

**Transformative Organisational Change:  
A Case Study of Restructuring Attempts in the  
Technical and Further Education (TAFE)  
Sector of New South Wales**

A thesis submitted for the  
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By

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# **Abstract**

This study examines organisational change in two regional New South Wales (NSW) Technical and Further Education (TAFE) institutes that have recently undergone substantial restructuring. These institutes form part of the Vocational Education and Training (VET) sector in Australia. A particular focus of the study is on the challenges faced by managers who have experienced changes in leadership as well as moves from a more 'closed', 'top-down' hierarchical organisational structure to an 'open' team-based mode of operation, a strategy geared to building organisational capacity in a more competitive environment. The human resource implications of such a shift are of particular interest.

Like many other organisations, high performing VET organisations are operating within a rapidly changing environment with external factors impacting forcefully on them. Coupled with this, the public sector nature of organisations such as TAFE Institutes brings its own complexities. These include limited flexibility, slow response time and lack of ability to align functions and processes across the organisation in response to the ever-changing government and business environment.

In order to come to grips with the way the two institutes in question dealt with change and the impact that restructuring had on personnel, case study methodology, which allowed multiple means of data collection, was adopted. In-depth interviews with key informants, participant observation and documentary analysis comprised the major modes of data collection. Data were gathered from key informant interviews in TAFE Institutes as well as from a number of key experts within the VET sector.

In the current competitive environment regional Institutes are keenly aware of the need to be more client-focussed. The findings of this study indicate that each of the Institutes understands the new culture of client responsiveness and the value of collaborative and team-based structures that are seen to facilitate greater sensitivity to market demand. Each has moved from a more rigid bureaucratic structure and adopted team-based systems in order to respond more quickly to a rapidly changing environment, to tap into the expertise of their employees and to engage in innovative ways of producing new and better ways to meet customer demands. Each institute, however, applied very different means of leadership and management in attempting to achieve these ends, with quite different results.

Findings also indicate that while the TAFE institutes continue to operate within a broader hierarchical government bureaucracy, it is not possible for them to transform into high

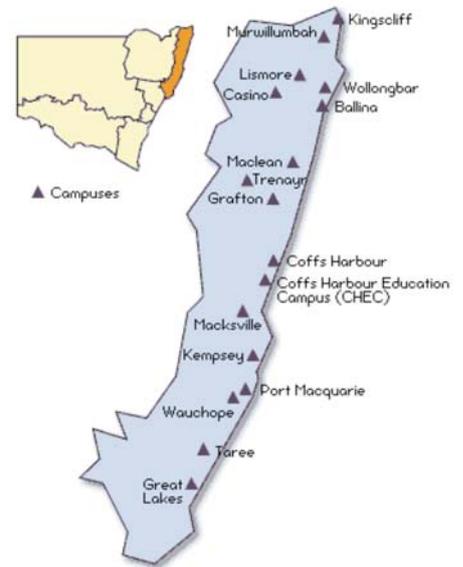
performing team-based organisations in the short term. Rigid government policies were found to be major obstacles to transformation as they did not take into account the individual differences of organisations, the context in which they operate, their geographic location, the capacity of their people (both real and potential) and deeply embedded organisational cultures. Even so, TAFE NSW Institutes have gone through a major transition in their efforts to change their working culture. Those that have experienced effective leadership of change and developed clear conceptual and strategic frameworks based on recognition of the key drivers for change have clearly been more successful in effecting and influencing organisational capacity and culture.

It is contended in this study that it is not possible to transform TAFE institutions merely by starting a transformational program and looking for dramatic revolutionary change. This strategy does not work; the evidence is undeniable. It was found that the way to effect something great is through a series of good and well communicated decisions made by the right people, executed with discipline, and that are accepted at all levels of the organisation. Effective strategic leadership and linking plans tightly with monetary and human resources available are identified as key variables in the process.

Finally, issues and strategies that would be most useful in planning for future change are identified and recommendations offered for how more effective management of change might be accomplished in similar types of organisations undergoing analogous transformative change. A number of problem areas and issues arising from the research that future researchers could examine are also suggested.

## Location of Institutes studied

**North Coast Institute** is situated on the upper northern coastline of NSW. It has 17 campuses from Great Lakes in the south and Kingscliff in the north.



**New England Institute** is parallel with, and west of North Coast institute. It has eleven campuses covering the central north of the state.

## **Certification**

I certify that the substance of this thesis has not already been submitted for any degree and is not currently being submitted for any other degree or qualification.

I certify that any help received in preparing this thesis, and all sources used, have been acknowledged in this thesis.

---

Muyesser Olmez Durur  
April 2007

## **Abbreviations**

ABEF	Australian Business Excellence Framework
ACE	Adult and Community Education Providers
ACOTAFE	Australian Committee on Technical and Further Education
AMES	Adult Multicultural Education Services
ANTA	Australian National Training Authority
AQF	Australian Qualifications Framework
AQTF	Australian Quality Training Framework
ASH	Annual student hours
ATC	Australian Technical Providers
CSM	Corporate Services Manager
DEST	Department of Education, Science and Training (Australian)
DET	Department of Education and Training (NSW)
BST	Business Strategy Team
EDM	Educational Development Manager
HRM	Human Resources Manager
IR	Industrial relations
ISC	Industry Skills Council
ISO9000	International Standards Organisation Standard No 9000
IST	Improvement Strategy Team
NCI	North Coast Institute

NCVER	National Centre for Vocational Education Research
NEI	New England Institute
NPM	New Public Management
NSW	New South Wales
NTF	National Training Framework
NRT	Nationally Recognised Training
POD	People and Organisational Development
RPL	Recognition of Prior Learning
RTO	Registered Training Organisation
SME	Small to medium enterprise
TAFE	Technical and Further Education
TDA	TAFE Directors Australia
VET	Vocational Education and Training
VETAB	Vocational Education and Training Board in New South Wales

## Definition of key terms

The following definitions of key terms used in this study have been largely drawn from the website of the Australian Department of Education Science and Training (DEST) at: [http://www.dest.gov.au/sectors/training\\_skills/policy\\_issues\\_reviews/key\\_issues/nts/glo/default.htm](http://www.dest.gov.au/sectors/training_skills/policy_issues_reviews/key_issues/nts/glo/default.htm). Other sources of information are indicated accordingly.

**Vocational Education and Training (VET).** This term is usually taken to mean education and training which is designed to prepare people for work or to improve their performance or prospects in their work (Smith & Smith 1998, p.1). It involves post-compulsory education and practical training in the form of apprenticeship courses and other training for school leavers without skills, and provides extra skills training for those who wish to enhance their job prospects. Essentially VET training assists those entering or re-entering the workforce by re-training or upgrading their existing skills. It does not cover the degree and higher level professional programs which are delivered by universities and other higher education providers.

**VET organisations** incorporate public and private institutions that provide education and training which must be formally accredited. This sector is now characterised by an increasing variety of providers (Mulcahy 2003, p13) that includes:

- Adult and community education (ACE) providers – funded by government or community sponsored organisations
- Commercial training providers – delivering training to private individuals on a fee-for-service basis, for example, business colleges
- Enterprise training providers – providing training essentially for enterprise employees
- Group training providers – independent, not-for-profit companies operating on either an industry or regional basis and providing employment for apprentices and trainees
- Industry training providers – providing skill-based training to enterprises across an industry
- TAFE institutes or colleges and TAFE providers, for example, the TAFE division of a university
- Australian Technical Colleges (ATC)

In the Australian vocational education and training system, all providers of accredited training must be registered as a training organisation (RTO). TAFE, like the other registered training organisations, compete for public funding through processes of competitive tendering and user choice.

The **National Training Framework** (NTF) is the system of vocational education and training that applies nationally. It is comprised of the Australian Quality Training Framework (AQTF) and nationally endorsed Training Packages.

The **Australian Quality Training Framework** (AQTF) seeks to provide the basis for a nationally consistent, high quality vocational education and training system. The standards of the Australian Quality Training Framework have two parts:

1. Standards for Registered Training Organisations; and
2. Standards for state and Territory Registering/Course Accrediting Bodies

**Australian Qualifications Framework** (AQF) is the policy framework which attempts to ensure that all accredited qualifications and courses have similar and consistent expectations in post-compulsory education and training within Australia. Within the framework, there are thirteen levels, eight of which are specific to the VET sector: Certificates I, II, III and IV; Diploma; Advanced Diploma; Vocational Graduate Certificate and Vocational Graduate Diploma. AQF ensures that all qualifications and accredited courses have similar and consistent expectations of the candidates.

A **Training Package** is an integrated set of nationally endorsed standards, guidelines and qualifications for training, assessing and recognising people's skills, developed by industry to meet the training needs of an industry or group of industries. Training packages consist of core-endorsed components of competency standards, assessment guidelines and qualifications and optional non-endorsed components of support materials such as learning strategies, assessment resources and professional development materials.

A **Registered Training organisation** (RTO) is an organisation formally registered by a State or Territory registering authority to deliver training and/or assessments and issue nationally recognised qualifications in accordance with the Australian Quality Training Framework. Registered Training organisations include TAFE Institutes, adult and community education providers, private providers, community s, schools, higher education institutions, commercial and enterprise training providers, industry bodies and other organisations meeting the registration requirements.

An **Industry Skills Council** (ISC) is body, usually an incorporated association or company, recognised as representing a particular industry and providing advice to government on the vocational education and training needs of its particular industry. There are both national and State and Territory industry skills councils.

The **Nationally Recognised Training** (NRT) logo must be used on all Australian Qualifications Framework (AQF) qualifications and statements of attainment issued by RTOs. Use of the logo means:

- The provider is an RTO
- The organisation is registered to offer the training and assessment services advertised
- Training and assessment lead to nationally recognised Australian Qualifications Framework (AQF) qualifications or statements of attainment.
- The organisation is complying with the quality requirements of the standards

**VETAB**, the NSW Vocational Education and Training Board, is responsible for registration of training organisations and the accreditation of courses where no relevant training package exists.

**Accreditation** refers to the formal recognition of a course by the State or Territory course accrediting body in line with the Standards for State and Territory Registering/Course Accrediting Bodies.

**Accredited course** means a structured sequence of vocational education and training formally recognised by a State or Territory accreditation body, and leading to an Australian Qualifications Framework (AQF) qualification or statement of attainment.

**Recognition of Prior Learning (RPL)** is a process of assessing a person's non-formal and informal learning in order to determine the extent to which they have 'achieved the required learning outcomes, competency outcomes, or standards for entry to, and/or partial or total completion of, a qualification' (Misko, Beddle and Smith 2007, p.6). Under the Australian Quality Training Framework, competencies may be attained in a number of ways. Informal learning, one way skills and competencies can be attained, comprises learning and skills acquired through work-related experience and general life experience.

**Industry currency** connotes that a teacher has up to date knowledge of the industry or profession on which their curriculum and or Training Package is based. It is broad knowledge and is not the same as being vocationally competent.

**Sustainable organisations** are concerned with increasing productivity in the long term in order to survive. They aim to build the human capabilities that create continuing innovation and high performance. They challenge the dominant economic paradigm and involve broader interests than stakeholders the community in general, the biosphere and future generations (Dunphy et al. 2000). Lewis (2001) claims that sustainable organisations demand a radical change in thinking about culture, in order to transform them from being part of the problem to being part of the solution.

**High performing organisations** is a term given impetus in the late 1990s, by the UK's white paper, The Innovation Report (2003). The term deals with how organisations could achieve competitive advantage through a culture of workplace innovation and the encouragement and reward of new ideas. The key ideas are a focus on people and their learning, and the development of trust, personal responsibility and leadership. Supporting elements such as structure, strategy, systems, procedures and resources are seen as useful only in empowering people and enabling them to achieve the full measure of their abilities.

**Frontline managers** are first-level managers or managers of work teams. They are directly involved at the operational or service end of the organisation. They oversee the actual doing of work and are in a position to have an overview of work contexts (Mulcahy, 2003, p 15).

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