q10 What are the main drivers for your institution’s involvement in industry/employer partnerships?**

|  | Strongly Disagree |   |   |   | Strongly Agree |   |
|--|-------------------|---|---|---|----------------|---|
| To bring in additional revenue   | 1                 | 2 | 3 | 4 | 5              | 6 |
| To copy what other institutions are doing  | 1                 | 2 | 3 | 4 | 5              | 6 |
| To give staff stronger links with industry   | 1                 | 2 | 3 | 4 | 5              | 6 |
| Our motivations are not really clear   | 1                 | 2 | 3 | 4 | 5              | 6 |
| Industries/employers have demanded that we assist them   | 1                 | 2 | 3 | 4 | 5              | 6 |
| If we did not get involved in the partnering, another institution would have taken the opportunity | 1                 | 2 | 3 | 4 | 5              | 6 |
| To find future employers for our students  | 1                 | 2 | 3 | 4 | 5              | 6 |
| To build extra capability within our staff   | 1                 | 2 | 3 | 4 | 5              | 6 |
| Other (write in and rate)  | 1                 | 2 | 3 | 4 | 5              | 6 |
| Other (write in and rate)  | 1                 | 2 | 3 | 4 | 5              | 6 |
| Other (write in and rate)  | 1                 | 2 | 3 | 4 | 5              | 6 |

**Q11 What are the types of partnerships that you want to get more of? Either use the terms earlier (e.g. mutual service partnerships, joint ventures, value chain) or put in your own words what types of partnering you are really keen to build upon with industry and employers.**

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**Q12 Think about a current partnership with industry that you are most familiar with. Please detail:**

1. what it is about?                      2. how did it come about?                      3. what benefits does it bring to your institution?                      4. what benefits does it bring to the industry partner/employer?

1. \_\_\_\_\_  
 \_\_\_\_\_  
 2. \_\_\_\_\_  
 \_\_\_\_\_  
 3. \_\_\_\_\_  
 \_\_\_\_\_  
 4. \_\_\_\_\_  
 \_\_\_\_\_

**Q13. Please give a conservative estimate of the annual gross revenue and number of VET industry-provider partnerships that you know are operating at present between your institution and industry/employers. For each gross revenue category (e.g. \$50,000-\$100,000 annually), circle a number from 1 to 5 or more to indicate how many partnerships you know about in your institution that are operating at present around this annual revenue target.**

|   |   |   |   |   |           |
|---|---|---|---|---|-----------|
| Under \$50,000 in gross revenue to the institution annually | 1 | 2 | 3 | 4 | 5 or more |
| From \$50,000-\$100,000 annually                            | 1 | 2 | 3 | 4 | 5 or more |
| From \$101,000 -\$200,000 annually                          | 1 | 2 | 3 | 4 | 5 or more |
| From \$201,000-\$300,000 annually                           | 1 | 2 | 3 | 4 | 5 or more |
| From \$301,000-\$400,000 annually                           | 1 | 2 | 3 | 4 | 5 or more |
| From \$401,000-\$500,000 annually                           | 1 | 2 | 3 | 4 | 5 or more |
| From \$500,000-\$1 million annually                         | 1 | 2 | 3 | 4 | 5 or more |
| Over \$1 million annually                                   | 1 | 2 | 3 | 4 | 5 or more |

**Q14 What training is your organisation best known for in terms of currently successful training partnerships with industry (e.g. training in aquaculture, laboratory operations)? Please list up to three if possible.**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Q15** Please circle a number from 1 (Highly Dissatisfied) to 6 (Highly Satisfied) to indicate your level of satisfaction with the performance of your organisation in the following aspects of partnering with industry or with specific employers.

|   | Strongly Disagree |   |   | Strongly Agree |   |   |
|---|-------------------|---|---|----------------|---|---|
| Our ability to establish trust  | 1                 | 2 | 3 | 4              | 5 | 6 |
| The quality of our communication with the industry partner  | 1                 | 2 | 3 | 4              | 5 | 6 |
| The commitment shown by our staff to make the partnerships a success                                      | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our willingness to customise training to meet industry needs  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our success in customising the training   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our openness to experimentation   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our flexibility with staffing arrangements  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our application of financial measures to determine the success of the partnering                          | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our application of non-financial measures of the success of the partnering                                | 1                 | 2 | 3 | 4              | 5 | 6 |
| The financial returns to us to date   | 1                 | 2 | 3 | 4              | 5 | 6 |
| The financial returns to us in the longer term  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our flexibility in providing different delivery modes for the training                                    | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our level of planning within the partnership  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our willingness to adopt a long-term perspective in judging the success of the partnership                | 1                 | 2 | 3 | 4              | 5 | 6 |
| Our willingness to make changes to the nature of the off-the-job training                                 | 1                 | 2 | 3 | 4              | 5 | 6 |
| The administrative arrangements we put place to manage the day-to-day issues arising in such partnerships | 1                 | 2 | 3 | 4              | 5 | 6 |

**Q16** In your opinion, what are the best features of your institution that make it a very attractive organisation for industry to partner with? Essentially, what is the source of your competitive advantage over other players in getting involved in industry-provider partnerships? (please list anything that comes to mind)

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**Q17** On the other hand, what are the key areas for improvement for your institution to be more competitive and successful in partnering? (please list anything that comes to mind)

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**Q18** Please circle a number from 1 (Highly Dissatisfied) to 6 (Highly Satisfied) to indicate your level of satisfaction with the performance of your industry partners in general in the following aspects of their partnering with your institution.

|   | Strongly Disagree |   |   | Strongly Agree |   |   |
|---|-------------------|---|---|----------------|---|---|
| Their ability to establish trust with us  | 1                 | 2 | 3 | 4              | 5 | 6 |
| The quality of their communication with us  | 1                 | 2 | 3 | 4              | 5 | 6 |
| The commitment shown by their staff to make such partnerships a success                                     | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their willingness to customise the training   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their success in customising the training on the job  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their openness to experimentation with the training model   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their flexibility with staffing arrangements  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their application of financial measures to determine the success of the partnering                          | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their application of non-financial measures of the success of the partnering                                | 1                 | 2 | 3 | 4              | 5 | 6 |
| The financial returns to them to date   | 1                 | 2 | 3 | 4              | 5 | 6 |
| The financial returns to them in the longer term  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their flexibility in providing different delivery modes for the training                                    | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their level of planning within the partnership  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Their willingness to adopt a long-term perspective in judging the success of the partnership                | 1                 | 2 | 3 | 4              | 5 | 6 |
| Willingness to make changes to the nature of the on-the-job training  | 1                 | 2 | 3 | 4              | 5 | 6 |
| The administrative arrangements they put place to manage the day-to-day issues arising in such partnerships | 1                 | 2 | 3 | 4              | 5 | 6 |

**Q19 Please circle a number from 1 to 6 for each statement.**

|  | <b>Strongly Disagree</b> |   |   | <b>Strongly Agree</b> |   |   |
|--|--------------------------|---|---|-----------------------|---|---|
|  | 1                        | 2 | 3 | 4                     | 5 | 6 |
| Staff are comfortable about sharing new ideas that might improve the partnering outcomes                                     | 1                        | 2 | 3 | 4                     | 5 | 6 |
| There is open discussion of what we have learned from our mistakes in partnering   | 1                        | 2 | 3 | 4                     | 5 | 6 |
| A failed partnership is seen as an opportunity to learn and improve our operations   | 1                        | 2 | 3 | 4                     | 5 | 6 |
| Our institution does a good job in communicating to all staff what we have learned from successful and failed partnering     | 1                        | 2 | 3 | 4                     | 5 | 6 |
| I work in an environment where constructive feedback is welcomed by management about how our industry partnerships are going | 1                        | 2 | 3 | 4                     | 5 | 6 |
| We regularly review the progress of partnerships with our industry partners  | 1                        | 2 | 3 | 4                     | 5 | 6 |
| New ideas that challenge current training practices are welcomed   | 1                        | 2 | 3 | 4                     | 5 | 6 |

**Q20 What are the criteria that you apply to judge whether a partnership is proving to be successful? Please list such criteria below.**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**Q21 Have you been involved in ending an industry-provider partnership?**

1. Yes (what caused the end of the partnership?)
2. No (please go to PART C)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Q22** In your view, how effective are your staff who do industry partnering in the following areas  
(please circle a number from 1 to 6 for each item)

|  | Strongly Disagree |   |   | Strongly Agree |   |   |
|--|-------------------|---|---|----------------|---|---|
| Marketing what we can do   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Negotiation skills   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Doing training needs analyses  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Employer liaison   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Legal and contractual arrangements   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Project management   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Winning the job  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Setting shared goals with the industry partner   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Building personal relationships with the industry partner  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Identifying and managing risk in the partnership   | 1                 | 2 | 3 | 4              | 5 | 6 |
| Showing real interest in partners' proposals and concerns  | 1                 | 2 | 3 | 4              | 5 | 6 |
| Provide information and regular feedback to the institution about the performance of partnerships that they manage | 1                 | 2 | 3 | 4              | 5 | 6 |

**Q23** Please list up to three areas where staff who manage VET industry-provider partnerships are particularly strong? (please write down anything that comes to mind)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**Q24** In what areas do staff need to develop further to achieve stronger financial and non-financial returns from industry partnering?

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**Q25** Considering your current role in making partnerships work, what do you feel you need to learn more about to perform your current role more effectively? (please list up to 3 features)

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**Thank you for completing this questionnaire. Below is an opportunity for you to express your opinions on various matters that you feel need to be expanded upon or were not covered adequately in the questions.**

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