As I commence my presidency of the Business/Higher Education Round Table I am both encouraged by what B-HERT has already achieved and excited by the challenges ahead.

Before proceeding to comment on the theme of this current issue I would like to offer my warmest congratulations to David Hind, who completed his three year term as President at the end of 2009. I would also like to publically thank David for his time and assistance to me in the “handover” period of the Presidency. David has been a long-standing member of B-HERT both as Managing Director CEO, BOC Group SouthAsia Pacific and subsequently as a company director.

One should also pause to celebrate a most significant milestone for B-HERT; this being its 20th anniversary. In becoming familiar with B-HERT I was struck by the scope of its initiatives and the absolute quality of content on its website. The breadth and relevancy of the content reflects B-HERT’s ability to address issues in a contemporary, practical and timely fashion. Not only do we endeavour to meet our members’ needs, but it is clear we are able to engage a broad spectrum of stakeholders across business, higher education, government, research and the professions.

In 2010 the issues capturing our attention are in some ways familiar but in a changing context. These being population growth, productivity, sustainability, global integration and workforce development.

These headline issues are important to consider if Australia is to rightfully maintain its raison d’etre of being a global citizen. Without the enablers of innovation, skills development, collaboration and strategic partnerships, the imperatives of social inclusion and economic prosperity will be even harder to achieve. Our ongoing challenge in B-HERT is to keep our relevancy in this climate of change and evolve with it.

The content of this issue considers a wide variety of topics relating to the future of Australia’s workforce capabilities. I hope you enjoy reading it, and I look forward to meeting and working with many of you over the term of my presidency.

In closing I would like to acknowledge Griffith University for its sponsorship of this B-HERT News.
This article addresses whether universities have the adequate resources and vision to see ‘work integrated learning’ (WIL) adopted in sustained and systematic manner to improve students’ skills.

In recent years concern amongst higher education’s stakeholders has been growing in relation to teaching and learning performance and outcomes. In particular, government, industry associations and employers are concerned about the work-readiness of graduates and their lack of employability, ‘graduate’ and/or ‘generic’ skills (AC Nielson, 2000; Precision Consultancy, 2007).

The graduate skills demanded by employers include being confident communicators, team players, critical thinkers, problem solvers and having initiative (Harvey et al., 1997). Similarly the espoused necessary employability skills include communication, teamwork, problem solving, self-management, planning and organising, technology, life-long learning, initiative and enterprise (DEST, 2002). Research evidence also continues to support these concerns, with employers in Australia recently indicating that accounting graduates rarely possessed the highly valued business awareness or real life experience (Kavanagh and Drennen, 2008: 294). Students and employers also reported that many of the ‘essential’ non-technical and professional skills and attributes were not being developed sufficiently in university accounting programmes (Kavanagh and Drennen, 2008: 279).

For the universities this is a difficult challenge with limited resources, large and diverse student cohorts and the ever present ‘publish or perish’ paradigm that draws lecturers’ attention away from teaching and learning activities. The disconnect between university workloads and rewards has led one Australian university Vice Chancellor to comment that this can result in ‘schizophrenic academics’ (Trounson, 2009). Professor Guest when referring to university teaching, points out that economically there is likely to be a decline in the standard of an ‘unrewarded output’ (Guest, 2009). In addition, it has been emphasised for the skills required of students to be meaningfully taught, the skills need to be ‘embedded’ into the curriculum through ‘constructed learning experiences’ rather than being ‘accidental’ (Australian Joint Accounting Bodies, 2008). This challenges universities to meet student career needs, including the acquisition of workplace knowledge and skills, graduate attributes, and also the skills needed for career planning and career decision making (Atchison et al., 2002: 3). This can be tainted by the perception that considering ‘professional’ and other skills is not academic in nature and has no place in tertiary learning environments.

However, the importance of this ‘workplace application’ is critical as numerous reports have recognised that a strong disciplinary knowledge does not of itself guarantee graduate employment (Crebert et al., 2004, p 148). One technique that can assist in improving students’ development of professional skills and understanding is work integrated learning (WIL). WIL is typically described as educational programs which combine and integrate learning and its workplace application, regardless of whether this integration occurs in industry or whether it is real or simulated (Atchison et al., 2002: 3). WIL research has revealed positive effects on student learning, including development of professional and personal skills (Day et al., 1982; Harvey et al., 1998; Knight, 2007; Freudenberg et al, 2009), and importantly, improved attitudes and behaviours towards work readiness (Hughes and Moore, 1999). An appreciation of professional knowledge through WIL activities has provided students with career direction and an understanding of what skills are relevant for future career success (Patrick et al., 2009, Freudenberg at al 2008, 2009). WIL has also been shown to influence student self-efficacy with evidence that students in WIL programs obtain a richer understanding of the key attributes of success, improved self-efficacy when faced with a variety of situations, as they have a history of varied and numerous experiences (Scherer et al., 1982; Chen et al., 2001, Freudenberg et al 2008, 2009) and are more self-sufficient and capable of surviving the ‘entry experience’ (Saks, 1995).

This suggests that WIL may help address concerns of graduate employment knowledge and business awareness. In addition, the evidence suggests that students in WIL programs are more likely to have a better learning experience, be more engaged in the process and are less likely to suffer an un congenial calling. This, together with the evidence of greater self-efficacy would improve the transition from student to professional and is likely to lead to greater productivity in the short to medium term as a result. Interestingly, notions of self-confidence, skills and employability vis-à-vis higher education, also lend themselves to the socially inclusive agenda that has emerged from the Bradley Report. This suggests that WIL may also be a key tool to engage a broader cross section of the population in higher education including first generation students, those from lower socio-economic backgrounds and mature entrants/career changers – further evidence of relevance of WIL to building a more productive workforce for the future. This issue is now more acute given the Federal Government push to increase the availability of university education.

In our experience in business education, the development of WIL programs has been gathering pace around the country and some
of these have yielded great success. One only needs to examine the nominees and winners of the yearly Business/Higher Education Roundtable (B-HERT) awards for evidence of this. But how systematic is this? While there has recently been a comprehensive review of WIL programs around Australia (Patrick et al., 2009) largely these are stand alone programs. Anecdotal evidence suggests that while WIL activities are growing in business schools across the county, there is little systematic role out across faculties with programs are typically restricted to small numbers of students or to particular programs of study.

Given the evidence of the potential positive impacts of WIL in terms of teaching and learning outcomes this may appear somewhat curious. However, our experience in the design, development, implementation and review of an award winning WIL program suggests that this is in fact not surprising at all. We contend that pervasive factors that undermine WIL include the lack of interest from the academic community and a lack of resources for teaching and learning development (coupled with the comparatively resource intensive WIL activities). Furthermore, a lack of established relationships between industry and business schools in terms of teaching and learning programs that are required to provide a platform for detailed cooperation needed in a WIL model, and the continuing general perception that teaching and learning excellence is not valued as highly as other academic pursuits all undermine efforts to develop and sustain WIL over the long haul. Indeed WIL activities seem to be driven from the work of individuals and are usually seen as an add-on, rather than a systematic and integrated part of all programs.

This can be aggravated by the ‘corporatisation’ of universities, especially if management is focused on short term goals with a great focus on cost rather than learning outcomes (Winter and Sarros, 2002).

So in answer to the question ‘will WILing business degrees work?’, the answer in the current environment would be, unfortunately, a no. This does not suggest that WIL programs are not effective, rather that the resources, academic and university management interest and industry-university collaboration in teaching and learning is not sufficient to allow systematic and sustained engagement. Indeed the economic downturn has further stifled this. Perhaps a better question is ‘Could WILing work?’ The answer to this, based on the research evidence and our experience, is a clear yes. However for this to be achieved we suggest that:

- more resources need to be made available both to and within universities for these more resource intensive activities;
- more needs to be done to promote, require, reward and recognise teaching and learning performance across the sector; and
- collaboration between faculties and industry needs to be improved (such as through the excellent work of BHERT).

With such strategies in place the benefits that WIL experiments around the globe have evidenced may materialise on a larger scale for the benefit of all stakeholders in higher education. It is only through such collaboration there can be sustained WIL and through this providing a meaningful solution to improving Australia’s workforce for 2020 and beyond.

References


Introduction
The Intergenerational Report has called for a focus on improved productivity and increased participation to tackle future demographic pressures and an ageing workforce. In its submission to the Productivity Commission, the Australian Chamber of Commerce and Industry (ACCI) adopted a framework of Major Productivity Determinants from the Productivity Commission’s (1999) Research Report on Microeconomic Reforms and Australian Productivity: Exploring the Links. This Framework shows the place of human capital and its linkages to other factors that can increase productivity growth.

The accumulation of physical and human capital is essential in promoting productivity growth. The accumulation of physical and human capital is essential in promoting productivity growth. Improvement in health quality through disease prevention and better healthcare can lead to significant gains in quality of life for many Australians. Health condition can affect workforce participation and impact an individual’s ability to participate fully in the workforce, thereby earning an income rather than relying on government benefits.

Education and skills contribute to productivity by improving the capabilities and efficiencies of labour. There exist an indirect link between accumulation and application of knowledge and the advancement of technology and innovation. An additional year of schooling can increase the workforce participation rate by around 0.5 per cent for males and 4 per cent for females (PC, 2006).

Dowrick (2003) argues that an increase of 0.8 in the average years of schooling of the Australian labour force to 11.4 years would increase Australia’s annual GDP growth by one third of a percentage point – through human capital deepening and more rapid adoption of new technology.

Human Capital Investment
Australian industry needs a skilled, flexible and motivated workforce that further contributes to productivity gains and drives economic growth. Ensuring that the available workforce has the skills and knowledge required to meet the skills needs of employers is a prominent issue for business and industry in Australia.
Workforce participation and social inclusion

Government policy should be set to maximise the potential for all Australians to be competitive in the employment market.

The Commonwealth Government has committed to working in partnership with business, employee associations, the not-for-profit sector and the wider community to develop employment opportunities for groups who are under-represented in the Australian workforce. The Commonwealth Government’s approach to increasing workforce participation through the new employment services contract includes supply-side policy measures that address the barriers to participation. The supply side measures include ensuring the provision of childcare for those returning to the workforce and further investment in skills and education to upgrade skills and ensure that new and returning entrants into the workforce have current skills. Demand strategies that encourage employers to provide employment opportunities for these groups through targeted incentives have also been mooted.

ACCI stresses the importance of involving employers in developing strategies that will ultimately lead to sustainable employment outcomes for those outside the workforce. Job Service Australia (JSA) Providers need to work with employers to ensure that jobseekers have both the required skills and a work-ready attitude to ensure smooth transitions into the world of work.

The strategic provision of careers information, advice, support and products needs to be integrated across the full range of employment services to ensure better targeting of education and training dollars.

Higher Education Institutions

Generally the role of higher education institutions in contributing towards productivity is their contribution to the provision of sound education and training which builds skills that can also be used in future employment.

But higher education institutions are also employers and will have to take innovative approaches themselves towards workforce development within their own institutions. Like other employers they will have to look at how they can sustain their own productivity into the future and consider a strategic approach to employing those outside of or currently marginal to the labour force.

Employment for people with disabilities and mental health issues

According to the Australian Bureau of Statistics, some form of disability affects about one in five Australians. At 30 June 2007, there were around 714,200 recipients of the Disability Support Pension, 116,600 recipients of the Carer Payment, 407,900 recipients of the Carer Allowance, and around 54,900 recipients of the Mobility Allowance.

The opportunity cost to the community of not employing People with a Disability (PWD) is considerable. According to the Australian Institute for Health and Welfare “Where there is unmet demand for employment services, pressure may be placed on other service types. For instance, if people with a disability cannot access sufficient support to find or keep work they may leave the labour force, potentially increasing demand for community access services (as an alternative source of day-time activity) and respite and accommodation support services (where people require informal or formal support).”
assistance to remain at home during the day). Timely access to employment support is particularly important for school leavers and for people with psychiatric disability exiting crisis care delivered through the health sector.  

Current workforce development strategies do not identify employment of PWD as an option for meeting current and future needs. There is a lack of understanding about the skill levels of PWD and the extent of disability and the impact it might have in the workplace. Much of this is based on misconceptions and a lack of understanding about disability and an irrational fear of potential discrimination breaches.

While many institutions have policies around equity, they do not necessarily translate to practical actions on the ground. Individual higher education institutions need to seriously consider leading through example in this arena but accompanied by an education campaign and support for individual supervisors to accommodate workplace needs.

This requires focused tools, workshops and networking opportunities to understand the benefits of accessing this underutilised pool of potential labour. Practical “how to” approaches, written in business language not bureaucratic jargon, would facilitate such an approach. Big returns will be earned by all parties - PWD, employers and the community at large.

Higher education institutions can make a contribution in this area by devising and implementing Work Integrated Learning experiences for PWD as well as increasing their ratios of PWD in their workforce.

Productivity Gains by Providing Employment of Indigenous Persons

In a similar vein to PWD, Indigenous persons are under-represented as employees in higher education institutions despite comprehensive policies around diversity. This is also true in other spheres of endeavour and more broadly in the community.

ACCI supports the priority being attached by Aboriginal and Torres Strait Island people to economic independence and supports the objective of increasing their participation in public and private sector employment.

The demographic profile of the Indigenous community is much younger than for the non-Indigenous community and their employment will provide long term stability to workforce profiles and robust succession planning opportunities for institutions.

Again, a two pronged approach through positive employment opportunities as well as WIL opportunities are ways that higher education institutions can build their access to Indigenous employment pools of labour.

Work Integrated Learning

WIL is now a well established part of most university offerings, if not it is under active consideration. In the rollout of WIL, consideration needs to be given to building integrated equity and diversity approaches to reflect future labour market approaches.

As is widely accepted, WIL is an umbrella term to describe a variety of approaches to work integrated learning opportunities for tertiary students.

The development of a quality framework around WIL is under joint consideration by ACCI and the Innovative Research Universities as part of a Memorandum of Understanding.

Equity and diversity considerations must form part of any future framework that is developed. Further, success will not be measured by picking the lowest hanging fruit, but by how well WIL can successfully adopt innovative approaches to future labour market trends.

Conclusion

While building our future human capital productivity will depend on a number of factors, there are two areas currently not receiving the consideration they should to build tomorrow’s workforce.

There is a role for higher education institutions in building our stock of human capital. While skills formation is the broader focus of attention when discussing this issue, a more targeted examination reveals specific actions for institutions to consider. The first is to be on the front foot in their own approach to workforce development by proactively recruiting staff from pools of labour such as PWD and Indigenous persons.

The second is to fully integrate equity and diversity into WIL frameworks and to actively implement WIL programs in these areas.

It will make an important connection to future labour market practices, and students, business and the institutions themselves stand to benefit from this approach.

By working with the business community a mutually beneficial outcome can be achieved.

The position of a university lecturer does not usually conjure up impressions of complex management and leadership roles and yet the role has become just that over the last few decades. As the context for university learning becomes more complex, there is a need for subject coordinators as contributors to the ‘knowledge supply chain’ for A Better and Smarter Economy (BHERT News 27, p.2) to have skills not typically associated with lecturers. Lecturers no longer just ‘teach’ in a narrow sense. With the demise of subjects with low enrolments, almost all lecturers act as a coordinator for at least one subject and must lead and manage human and infrastructure resources. A well managed team where academics and casual staff are encouraged to be innovative can provide students with better opportunities to develop competencies and build those higher order analytical and cognitive skills so valued by industry. However universities do not yet have a clear understanding about the professional leadership capabilities required by academics whom are responsible for a significant part of core university business.

The role and function of a university lecturer has evolved significantly over the last two decades with the emergence of ‘corporate universities’ (as a result of decreasing public funding), the advent of technologies to enable access and facilitate learning, and greater diversity within the student body. Subject coordinators can face a combination of many (if not all) of the following in their role:

**Student related**
Within one subject teaching can be a mix of:
- Face to face learners
- On-line learners
- Large core units often with enrolments of 1000+ students
- Students with diverse competencies in
  - English Language
  - Literacy
  - Numeracy
  - Computer skills
  - Intercultural competency

**Teaching Team related**
Subjects are offered
- across numerous campuses
- with many lecturers
- with many (and often only) casual staff

Staff can have diverse competencies in
- English language
- Subject knowledge
- Classroom presence
- Computer literacy
- Intercultural competency
- The inability to select team members as expertise rather than competencies often define membership

**Subject related Decisions about**
- What topics to teach
- What students resources to prepare
- What methods or pedagogies to employ
- The mix of technologies considered most beneficial for desired learning outcomes
- The design of the web interface to be used

Other issues to consider include
- Accredited subjects are becoming increasingly similar in content
- Expectations about graduate attributes are becoming more specific

**Resource related**
Resource constraints can include
- Limited classrooms
- Inappropriate classroom structures
- Limited numbers of computers
- Insufficient numbers of staff
- Limited administrative support
- Excessive workloads leaving little time for development and innovation in teaching

A person with a PhD and published journal articles in, say, Econometrics, Marketing, Biotechnology or Journalism can be assumed to have a certain level of subject expertise. However such accomplishments provide little evidence of ability in relation to leadership, team development and management. Though many new lecturers are required to complete a Graduate Certificate in Higher Education as a condition of employment, such courses tend to focus on teaching and provide little of the more broad based skills required to be a teaching leader. Also of relevance here is the presumption that academics have the desire to actively embrace leadership challenges. Typically a lecturer’s workload is represented by a time allocation of 40% teaching, 40% research and 20% service on committees and other administrative roles. While university promotion pathways are skewed towards research output, it is logical for aspiring academics to allocate more of their time to the pursuit of research opportunities. This has implications for student learning as subject
Council has recognised that there is a gap in... academic leadership structures and provided
funding for a project to investigate the role and
responsibilities of the subject coordinator. The
project Coalface subject coordinators – the missing
link to building leadership capacities in the academic
supply chain is a project led by Deakin University
in partnership with the University of Southern
Queensland, Edith Cowan University and Victoria
University. With an earlier career in industry I am
often amazed that management and leadership
skills acquired through training and professional
development in business, are skills that subject
cordinators claim are learned on the job with
little training, support or recognition in academe.

Interviews to date suggest that senior university
staff do not recognise the role of subject
cordinator as a leadership role and thus are not
aware of the need for training and support as
leaders for these staff. However, emerging at a
handful of universities is an appreciation that the
lynchpin for influence in learning outcomes (for
many reasons) is the subject coordinator. While
this project is a work in progress, it appears that
academics and universities can no longer regard
the role of subject coordinator in a narrow sense.

Formal recognition of the complexities of the role
requires institutional support and professional
development to ensure that students are
provided the most beneficial processes to
promote quality outcomes.

In the ‘knowledge supply chain’, the key role
of subject coordinators as team leaders and
managers is increasingly important to the
processes of learning. Developing strategies
that encourage recognition of leadership and
management skills in academe also requires
innovation in promotion and recruitment
pathways. This may even open the door to recruit
talent from industry.

Associate Professor Judy Nagy is the recipient of an
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Countries like Australia can gain from a closer examination of Canada’s college system as they attempt to improve education rates. Tertiary education rates in Canada are the highest in the OECD with 51.9 per cent of young people in post-school study in 2006. By comparison, in 2006, the proportion of young Australians in post-school study was only 38.4 per cent. (OECD, 2008a) The non-university sector accounts for most of the gap in tertiary education rates between Canada and Australia. Rates of engagement in university education are similar in the two countries, at close to 30 per cent. However, participation in college programs by young Canadians is substantially higher than the participation in VET by young Australians.

The differences in non-university post-school education are most pronounced among women. In Canada young women participate in college education at a higher rate than their male peers. However, in Australia the opposite pattern applies. In 2005 only 9 per cent of 21 year old Australian women, as compared to 15 per cent of young Australian men, were participating in VET. It is therefore worthwhile to consider what features of the Canadian college system make it attractive as a post-school destination, especially for young women, that are absent in the Australian VET system.

We recently conducted a study of how different groups of young people ‘fare’ with post-school education in Canada and Australia. The information we compiled helps to identify the types of young people who are attracted to university or College/VET education in the two countries and the groups where participation rates are currently low. The results of the study also have the potential to inform policy work aimed, for example, at improving rates of participation in post-school education by particular socio-demographic groups.

Our study made use of data from the Longitudinal Survey of Australian Youth (LSAY) and the Canadian Youth in Transition Survey (YITS). Both surveys collect information on the educational and labour market experiences of different groups of young people. The LSAY data we used related to 6,638 young Australians and the educational choices they were making about age 18 in 1999. The YITS data used in the study related to 23,000 young Canadians and the educational choices they were making in 2000, when they were aged 18-20.

Our results give some interesting insights to the distinctive characteristics of the post-school study choices of young Australians and Canadians. They show, first, that the likelihood of VET being chosen by young Australians differs significantly on gender lines. Australian men who don’t choose university education are shown to be 3.4 times more likely to enrol in VET (rather than do no post-school study) than Australian women. In contrast, in Canada the likelihood of a young man entering college (over no post-school study) is not statistically different from that of a young woman.

Our results also show that VET has a number of other characteristics that set it apart both from college study by Canadians and university study by young Australians and Canadians. Most importantly, school leavers embarking on VET are not characterised by high levels of academic achievement at school. Our analysis of the educational choices of young Australians indicates that a higher level of academic achievement at school does not increase the likelihood that a young woman will choose VET over no post-school study. In contrast, in Canada high academic achievement in school is positively and strongly related to the likelihood of college study being chosen.

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in university is strongly related to academic achievement at school.

The distinctive nature of VET is also evident in our findings on the correlation between parental education and the post-school study choices of young people. Young women choosing VET typically are not those with parents with high educational qualifications. Again this is in contrast to the patterns evident in the Canadian data which show, for example, that a young woman whose mother is university qualified is 42.6 per cent more likely to participate in college study (over no study) than young women with a mother who didn’t complete high school. The role of parental education is also a strong determinant of participation in university education in Australia and Canada. A young Australian woman whose mother is university qualified is 50.0 per cent more likely to herself participate in university (over no study) than young women with a mother who didn’t complete school.

There are some further differences between the Canadian college and the Australian VET systems worthy of note. In Canada, young women from a rural or regional location are more likely to be engaged in a college program (over no study) than their urban counterparts (by about 26.3 per cent). However, this pattern isn’t replicated in the Australian pattern of enrolments in VET, or in the pattern of enrolment in university study in either Australia or Canada. In Canada, there are significant provincial differences in the post-school study choices made by young women, whereas state differences aren’t a feature of the Australian data.

The most important results of our research are the lack of a strong relationship between academic achievement at school and the likelihood of participation in VET; and the absence of a strong relationship between parental education and the likelihood of participation in VET. Each of these results contrasts our findings on the characteristics of Canadian participants in college education. In Canada, college education is more likely to be taken by young people with relatively high levels of academic achievement and from more advantaged family backgrounds. This makes it similar to university education in both Australia and Canada.

Our results could be taken to imply that VET provides Australian students with low educational outcomes at school and/or from less advantaged family backgrounds with educational opportunities that are not present in the Canadian system of post-school education. However, less positively, the results may also indicate that there is a lack of competition for places within the VET system. This, in turn, could indicate that school students and/or their parents do not perceive positive labour market outcomes from achieving a VET qualification.

It should be a matter of policy concern that VET may have a low level of attractiveness to students of higher academic ability and/or from families of higher socio-economic status. If this is the case then growth in tertiary education rates may not be achievable within the VET system as it is currently comprised due to a lack of demand. There appears to be more competition for places in the Australian university system. Based on the Canadian evidence compiled as part of our research, there may also be strong demand for programs that are modelled on those offered in Canadian colleges.

The OECD (2008b: 87-88) describes Canadian colleges as contributing to a system of post-school education that is “…more flexible and more need-oriented than in countries where universities dominate.” The OECD also links the success of the Canadian education system to an absence of vocational education in secondary schools. This apparently contributes an expanded role for the colleges, where the majority of vocational skills are delivered at what the OECD describes as a “relatively advanced age”. It also results in secondary schools retaining a greater focus on the provision of general skills.

Further research is warranted on the importance of these and other features of the Canadian system of post-school education as they appear to be relevant to Australia’s aim of expanding participation in tertiary education. However, the important role that the VET system appears to play in providing post-school education that is accessible to students with relatively poor school outcomes and from families with relatively low educational resources should not be neglected in this process.

References


Securing a Productivity Dividend from Senior Australians

The policy context

The Henry taxation review (Australia’s Future Taxation System) and the third intergenerational equity report (Australia to 2050: Future Challenges) both address the key long term economic challenges facing Australia. A key focus of the policy responses considered is the need to raise productivity levels in the face of a rapidly ageing population. With nearly one in four Australians forecast to be over the age of 65 by 2050 (presently one in seven) the centre of attention for much of this discussion has been on the policy mechanisms to raise workforce participation rates amongst older Australians.

The Rudd Government’s recent $43.3 million Productive Ageing Package outlines some limited initiatives targeting this group. More broad-based options canvassed by the Henry taxation review include raising the pension age, reducing marginal tax rates for older workers, and improving the flexibility with which people can manage longevity risk. There are however additional policy options involving senior Aussies that could make a useful direct contribution to meeting the productivity challenge.

The Challenge

My proposition is simply that there is a productivity dividend available from senior Australians which goes to the heart of the challenge facing us. The source of this dividend is the accumulated knowledge and skill sets of mature age workers that are wasted when they retire. Any set of government policies designed to deliver the most effective workforce for Australia in 2020 must put in place policies to secure the available productivity dividend from this group. But to be successful these policies must tackle the standard model of life-cycle employment in Australia that stands in the way.

Defining the missed opportunity

Our skill and knowledge base are the fundamental driver of wealth creation in our economy. One way to think about this capacity is in stock and flow terms with the stock of knowledge being complemented by the skill sets and “tools of trade” necessary to convert this stock into valuable economic outputs. Another is to think of it on a scale ranging from the academic to the practical, with the academic end of this knowledge and skill base held in our universities and research and training institutions, and the practical or “working capital” component of this being held by our workforce. The strength of the linkages between these two – the science and the skills/tools – is a critical determinant of productivity levels in any economy.

In Australia’s case international benchmarking studies show that we do not do this well. Good science but poor conversion seems to be a common finding and on most measures of collaboration between research institutions and firms, and between firms, Australia invariably seems to rank poorly. The available evidence points to our being a nation that values the operational over the strategic, the practical over the conceptual, and the immediate over the distant.

Central to achieving significant productivity gains will be the removal of workplace constraints. One such constraint is represented by the standard workplace model of employment in Australia that sees most individuals “retire” at the peak of their earning capacity and within a narrow band of ages. There appears to be both demand and supply factors at work here. These include the age-based timing of access to retirement benefits and associated taxation incentives. It is also importantly cultural with most employees preferring to retire at their peak earnings rather than scale down their activities as they move towards retirement. This is reinforced by a lack of employer-driven alternatives. But there is another way.

An example of what I have in mind I is provided by a January 10 article in the Sunday Age. In an article entitled “AMA sends SOS to retired doctors” it is noted that there is a shortage of experienced clinicians to teach medical graduates wanting to specialize as surgeons, obstetricians, and cardiologists. The article reports that the AMA is calling for $68 million over 4 years to draw recent retirees back to public hospitals to mentor graduates. The chairman of the AMA’s retired doctors group is reported as saying that such a move would be welcomed by the retirees as they “sort of fall into a vacuum after retiring” having been at the top of their profession for a long time.

My argument is that such a contribution could in principle be made across a broad range of trades and professions – there need be no limit – were the incentive structures in front of mature age individuals different, and the opportunities available in the marketplace. And depending on the particular trade or profession the nature of the contribution could vary. In many cases the “capital” contribution an individual could best make would be related to his/her last employer and might involve reflection on the systems, processes, and strategies of the organization. For others it might relate more generally to the skill sets and tools employed in a profession or trade.
For others still it may relate to the underlying science.

As in the AMA case mentoring may be an appropriate vehicle, in others it may be a period of reflective employment with their last employer, and for others still it may be an active role with a research or training institution. But the policy objective would be the same and that would be to extract a public payoff from retiring individuals to avoid large parts of our workforce "sort of falling into a vacuum" after retiring.

To date the Rudd Government has seen the issue of retirement primarily as a budgetary one, for example proposing an increase in the pensionable age to 67 in the 2009/10 budget. This may extend the average working life but it will not secure the productivity dividend available from these mature age workers. Certainly initiatives such as the Government’s Productive Ageing Package skills transfer program (2000 packages), and the AMA’s proposal were it endorsed, would make a contribution, but the key to achieving widespread impact must be through market-based rather than administrative mechanisms.

At the core I have in mind an employment model where individuals may be provided with a range of different employment options as they reach mature years – mentoring, research, training etc. Such a model could be introduced into the public sector by the government, and taxation incentives provided to employers and/ or individuals to extend such arrangements to the private sector. These opportunities could be provided by an individual’s last employer, trade and professional associations, and/or research and educational institutions.

It would seem desirable to test the underlying proposition that there is a productivity dividend worth securing, through a small number of government funded trials across both public and private sectors. With some associated companion research into international experience this would enable the examination of alternative administrative and market-based mechanisms through which this policy could be implemented.

The recent Cutler review of our national innovation policies raised the very important question of the appropriate focus for the national innovation effort. Cutler’s report recommended a move away from the science-based view of innovation - good science leading to R&D and technology-based innovation - to the lower level day-to-day “non-technological” innovation which takes place inside the workplace and firm. This recommendation has not been properly addressed by the Rudd Government and it may well be that one of the means of addressing this particular and very important issue lies somewhere here.

**Conclusion**

There has been a strong local and international research focus on “retirement” amongst economists and modelers that has been primarily focused on workforce longevity, pensions and the associated budgetary costs. But there is a more important reason to focus on prospective retirees and that is to secure a dividend from these people that could make a useful ongoing contribution not just to national productivity levels.

To secure this additional contribution we need active government intervention to create a new employment paradigm for the Australian economy. This new paradigm would see mature age workers presented with incentives to contribute to the intellectual capital of our society in a transition from full-time peak earnings employment to full retirement.

The case for government intervention is twofold. The first argument is to change the workplace employment model which presently acts as a barrier. The second is the broader one of increasing the return on the public investment made at different stages in the education and skill sets of all individuals. The outcome should be better conversion of our national stock of knowledge and skill sets into economic activity through raised productivity levels.
Introduction

This paper looks at the relevance of the academic workforce to business. It looks at the many significant reasons for business to pay greater attention to building Australia’s academic workforce. It presents rationales and suggestions for how business can become more directly involved in shaping the future of higher education in Australia.

A shortage of teaching staff

The growth in academic staff has not kept pace with the growth of the system overall. The post-Dawkins massification saw a large increase in the university student population from about 350,000 in 1989 to nearly 726,000 in 2007 – an increase of about 107 per cent. In 1989 there were 26,104 full-time equivalent academic teaching staff, while by 2007 there were 33,496 – an increase of about 28 per cent. Student-staff ratios have been inflated, from 13:1 to 22:1. These are large gains, even after taking account of productivity advances facilitated by distributed learning technologies.

The demand for more academics is slightly more pressing than these participation figures alone suggest. A significant underlying problem is that the workforce has not been replenished. As a result the age profile of the academic workforce in Australia is notably weighted to the retirement end of the spectrum (Hugo, 2008). A large and growing proportion of academics in Australia is aged over 50 years, and there has been a relative decline of the proportion of academics in the 30 to 39 year age bracket. The current stock of young academics will certainly not be large enough to replace the large numbers of older academics as they retire over the coming decade.

Clearly, what is needed is a significant boost in the number of academic staff in Australian universities and a focus on replenishing staff in the areas most likely to be affected by the looming retirements in the next five to ten years. This requires a substantial increase in the training of academic staff, in the development of new conceptions of academic work, and investment in making the academic profession a more attractive one in which to work. Business has a significant role to play. Building relationships that facilitate exchange of qualified staff will be vital for sustaining the teaching workforce in key areas.

A global scramble for talent

One of the serious challenges facing Australia is the growing global competition for academic talent, particularly in niche and high-demand fields. Australian academics are highly mobile, and a significant number spend time working abroad. This outflow creates an even greater shortfall which, at least in the short term, will need to be balanced by enhanced immigration.

Yet recent cross-national research (Coates, Dobson, Edwards, Friedman, Goedegebuure & Meek, 2009) ranks Australia low in terms of the attractiveness of academic profession. This may hinder Australia’s capacity to recruit. Compared with other academics internationally, Australian academics report:

• favourable salary levels;
• lower job satisfaction;
• higher propensity for job change;
• lower than expected opportunity for research;
• mixed perceptions of environmental support;
• less favourable employment conditions; and
• higher workloads.

The reasons for these perceptions are unclear, but they may have something to do with the adjustments required to keep up with rapid expansion of the system, with increased accountability requirements, with demands associated with research and teaching, and support from management and leadership. Such factors have certainly reshaped the academic workforce over the last twenty years.

Clearly, left unchecked, these sentiments may impinge on Australia’s capacity to compete in attracting the appropriate human capital from overseas. More must be done to make working as an academic at an Australian university a more attractive proposition. This will involve improvements to climate, and incentives and support structures.

New conceptions of academic work

The academic workforce of 2020 will only faintly resemble the academic workforce of 2010. This is not just due retirements and new hires, but also to the changing requirements of Australia’s knowledge economy, demands from competing industries, and new conceptions of academic work.

The nature of future academic work, and hence of the workforce itself, will come about through accident and circumstance, but hopefully also by design. Currently, very little is known about the workforce and about the dynamics that will shape its future. Given the time required to train academic staff, now is the time to set projections and put in place foundations for growth. This is vital given the significance of the academic workforce for Australia’s future.

It is likely the academic workforce of the future will be more stratified than today, both in terms of work function (teaching or research), and in terms of employment status (full-/part-time contract, or sessional). Greater use will likely be made of professionals from other areas of the economy as engagement between institutions
and society increases and as the overall demand and supply of knowledge workers increases. Knowledge will be more open and distributed than today, putting greater pressure on teachers to work as learning specialists rather than content providers. The academic workforce will be much more accountable given the greater economic significance attached to graduate outcomes. This has direct implications for the training of academics, and most specifically for the PhD qualification. In 2010, it is difficult to understand why all PhD students – regardless of discipline – should not be offered training in areas that will almost certainly form part of their advanced professional roles. Such areas might include training in commercialisation, in core business skills, in project management, or in media and public communication. Having advanced skills in these areas would instil foundation skills in Australia’s knowledge workers that will enable them to move more seamlessly between roles in higher education and business.

Business has a vital contribution to make in defining the academic workforce of the future. Formal channels should be established to help business provide information to higher education about graduate capability requirements. As the higher education system continues to scale up it will become more important to find effective means of exchanging information between the sectors. Business will play an important role in working with government and institutions to define Australia’s knowledge needs and, more specifically, to implement strategies for helping highly trained professionals move between industry and institutions.

Greater demands on leadership
Change in higher education will hinge in no small part on the capability of institutional leadership. As a major industry, higher education requires serious management. At the same time it is an organisational type sui generis, characterised by professional autonomy, multiple missions, organisational fragmentation and devolved decision making. These have been the classic university characteristics and despite environmental changes, still need to be taken into account.

The LH Martin Institute (see: http://lhmartininstitute.edu.au) was established in 2007 to build leadership and management capability in Australian tertiary education. The Institute provides a suite of programs tailored to the particular needs of the sector. It’s key objectives are to train the next generation of Australia’s tertiary education leaders, to provide a forum for exploring, assessing and anticipating the changing tertiary operating environments, and to undertake scholarship and research.

Traditionally, institutional leaders have risen through the academic ranks and have developed skills though on-the-job experience and short courses, many of them not tailored to higher education (Scott, Coates & Anderson, 2008). But given the scale and significance of the system, and the medium-term need for rapid up skilling and capacity development, now is the time for a more coordinated approach. Business will have an important role to play, particularly given the need for higher education leaders to build their commercial capabilities. Reciprocal opportunities for work placements and visiting appointments will help build capacity for both sectors.

The imperative to collaborate
The rapid change of business and higher education, and their increasing interconnectedness, underpins an ever-growing imperative for collaboration. Higher education is becoming more important to the Australian economy, and hence to business. For its part, higher education institutions will need to become more effectively integrated into the broader economy as the size of the system approaches what may be considered ‘universal’ levels of provision.

This briefing has charted a few areas for collaboration:

- building partnerships the expand the exchange of staff across the system;
- working together to increase the attractiveness of living, working, researching and teaching in Australia;
- producing new conceptions of academic work that align with contemporary social and business needs;
- building leadership capacity in current leaders, and also building systems for supporting the growth of aspiring leaders.

References


Working in a changing world: reflections on the third wave of Australia at Work

Australia at Work is a five-year longitudinal survey tracking the working life experiences of those working in March 2006. The study is being spearheaded by the Workplace Research Centre at the University of Sydney and funded primarily via the Australian Research Council’s Linkage Grant scheme. The two guiding concepts for the research are the evolution of the labour contract and ‘transitional labour markets’ (TLMs). The first of these focuses on employees’ perceptions of the labour contract, including both formal and informal arrangements. The second is concerned with examining work within a broader life course framework; in particular, transitions between work and education, family formation, spells of unemployment and retirement.

The third wave of Australia at Work, for which fieldwork was completed in July 2009, was conducted during a period of substantial change within both the economic and industrial relations environments. A key feature of this change was the co-existence of seemingly confusing, if not contradictory, trends in working life. In the foregoing 12 months we witnessed talk of upheavals in the economy, yet the downturn in employment was smaller than expected. While the number of unemployed people rose by around 180,000, the total number of Australians in jobs remained stable. And although full-time jobs for men declined, the number of part-time jobs – both male and female – increased. Arguably, the most striking development was the shift in working hours. Total actual hours worked fell by 2.8 per cent – the equivalent of 270,000 full-time jobs. These developments prompted many to argue that Australia felt the effects of the Global Financial Crisis in a relatively mild form.

Our key findings concern the growing fragmentation in the Australian labour market. Fragmentation is not necessarily ‘good’ or ‘bad’. Where older systems may have been cohesive and coherent (for example, the classical male breadwinner model of employment), this cohesion was often based on systematic discrimination against groups such as women and non-Anglo workers. On the other hand, the market-based approach to work and working life neglects problems of social cohesion and thereby does nothing to mitigate the inherent tendency of markets to deepen inequality. In this sense, fragmentation has the potential to have significant social costs.

**Key finding 1: Despite deterioration in the wider economic environment, not all workers report negative working life experiences.**

Our study found considerable evidence of workers being unaffected by the economic downturn. Over 60 per cent of workers experienced a nominal increase in their yearly salary. On key subjective indicators there were also improvements, particularly in relation to living standards. Whereas in 2008 27 per cent reported a lower standard of living than in the previous year, in 2009 only 21 per cent did so. In addition, more workers reported that their managers were sharing information by consulting with them around issues impacting on the workplace. These developments indicate that in more difficult times workers may adjust their expectations and some managers at least make a greater effort to keep their employees informed about what is happening in the workplace.

Meanwhile, ABS labour market figures on the over the last year have shown that women’s position, in terms of numbers employed, has continued to improve. This does not mean that gender equality has finally prevailed in Australian workplaces, but it is strong evidence, nonetheless, of the downturn accelerating deeper structural changes.

**Key finding 2: While there has been no widespread ‘crisis’ in the labour market, deep-seated problems remain.**

The most obvious labour market problem is the rising level of unemployment. Almost eight per cent of current Australia at Work respondents reported having lost a job in the foregoing year. Just over 40 percent of these, however, reported finding work again during the survey period. The data on working time preferences also revealed
that long standing problems of undesired part-time employment and extended hours of work persist. It remains that more than one in four full-time employees want to reduce their hours of work, while one in five part-time employees want more hours. And while perceptions of underemployment grew among the self-employed, the number working very long hours against their desires also rose. Clearly, the emergence of excess labour in the economy has not eased reported levels of work intensification. Around one in two workers continue to report that more and more is expected of them for the same pay.

Finally, the proportion of workers who felt at risk of losing their jobs increased slightly, from seven to 12 per cent. In addition, the proportion of those who felt they could be easily replaced if they left their job increased from 48 to 51 per cent. Once again the key issue is not so much the change but the absolute proportion of employees who feel dispensable: either side of the cyclical peak, around half the workforce feels they can be easily replaced.

**Key finding 3:** After more than two decades of active promotion of bargaining in Australian industrial relations policy, low employee understanding of, and involvement in, workplace bargaining remains.

*Australia at Work* data on bargaining revealed that more often than not, workers have no active involvement in setting their wages and conditions at the start of their employment. The findings show that for some the employment relationship evolves to the point where the employee does feel there is an opportunity to negotiate pay after this initial stage. But, importantly, this finding implies a greater level of employer power at the commencement of the employment relationship. Employees’ knowledge of the formal instrument governing their employment relationship continues to contradict employer reports from the ABS, with employees placing a greater emphasis on awards rather than collective bargaining. This is particularly worrying in light of the fact that collective bargaining at the enterprise level is at the heart of the new Fair Work laws. Currently only 23 per cent of employees understand that their pay and conditions are determined by collective agreement. Union presence at the workplace is strongly related to employees’ recognition of collective bargaining, suggesting a strong role for unions in the take-up of bargaining practices.

**Key finding 4:** The most significant shifts in earnings, hours and non-standard work have been experienced by workers who change jobs.

The third wave *Australia at Work* survey yielded very strong evidence that for workers who remained in the same job, little changed in the foregoing 12 months. This was particularly apparent in relation to hours of work. Only around four per cent of non-job changers moved from full time to part-time work, and it is likely that in most cases this was due to non-work commitments such as childcare responsibilities. Certainly the study found no evidence of a new culture of ‘work-sharing’ in the labour market, as commonly speculated.

The situation among workers who changed employers is very different. Among these workers, a greater proportion reported:

- falling paid hours of work – 29 per cent of employees with a different employer compared to 19 per cent of those with the same employer;
- a decrease in yearly salary – 35 per cent of employees with a different employer compared to 28 per cent of those with the same employer; and
- no paid leave entitlements – 33 per cent of employees with a different employer compared to 13 per cent of those with the same employer.

While we are undoubtedly working in an uncertain world, it is becoming increasingly clear that many of the key problems afflicting the labour market before the downturn continue. The challenge is not simply to get back to where we were – the challenge is to do better. Early indications are that we have not even begun to confront this challenge. Stabilising a potentially catastrophic situation has been a real policy achievement. Moving forward will require fresh thinking. The *Australia at Work* study highlights the importance of engaging more creatively with the challenges of a dynamic labour market. It will be interesting to examine data in future years to see if Australia overcomes these challenges or merely reproduces the problems of the past.

For further details of the *Australia at Work* study or to download copies of the first, second and third wave reports, please visit the project website: www.australiaatwork.org.au.
The workforce of the future

Australia’s long-term growth prospects and the future nature of our society depend on the skills of our people and the way those skills are used. As a nation we risk missing out on the full benefits of future global economic growth and the dividends from our investment in education unless we urgently commit to a new national approach to workforce development that maximises people’s capabilities, lifts productivity and increases workforce participation.

Lifting workforce participation to 69 per cent by 2025

Australia needs to significantly increase its current rate of employment participation. While Australia’s labour force participation rate has been slowly increasing, and is currently relatively high at around 65 per cent, Skills Australia believes there is significant room for improvement.

The international evidence shows that comparable countries achieve higher rates of participation, particularly among certain demographic groups, demonstrating that it can be done. These groups include men of prime working age (25 to 64 years), women (25 to 34 years), and older workers (55 to 64 years). Our efforts need to be focused on these groups.

Achieving a four per cent increase in the participation rate, to 69 per cent by 2025, is a challenging and ambitious target.

It will require a bold new approach which encourages and supports more people to enter, re-enter and remain in the workforce—particularly those who face educational, social and locational barriers.

Stimulating the participation of those who are on the margins of the workforce is critical. The unacceptably low levels of language, literacy and numeracy among many adults means that many Australians lack the literacy and numeracy proficiency to deal with day to day situations, let alone enjoy full participation in work and the ongoing adaptability required to deal with changing workplaces, technology, sustainability and new careers.

The 2010 Intergenerational Report (IGR) provides the most recent evidence that as a nation we face a demographic time bomb which will see the number of people in Australia aged from 65 to 84 more than double over the next 40 years, and the number of people 85 years and older more than quadruple.

Based on the 2010 IGR projections, it’s expected that the proportion of people over 65 will rise from its present share of 16.7 per cent of the total population aged 15 and over to more than 20 per cent by 2025.

Largely as a result of this ageing population, the aggregate workforce participation rate according to the IGR, is projected to fall from its present level of 65.1 per cent to 63.9 per cent in 2025.

Currently there are 4.11 workers for every dependent older person over 65. Without appropriate and timely action, by 2025 this number will fall to just 3.04.

Skills Australia estimates however that by achieving a 69 per cent participation rate by 2025, we will nearly halve the projected increase in the level of dependency of older Australians on those remaining in the workforce.

To achieve this target, however, we need the right policy settings, the necessary resources, and the commitment of all stakeholders.

Challenges facing the tertiary education sector

The tertiary education sector itself has an ageing workforce with potentially large workforce replacement issues.

In addition, to meet the changing needs of both industry and individual learners, the tertiary education workforce must become increasingly flexible, innovative and responsive. The sector also needs to explore new ways of working with industry. This includes developing the capability of the higher education and VET workforce to play a broader role in workforce development.

The OECD review of Australian VET points out the urgent issue of an ageing VET/academic workforce, raising concerns over familiarity with the workplace in a rapidly changing technological environment. The latest figures for the VET workforce indicate that 38 per cent of VET practitioners were aged 45 to 64 years in 2005, compared to 30 per cent in 1997.

In TAFE, the ageing workforce is an even more pressing issue, with 48 per cent of its workforce aged over 50 years in 2008.

Yet there is not much evidence of planning or action to address this issue. More needs to be done on how to attract, develop and retain the teachers and trainers of the future.

The ageing of the higher education workforce is also clearly delineated in recent research which demonstrates that over the next ten years universities will face their largest recruitment task for three decades.

Given the diversity and wide range of learning needs of tertiary education students, it is critical that the tertiary education workforce has the required skills and support to deal with challenging learners and is able to devise innovative teaching and learning strategies in both institutional and workplace settings.
There are many excellent examples of flexible and online learning initiatives, of workplace delivery and innovative practice, but these need to be expanded and ‘mainstreamed’.

The tertiary education workforce also needs to continually develop skills in teaching, learning and assessment, in an environment that is characterised by increasing diversity and change. The tertiary education workforce also need to address individual learning styles and preferences including those of online learners, and be able to provide support to disadvantaged learners as well as at risk groups. Working closely with industry and individual enterprises and maintaining current industry and professional knowledge will become increasingly more important.

Most education and training does not take place within the workplace itself. Knight and Mlotowski state that only 6.8 per cent of recognised delivery in the public VET system in 2006 took place in the workplace, while 75.2 per cent was campus-based, 5.3 per cent was in online or other off campus modes, and the remaining 12.7 per cent took place in other modes.8

Creating a shared agenda on workforce futures in all areas of the economy

Governments alone cannot unlock skill potential at the individual or the workplace level. The establishment of new initiatives to encourage and support workforce development requires the engagement of many parties and greater cooperation across government agencies.

Australian public policy on workforce development is multifaceted, encompassing productivity goals as well as education, social inclusion and employment dimensions. Relevant policy areas include education and skills programs as well as industry innovation, workplace relations, employment services, infrastructure, social inclusion and regional development. All these areas have a contributing and reinforcing role. The need for connected actions between government agencies, particularly across business capability and skill-focused programs, is the key to achieving effective and lasting change in skills development and skill use in the workplace.

There are two broad roles for the Australian Government.

First, many industry stakeholders have called on the Federal Government to play a leadership role in driving a new, cross-government workforce development agenda and bring the key stakeholders together. By communicating a strong message and insisting on a collaborative approach, efforts can be better coordinated and expertise shared.

Second, the Australian Government, through Skills Australia and the Department of Education, Employment and Workplace Relations, should be directly involved in skills planning at the national level, with a continuing responsibility for the provision of high quality information and a more refined and thorough focus on ‘specialised occupations’ and interventions.

While the labour market is generally quite effective in responding to changing skills needs and economic fluctuations, for some occupations there is potential for market failure because the labour market is less able to adjust quickly. This can lead to skills shortages or indeed the oversupply of skills. Skills Australia has established a methodology to identify these ‘specialised occupations’ and recommends that government efforts are best directed in these areas. This will help to insures the economy and the community against future skills shortages in those areas that are of high value and where skills take a long time to develop and acquire.

In the higher education sector, where the Commonwealth is the major funder, the Australian Government needs to negotiate performance and funding agreements with individual institutions that are consistent with Australia’s overall skills and workforce planning objectives. Such agreements however would need to avoid compromising the entitlement-based approach introduced in response to the Bradley Review.

Tertiary education providers also have an essential role in partnering with enterprises in workforce development. This means being more than simply providers of educational services to individuals. Many institutions already offer holistic services linked to enterprise organisational developments and goals, but these activities need to be encouraged and facilitated so they become common practice.

Australia is already recognised as a leader in trialling innovative approaches in the emerging field of workforce development.

There is an opportunity to build on this position by establishing a centre of excellence or ‘observatory’ to disseminate advice on excellence in this field. Consistent with the objectives of promoting industry leadership and engagement, a clearinghouse of this kind should be independent of government agencies and engage in strategic partnerships with industry and professional groups.

The task of an ‘observatory’ would be to build a network of expertise to explore, promote and resource new knowledge and disseminate information on how best to harness workforce development to drive sustainable productivity growth.

8 Knight, Brian and Mlotkowski, Peter (2009), An overview of vocational education and training in Australia and its links to the labour market, Adelaide NCVER, p.34
Conclusion

If we are to achieve sustained economic growth, avoid future skills shortages and raise productivity by increasing and deepening the skills of the Australian workforce, we must urgently lift workforce participation rates.

This is particularly important for people who are not currently participating to their full potential, including those who are marginalised from the workforce due to a lack of skills including the foundation skills of language, literacy and numeracy.

There is also significant scope in Australia to improve the productivity of workplaces through better engagement with employees and the more effective use of skills.

Improving our workforce productivity and participation, and enhancing social inclusion, can also be achieved by ensuring we have a tertiary education sector that has the capacity to effectively deliver skills, as well as by encouraging a strong partnership approach to tackling these issues across government, industry, enterprises and the tertiary education sector.

Note: This is an edited extract from Australian Workforce Futures – A National Workforce Development Strategy, which was presented to the Australian Government on 5 March 2010 by Skills Australia. See www.skillsaustralia.gov.au

The Human Element

I am human, I consider nothing human is alien to me.

– Terence, The Self-Tormentor

What should our workforce look like in ten years’ time? How about twenty? Will business as usual be enough to shape Australia’s workforce to meet our future needs; or will we need to put some considered thought into planning and implementing what it takes to build the kind of society and economy we want to live in, while adapting to emergent pressures and opportunities of which we are not yet even aware?

It is a commonplace that not everything coming over the horizon can be anticipated by us before we encounter it. That, itself, is something about the future that we will need to prepare for. We know that our future population, including in its capacity as a workforce, will need to be more nimble than ever – more ably adaptive to change, including unanticipated change. The acquisition of this sort of capability demands instruction not so much in techniques and theories as in styles of thinking. Applied technical knowledge can be an excellent training ground for developing such skills, especially when combined with the sort of deeper structural knowledge that underpins application, but the ability to think innovatively and to react well to genuinely novel situations is a facility of another order altogether. It demands insight, clarity, analytical rigour, understanding and adaptability – all outcomes of a high quality higher education that looks beyond the acquisition of immediate technical skills or bundles of facts.

Fortunately, the world is not all so unpredictable: there are other things that we can anticipate in outline, challenges that we can see coming even if we don’t know the specifics of how they will play out. Most of our research enterprise and a good deal of our higher education activity is geared towards this sort of problem. These kinds of problems and opportunities benefit from the genuinely innovative and adaptive approach described above, of course, but they are also much more susceptible to systematic incremental inquiry and deliberative policy development.

Take technological change. Everyday life is currently experiencing a rapid and seemingly exponential increase in technical complexity, including hardware, software and all sorts of new kinds of wares. This acceleration of the rate of change is a very widespread phenomenon around the world, even if the precise instance of it is quite different in character in societies of different affluence. The complexity of technical breakthroughs continues to escalate and there is no sign of the rate of increase slowing down. Fortunately, this doesn’t necessarily mean that we will all need to become de facto programmers and technicians: recent trends that have seen platforms, applications and human user interfaces become more intuitive may even mean that the general user of technology may actually need fewer amateur technical competencies to survive in the coming decades, rather than more. This will require a different kind of technical education for the professionals, of course: one that is collaborative and multidisciplinary, extending into other domains the sort of approach that ergonomics and human factor approaches

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brought to the physical world and systems analysis. The effectiveness of these experts will be a function of how well they can work together as programmers, designers, psychologists, cultural scholars, logicians, philosophers, story-tellers, anthropologists and specialist engineers to make our lives easier, even as technology continues to advance apace.

But how about developments on the social and interpersonal side? We also know that social formations are surprising and unpredictable: real people are much more like the probabilistic sub-atomic particles/wave-forms of quantum mechanics than the inert, obedient corpuscles of the Newtonian clockwork universe. Politics, business, the media and the humanities all know this: and they all know that trying to come to a deeper understanding of human behaviour and interaction is such a complex project that it makes physics look relatively straightforward. But complexity doesn’t let us off the hook – there is no point just throwing up our hands and complaining that it passeth all understanding – since it is in our interests to learn to navigate the world we are living in as best we can. And the dominant fact about modern life is that people are both more important and more complicated than ever.

They are more important because the pendulum has swung back from an overly technical approach to world problems, issues and opportunities to reinstate the central role that people play, whether as consumers, workers, participants, voters. A variety of approaches promoting whole-of-life values have gained mainstream acceptance, such as the slow food movement and the work-life balance concept. Technology has played its own part in all this, as user integration priorities have shaped the design of machines and collapsed the producer/consumer distinction in Web 2.0 social media. While humanity has always occupied a global village, many of us now occupy global suburbs, with a veritable united nations living all together in the major cities of the world. What happens when we leave those cities is even more remarkable today: as the world seemingly contracts in response to our increasing ability to traverse it (physically or otherwise), so it becomes more complex and nuanced, as we encounter greater diversity, at ever more finely grained resolutions. Add to this the fact that real-world problems and opportunities don’t respect disciplinary boundaries, but require contributions from a heterogeneous blend of expertise.

If some of the more challenging expressions of technological complexity and innovation are being progressively bypassed through the development of new systems and interfaces that divert users to a friendly, navigable and instinctive interface, how are we dealing with the rapid rise of complexity and novelty in social formations? Machines and their operating systems can only do so much to help here, at least until reality catches up with science fiction: for now, fundamentally, we need to look to education and research to make our workforce and citizenry more adaptable and effective in the face of burgeoning social, economic and cultural complexity.

If Australia is to solve its big problems, pursue the big opportunities, and consolidate a position for itself as a genuinely sophisticated player in the global economy and in global culture, we need to give our children and our young adults every opportunity to become smart, aware, nimble and canny owners and deployers of a wide range of skills and knowledge. We need to avoid producing ‘well-trained but poorly educated’ business leaders (and other workers, for that matter), as Ashley Goldsworthy noted in these pages five years ago.² We need to educate the coming generations to be literate in all of the important discourses of our time: economic, legal, scientific, cultural, technological. None of these arenas is dispensable.

Concentrating on the cultural, though, the demands of the future will need a serious effort, and soon, if we are to achieve our potential. On a large scale, Australia needs to ensure that its schoolchildren – the workforce of 2020 and beyond – are conversant with other cultures, speak other languages, understand the major philosophical traditions in which their culture invests, appreciate and understand the different traditions powering other cultures, possess a good working knowledge of the major strands of thought outside their own areas of competence, communicate well, and are equipped to participate in their democracy. All of this is the business of the humanities.

But we have to be prepared to act now to secure this future. These are already pressing needs, and these priorities should be pursued in continuing education programmes aimed at workers already in the workforce. As for those still coming along, the next wave of workforce participants – the mainstream who will take up the challenges of the next few decades – are already well advanced in their schooling. The graduates who will enter the workforce in 2020 are right now starting high school: those who will start working in knowledge industries and business in 2030 are just now learning to walk. These cohorts and their successors will not dominate the working population for at least another thirty years: or even longer, if workforce shortages and the costs associated with extended life expectancies result in widespread delayed retirement. To ensure that a significant proportion of the workforce twenty or thirty years from now has the skills profile that our society and our economy will require, we

need to begin preparing those schoolchildren now. The process doesn’t start in universities and technical institutes: it starts in primary schools and high schools, with tertiary education building on the essential formative experiences of earlier schooling.

Fulfilled and actively participating citizens make for productive workers and creative innovators. But curiosity and the urge to deepen knowledge of culture and society are also massive drivers of huge amounts of activity: not only within the cultural sector, but a great deal of work in entertainment and tourism, as well as much of the public support for the fundamental sciences, are driven by this sort of impulse. But some elements of the innovation system have been slow to recognise cultural activity as a widespread social need and an economic opportunity: sometimes the model is too fixed on the immediately and obviously applied or technological. That sort of activity is important, of course, it’s just that it is not the whole game – and in the end, it is probably not even the majority of the game.
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• Mr John Grace, Director, Nextec Biosciences Pty Ltd
• Ms Patricia Neden, CEO, Innovation and Business Skills Australia
• Mr John Vines OAM, Chairman, Innovation and Business Skills Australia

The criteria for evaluation included:
1. Innovativeness
2. Strength of the relationship between collaborating partners
3. Outreach inclusion (e.g. overseas - to other groups, companies)
4. Wider outcomes achieved
5. Cultural impact on the partner/organisation.

The Hon Julia Gillard MP, Deputy Prime Minister and Minister for Education, Employment and Workplace Relations, gave an Address at the Awards gala dinner at the Arts Centre, in Melbourne on Thursday, 5 November 2009.

B-HERT wishes to acknowledge the generous support of the following organisations:

Major Sponsor and Sponsors
Research found an urgent need to improve track strength and stability to cater for heavier, faster trains. The problem was transporting increased amounts of freight, coal and ore on rail at higher speeds demands a strong and reliable track structure. (a) Rock of high quality for rail ballast is a diminishing resource and extensive quarrying degrades the environment. (b) Indiscriminate use of and replacement of older ballast is a significant waste of scarce resources. (c) To improve track speeds, new alignments over soft ground (avoided in the past) need to be considered, and improvements in track design are needed to manage the high intensity repeated loads.

Achievements have been the redesign of the ballast grading to enhance its strength and stability, the introduction of geogrids to improve performance of recycled ballast and the use of prefabricated vertical drains to improve the performance of soft soil under the repeated loading from heavy trains.

Winner:

Best Research & Development Collaboration

University of Wollongong and Railcorp (NSW)

Title: Australian Rail Track Innovations

Honourable Mention:

University of South Australia, InterDynamics P/L and Integrated Safety Support P/L

Title: Managing Fatigue-related Risk
Griffith University, in collaboration with a range of accounting and financial planning organisations, developed and implemented an innovative and unique degree that responds to the demands of students and industry to develop graduates that are ‘work ready.’ Introduced in 2008, the Bachelor of Commerce (Professional) degree (‘degree’) creates a meaningful link between study and career, and engages industry in the learning process. This is achieved by building a 3 year degree that incorporates not only a two year internship but also an integrated continuous professional development program (‘PDP’) that develops student professional skills and awareness, generic skills and self-efficacy, with industry partners delivering key components of it. The strong partnerships with industry have produced a unique work-integrated degree with empirical evidence of significant improvements in student satisfaction, engagement, vocational skills, self-efficacy and generic skills.
Winner: Best Community Engagement

University of South Australia, City of Tea Tree Gully, City of Burnside, City of Unley, Local Government Association of South Australia, City of Campbelltown and City of Holdfast Bay

Title: Community Panel

Community Panel was established as a joint initiative by the Ehrenberg-Bass Institute at the University of South Australia (the Institute) and three large metropolitan city councils, with support funding from the Local Government Association of South Australia (LGA). Working in partnership with councils to engage local communities, the project has established ‘community panels’ of residents in five city councils. The panels are used as a primarily research and engagement tool with each council’s community. The concept of Community Panel is to engage residents of all ages and backgrounds, to gather feedback from these ‘panelists’ about decisions affecting their local community using online surveys, and then for council to use these research results in decision-making. It also allows for council residents to engage online and offline with others who live in their local council area.

There are currently over 2000 Community Panel members regularly contributing, and Community Panel continues to grow with new councils adopting Community Panel and residents continuing to join the existing panels. The project is establishing an innovative new model of community research and engagement, which better meets the needs of councils and the community, enabling more residents to have an input into local decision making, and empowering council managers and elected members by providing data that accurately reflects the views of their residents.

and

Winner: Indigenous Business Governance Program - Managing in Two Worlds

Swinburne University of Technology, Office of the Registrar of Indigenous Corporations, Department of Planning and Community Development - Aboriginal Affairs Victoria, Consumer Affairs Victoria, Department of the Premier and Cabinet, South Australia and Horizons Education and Development, Queensland

Title: Indigenous Business Governance Program - Managing in Two Worlds

The Governance Training Program,’Managing in Two Worlds’ aims to develop the skills of directors of Indigenous corporations and senior staff working in the Indigenous community sector to ensure that organisations are effective and accountable. This will play a key role in addressing Indigenous disadvantage and facilitate progress across a range of economic, social and cultural programs and objectives. Over 600 people from well over 300 organisations across most states and territories have taken part in this training since late 2005 through the collaboration. Approximately one-third of these participants have gone on to undertake accredited training at Certificate IV or Diploma level. As there are over 2000 Indigenous corporations registered with ORIC alone, constant renewal of the people on Boards & in senior management positions, and a strong focus on ‘closing the gap’ for Indigenous Australians, the need for this training is expected to continue for an extended time.
In its infancy, the relationship between SuniTAFE and Iluka was likened to David and Goliath! How could such a small regional training provider with little mining experience meet the demands the world’s biggest mineral sands mine? Indeed it did, and a truly collaborative relationship was built based on mutual respect, trust, responsiveness, professional and customised service and effective communication. SuniTAFE proved an invaluable ally in supporting the new mining venture near Ouyen, flexibly and proactively meeting Iluka workforce and regulatory needs as they faced various hurdles in establishing the mine. Iluka willingly shared its vast mining experience and industry knowledge to ensure the training provided was best practice in a true partnership arrangement, innovative by nature and design.
RMIT's Business Plan Competition (BPC) commenced in 2001. It enables students from across RMIT - TAFE and Higher Education - to turn innovative ideas into successful business ventures via the development of high-quality business plans. The BPC is an ongoing RMIT flagship program. 97 teams (261 persons) entered the 2009 Competition. These include an exceptionally wide range of students from disciplines such as science, engineering, fashion, architecture, management and industrial design. 10 teams from RMIT Vietnam participated this year. Industry collaboration has been an essential element of the BPC since inception, and in the 2009 program, 76 industry judges and 23 mentors are contributing their expertise and experience. Eight major sponsors are contributing $38,000 cash and $35,000 in-kind prizes in 2009. Many successful businesses have come out of the Competition.
Winner:

Award for Best Entrepreneurial Educator of the Year 2009

Professor John Breen, Victoria University

Purpose: To recognise the importance of education in the process of developing and nurturing entrepreneurs; and to showcase best practice in entrepreneurial education.

Judging Panel

- Mr David Hind, President, Business/Higher Education Round Table
- Ms Leanne Hardwicke, Director, International & National Policy, Engineers Australia
- Mr David Henderson, Managing Director, UniQuest

Professor John Breen has been involved in teaching and research into entrepreneurship and the small business sector for 20 years. Across that period he has attracted external funds in excess of $1m and has developed a national reputation in the field.

John's doctorate completed in 1999 investigated the development of enterprising attributes in secondary school students. Since then he has continued to develop education programs and activities that are designed to encourage and support the development of entrepreneurial capabilities in young people. For example in 2007 John was involved in a successful tender to the Dept of Agriculture, Fisheries and Forestry that delivered an entrepreneurial program for young rural leaders.

The desired outcome is an increase in the entrepreneurial capacity of young people in the western region of Melbourne. This will occur if there is a continuing increase in participation in the Bachelor of Business in Small Business and Entrepreneurship at Victoria University; and the second is a business plan competition for students in secondary schools in the Western Region of Melbourne.

His reputation and expertise is evidenced by the number of board and committee memberships he has been involved with. John is currently a member of the Victorian Employers Chamber of Commerce and Industry (VECCI), Small Business Leaders Panel and Small Enterprise Research Journal Editorial Board.
David Gonski AC, The University of New South Wales

Purpose: To recognise support for higher education; and to draw attention to the extent of this support, the key role it plays in enabling important and innovative programs, and in leveraging further support.

Judging Panel

• Dr Sue Anne Wallace, Former Chief Executive Officer, Fundraising Institute Australia
• Mr Michael Joyce, Director of Development, Melbourne Grammar School
• Mr Bruce Argyle, Membership Manager, Vic & Tas, Philanthropy Australia

David Gonski has demonstrated extraordinary leadership in philanthropy especially in relation to the establishment of the Centre for Social Impact. His energy and drive in encouraging philanthropy in others is unsurpassed.

Since 1998, David Gonski has been directly involved in the growth and development of philanthropic giving to the University of New South Wales. His leadership and impact on philanthropic giving to UNSW is immeasurable. David's influence, network and generosity with personal donations of both time and money has positioned UNSW for the 21st century as a University where leaders and stakeholders support not only the monetary value of donations to the University, but the engagement with community that takes place through philanthropic giving.

David’s leadership position and support for philanthropic activity at the University and in the higher education sector was consolidated in 2005 when he was named Chancellor of the University. In 2006, he was appointed Chair of the UNSW Foundation Limited Board of Directors, UNSW’s philanthropic arm.

David Gonski and the Gonski Foundation’s direct philanthropic support to UNSW has resulted in improved infrastructure, increased access to transformative knowledge for students and an enhanced culture of giving to the University.

Through personal giving, advocacy and dynamic leadership, David Gonski and the Gonski Family Foundation have contributed to a variety of disciplines and areas of the University.

Michael Crouch AO, The University of New South Wales

For his drive and enthusiasm in getting the Centre for Innovation and Entrepreneurship up and running. He is motivated by his belief in the importance of education, innovation and entrepreneurship.

Winner: Award for Outstanding Philanthropic Support of Higher Education 2009

Sponsored by: Global Philanthropic

The Award was accepted by Ms Jennifer Bott on behalf of Mr David Gonski

Judging Panel

Presented by
Mr Nick Jaffer,
Senior Consultant, Global Philanthropic
(pictured 1st on right)
Winner: The Ashley Goldsworthy Award for Sustained Collaboration between Business and Higher Education

Queensland University of Technology

This Award recognises a sustained effort by a university, business or individual to foster collaboration between the sectors, resulting in significant benefits to higher education, business and the broader community. This Award is made on the basis of verifiable evidence of a range of collaborative initiatives and peer recognition. It is an open award, not restricted to members of B-HERT. It is a prestigious award contemplated for any worthy candidate in Australia. The breadth and quality of applications made to the B-HERT Awards over recent years have been taken into consideration.

The judging process consisted of an analysis of organisations or individuals that had demonstrated sustained efforts in inter-sectoral collaboration over the last five years evidenced through their participation in the B-HERT Awards and the success they achieved. This analysis was supplemented by publicly available material (strategic plans, annual reports etc.), AUQA Portfolios and Reports and consultations with referees.

The AUQA 2005 Report noted the branding ‘a University for the Real World’ and commended QUT for the strategies it had adopted to bring this about. It notes the high priority given to community engagement at all levels in the planning process and the emphasis placed on working with government, industry and community groups.

The third of the five strategic priorities in the QUT Blueprint states ‘to strengthen our “real-world” positioning in teaching and research, business support functions and infrastructure’. Strategy 2.1 in the Learning and Teaching Plan also talks about developing ‘real world learning approaches’ including work integrated learning as a component of undergraduate curricula, whilst active partnerships are developed within and beyond the university. The university places considerable emphasis on the use of experts in current industry or government employment in both an advisory capacity and as sessional teachers.

Unlike last year QUT has now considerably more information available on its public web-site, an essential feature if it is to encourage outside organisations to approach it when seeking collaborative arrangements. Its Engagement Strategy 2009-2013 (set out at http://students.ed.qut.edu.au/commun/combusgov/pdfs/engagement_strategy_2009_2013.pdf) is a robust statement of intent and is directly sponsored by a Deputy Vice-Chancellor.

Further details of all Award winners at www.bhert.com

Note your diary – applications for this year’s Awards for Outstanding Achievement in Collaboration in Research & Development, Higher Education & Training, Vocational Education & Training, Community Engagement, Best Entrepreneurial Educator of the Year and Outstanding Philanthropic Support of Higher Education will be called in May 2010.
Conferences
Regional Tertiary Education Forum 28 April, Adelaide
Higher Education Summit 29-30 April, Adelaide
Mining Industry Symposium 20 July, Perth

Information & Reference Resource
For presentations and programme contents from previous conferences please visit
http://www.bhert.com/activities-archives/index.html at bhert.com

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Partnerships @ Work
A compendium of case studies profiling partnerships between business/industry
and higher education.

The purpose of this publication is to present some of the key partnerships currently taking place
and the benefits they are bringing to both partners.

This publication contains case studies from a diversity of fields, providing some valuable insight
into the ingredients of a successful partnership between business and higher education.

To download an order form go to  http://www.bhert.com/collaborations.html
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