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# **EMPLOYERS IN THE DRIVING SEAT?**

**NEW THINKING IN FE LEADERSHIP**

**A STIMULUS PAPER FOR ROUNDTABLE DISCUSSIONS  
AND FURTHER THINKING**

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# BACKGROUND

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## About FETL

**The Further Education Trust for Leadership (FETL) is a unique charity and independent think tank whose purpose is to enable the development of the leadership of thinking in further education and skills. Our vision is of a further education and skills sector that is valued and respected for:**

- Innovating constantly to meet the needs of learners, communities and employers;
- Preparing for the long term as well as delivering in the short term; and
- Sharing fresh ideas generously and informing practice with knowledge.

## About AELP

**The Association of Employment and Learning Providers (AELP) is a national membership organisation that represents the interests of over 860 organisations. Our members deliver the majority of Britain's apprenticeships, traineeships and programmes for the unemployed.**

AELP's primary role is to represent the interests of its members, by effectively lobbying on their behalf to government departments and agencies. We work with our members, the government and employers to support the development of policies that deliver high-quality, learner-centred, skills and employability services.

We provide access to readily understandable up-to-date information about changes to the skills and employability sector, practical support and added-value services that strengthen businesses. The need for evidence means that research underpins much of AELP's activity, for the good of members and the wider FE and skills sector.

# FOREWORD

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*DAME RUTH SILVER*

**This stimulus paper from the Association of Employment and Learning Providers project team represents the kind of thoughtful provocation to all of us that the further education and skills sector badly needs.**

All the Further Education Trust for Leadership's publications are intended to have a life beyond the page, to stimulate conversations in workshops and classrooms, staff meetings, leadership seminars and other comings-together of staff and leaders within the sector. Rarely, though, is this aim so clearly and carefully articulated as it is here.

Above all, this short paper aims to open minds and promote active, informed leadership, in this case about the role of employers in FE and skills. It takes seriously the proposition that meaningful change can be generated through the reflection and innovation of leaders in the sector, and encourages open-minded, constructive answers to challenging questions. What impresses me about this paper in particular is the courage of the authors in not rushing to convenient or defensive answers to the questions they raise.

As such, this paper is true to its ambition: to stimulate thought and learning and present genuinely open questions which leaders can consider and debate with others. Too many publications on the sector fail to do this; they seek, effectively, to close down discussion and instruct and inform, rather than to stimulate. It is refreshing indeed to find authors prepared to start a conversation among their readers, and to trust them to develop intelligent, thought-out solutions. For me, for that reason, this paper represents a model for others to follow.

FETL began its own life in response to the questions and concerns of the people who work in further education and skills. Those ideas and conversations are the fuel for our work, opening up a path which we seek to illuminate further by asking more and better questions, while engaging more and different people. We are a learning organization seeking to create a learning sector, led by informed, thoughtful, critically-minded professionals.

It is for that reason that FETL is delighted to partner with the Association of Employment and Learning Providers in enabling more thought, more ideas and the growth of conversations. Working together in this way, we, as a sector, may become the agents for better FE futures.

*Dame Ruth Silver is President of the Further Education Trust for Leadership*

# SYNOPSIS

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**The President of the Further Education Trust for Leadership (FETL), Dame Ruth Silver, has identified an acute need for FE leaders to 'forecast and shape change' and 'to play a stronger part in building the future of the sector', saying that FE is 'under-understood, under-conceptualised, under-researched and under-theorised.' In early 2018, FETL commissioned AELP Research to help address this need by organising a series of facilitated roundtable discussions at which diverse groups of leaders can share views and develop their thinking on behalf of the sector.**

The particular topic selected for consideration at these roundtables and in this 'stimulus' paper is the current and future role of employers in the FE system and implications for the leadership of training providers. In recent years, vocational skills and further education policy has seen a sustained rise in prominence in the role of employers. The notion of education and learning as having inherent worth seems, it is argued, to be losing ground to the primacy of the needs of industry, productivity and employers.

In summary, we are asking experts to develop and share their views on the shifting nature of the balance between provider/employer/state in the FE system. How do any such shifts affect how leaders view the priorities and possibilities of their own organisations and for the sector as a whole? How is this dynamic affected by another particularly significant and fast-changing influence, digital technologies?

This paper aims to be a stimulus for new thinking in FE leadership in today's arguably dominant contexts of:

- policy driving employer involvement in skills development
- transformative digital technologies, funding and regulatory mechanisms and
- the still-considerable autonomy in leaders' decision-making.

# EMPLOYERS IN THE DRIVING SEAT?

## New thinking in FE leadership

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### PREMISE

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**The premise of this research is that in recent years, vocational skills and further education policy has seen a sustained rise in prominence in the role of employers in its shaping. The notion of education and learning as having inherent worth is, it can be argued, losing ground to the primacy of the needs of industry, productivity and employers.**

Whereas influence within the system could once be described by a triangle between employers, providers and state, these reforms place the interests of employers as very much the dominant force in shaping state-funded technical and skills policy and provision, with the role of the state and certainly providers, relegated.

If this is true, it cannot but affect the way in which leaders in the further education system think – what they are aiming to achieve and for whom, the factors that shape their conclusions, and how they go about turning those thoughts into effective action – in comparison to previous years. In his 2018 FETL lecture, Martin Doel (Professor of Leadership in FE and Skills at the Institute of Education, UCL) reflected that self-determination of purpose is needed for and by FE, and that it can be developed by sector leaders asking themselves and agreeing on things like ‘Who do I serve?’ and ‘What is my purpose?’ This would allow leaders to more easily evaluate their policy decisions, and have a rationale for feeding back to policy-makers when something doesn’t ‘fit’. In practice, this provides a ‘bounded direction of travel’ (i.e. a framework or boundaries within which organisations can operate/deliver in their own ways.)

This project aims to give leaders space to reflect on these changes; to give a better frame of reference for their decision-making through a clearer understanding of the forces at work and how they affect the way they need to think about their provision and their businesses. It hopes to establish some of these boundaries by considering whether the balance between provider/employer/state in the FE system is shifting, and how this affects how leaders see their role, priorities and possibilities, as leaders both of organisations and of the sector as a whole.

## CONTEXTS AND QUESTIONS

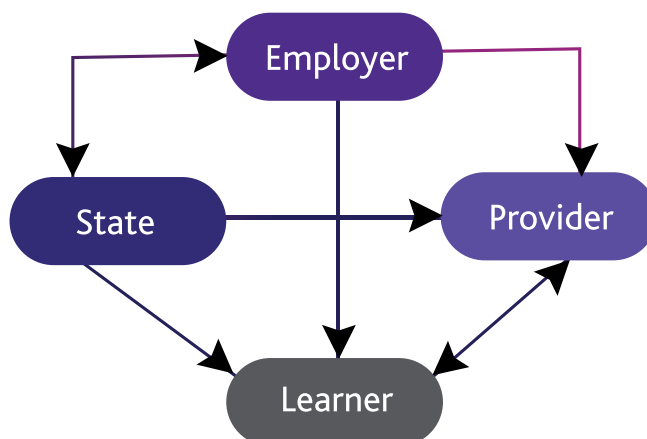
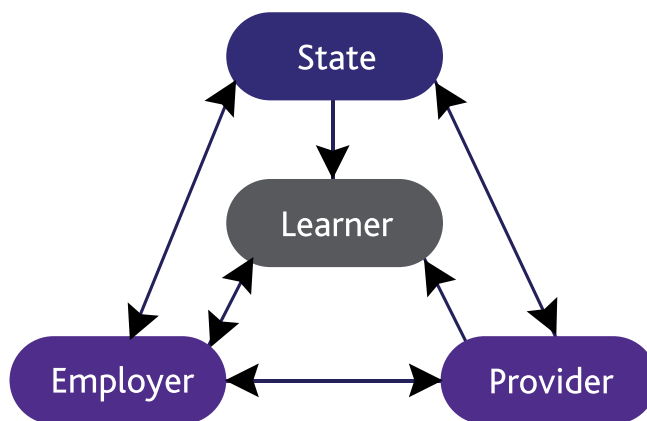
### A. A brief policy history of employers in skills development

The research starts with two questions to which it will return to consider whether views have changed as a result of thinking and discussions:

#### 1. *As a leader, what drives your individual decision-making regarding skills provision?*

- Personal motivations and principles?
- Individual learner needs?
- Wider social needs?
- 'Customer' needs? (Who is your customer and why?)
- Staff needs?
- National economic needs?
- Precedent? (Or lack of it?)
- Something else?

#### 2. *How might you graphically represent your experience of the current dynamic within the FE system? (Examples below.) In what ways does your preferred graphic affect the way you make decisions relative to other graphics?*



The main strands of state-funded skills provision in England appear, to a greater or lesser extent, to centre on the primacy of the employer experience as the basis for the design of skills provision. For example:

- a) **Apprenticeships** – increasingly delivers standards that derive from employer-led trailblazer groups as opposed to frameworks which derive from (mostly) supply-side sources. They are funded in large part through quasi-commercial contracts between employers, providers and state, whereas previous funding regimes in practice virtually eliminated the need for many employers to financially contribute to paying for the training that was delivered.
- b) **Traineeships** – which have as their primary policy purpose progression into employment.
- c) **T-levels** – although still in development, the clear premise behind the inclusion of mandatory periods of work placement is to ensure a link between classroom-based learning and the applied skills needs of employers.
- d) **Study Programmes** – introduced in 2013, learning plans must include periods of work experience spent with external employers to build general employability skills.

The programmes outlined above are reflective of a number of influential policy documents published across the last decade that define 'skills' and their purpose on the basis of economic and labour market needs, informed by a generally-held view that advanced countries must secure competitive advantage in the global economy by developing highly-skilled workforces.

- **'Skills is the most important lever within our control to create wealth and to reduce social deprivation'** – *Leitch Review, 2006*<sup>1</sup>
- **'Skills are defined as the quantity and quality of labour of different types available in an economy.'** – *Office of National Statistics, 2016*<sup>2</sup>
- **'We need young people and adults to have the skills and knowledge that better equip them for employment in the 21st century, in order to meet the demands of the future.'** – *Post-16 Skills Plan, 2016*<sup>3</sup>

This policy thinking relates to the fundamental purpose of skills provision, both in intent and practice, which is important to consider when looking at the drivers behind decision-making in the FE sector, and the 'balance of power' between employer, provider and state.

The primacy of the employer experience of the FE system seems central not only to the purpose of FE but also to more general employment policy. However, some argue that the employment-generating power of improvements in skills levels is limited, and employment policy cannot depend fully on education policies. While the acquisition of skills has become a major public need, the increasing dependence for their provision on the engagement of individual firms presents a fundamental problem in policy-making<sup>4</sup>.

<sup>1</sup> Leitch Review, December 2006

<sup>2</sup> ONS Productivity Handbook, February 2016, Chapter 3

<sup>3</sup> Post-16 Skills Plan, July 2016

<sup>4</sup> Crouch, C., Fingold, D. and Sako, M. 2011. *Are skills the answer? The political economy of skill creation in advanced industrial countries*. First published 1999. Oxford Scholarship Online. Available at: <http://www.oxfordscholarship.com/view/10.1093/acprof:oso/9780198294382.001.0001/acprof-9780198294382#>

In her 2011 report on vocational education<sup>5</sup> Alison Wolf agreed that education and training policies sat at odds with the dynamics of employment needs, being 'seriously ill-aligned' in some key aspects:

- The presence of important and clearly discernible skills shortages, despite government funding a network of organisations intended to articulate employer requirements
- The lack of value placed on current vocational qualifications by employers and the labour market, partially due to constant change through government policy interventions
- Young people's employment patterns implying a need for fairly general qualifications, rather than the highly specific, vocational qualifications on offer.
- With the collapse of the youth part-time work market, too little being done to assist young people in obtaining genuine workplace experience and employment-based skills.

The first three of these points were largely described in terms of supply-side failures – the fourth, the identification of a need for a much greater employer involvement in the shaping of technical training provision to address their needs.

The Wolf Report was highly influential, leading directly to the abolition of the Foundation Learning Tier and the introduction of 16–18 Study Programmes in which funding followed the learner, rather than the qualifications. In theory, this enabled the state to move away from the primacy of qualifications, enabling it to fund a more holistic learning experience better-suited to the needs, aspirations and interests of the individual.

The coalition government of 2010–2015 was prepared to take into account a wider remit for further education beyond servicing the immediate needs of industry and the economy. In 2015, it launched a consultation into a 'dual mandate' for further education in the post-16 arena,<sup>6</sup> arguing that it served two purposes simultaneously:

- a) To provide vocational education for the workplace with a focus on higher level professional and technical skills;
- b) To provide second chances for those who have not succeeded in the school system.

The consultation argued that colleges were originally designed as civic enterprises by businesses and local authorities, teaching skills demanded by employers, and that this therefore remained the essential core purpose of further education. However, they also had a role as the only chance many have of addressing educational deficiencies which block off employment opportunities and (as the consultation puts it) 'infect' the entirety of their life experience. Nevertheless, the consultation was clear that there had been an 'erosion' of the first part of the mandate and it was this that required the most addressing.

<sup>5</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/180504/DFE-00031-2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180504/DFE-00031-2011.pdf)

<sup>6</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf)



The consultation itself was apparently disregarded after the 2015 general election, as no government response to it was ever published. However, it still raises some important questions that are relevant to the consideration of how and why decisions are made by sector leaders – not least because whether or not the concept of a 'dual mandate' accurately describes government policy and thinking about the sector, many leaders may recognise the challenge of balancing the 'economic' and the 'social' purposes of FE in how they approach their work. The idea of the dual mandate is useful because it frames the decisions that need to be made, the decisions that are made, or both. This, in turn, may mean that provision in practice is as much the result of the approach of decision-makers to their work, as it is the result of deliberate policy design.

### **3. How far is provision the result of decisions and practice in the sector rather than through inherent design and policy intent?**

## **B. Reflecting on inclusiveness, balance and delimited choices in FE leaders' thinking**

We now turn to look in more detail at the scope leaders may have within policy frameworks to shape things how they want to, how they balance the different external influences upon them and how they affect (i.e. bring about) change.

An article from 2012<sup>7</sup> explored the quality of leadership decision-making at various levels, and suggested that **inclusiveness** in FE decision-making decreases with the hierarchy of decision-making groups. It concluded that the most senior groups are the most exclusive, least transformed and closely guarded, and offer restricted entry. Similarly, decision-making teams at different levels are associated with different levels of justice and fairness related to the **balance** made between competing dilemmas of people versus process.

This might suggest an inverse relationship between inclusivity and flexibility in decision-making, and the level at which such decisions are taken within an FE organisation, but on a day-to-day basis leaders at all levels are constantly facing a trade-off between the requirements and pressures of the system, and the requirement to (for whatever reason) 'just make it work'.

This can often result in decision-making by degrees, rather than great moves forward in thinking. This is a recognised model of decision-making among business analysts, dating back to a 1959 paper entitled 'The Science of Muddling Through' by Professor Charles Lindblom<sup>8</sup> of Yale University. He described a model of decision-making of 'successive limited comparisons', where people have to choose among policies that contain various mixes of conflicting goals, such as flexibility or predictability, speed or safety – but because people hold differing values, the only test of a good choice is therefore whether people agree on it. This can give the effect of **delimiting choices**, which in turn often results in incremental decision-making, or choosing policies most like the previous policy.

<sup>7</sup> Maringe, F. 2012. Staff involvement in leadership decision making in the UK further education sector: Perceptions of quality and social justice, *Journal of Educational Administration*, Vol. 50 Issue 4, pp. 463–482

<sup>8</sup> Lindblom, C. 2008. The science of "muddling through". *Administration Review*, Vol. 19, No. 2 (Spring, 1959), pp. 79–88. Blackwell Publishing on behalf of the American Society for Public Administration. <https://faculty.washington.edu/mccurdy/SciencePolicy/Lindblom%20Muddling%20Through.pdf>

Decision-making therefore becomes a continuous process in which so-called 'final' decisions are always being modified to accommodate changing objectives, environments, value preferences and policy alternatives provided by decision makers. That being the case:

**4. How far do the concepts of inclusiveness, balance and delimited choices reflect your own experience and affect your decisions?**

**5. To what extent are your choices as a leader delimited by the role of employers, or by others in the system? How, if at all, has this changed over time?**

### C. Technology as an influence on decision-making

Technology is of course constantly evolving and pervading every aspect of our and our learners' lives. At one level, technology makes information available to help improve the quality and speed of decision making. However, data alone cannot improve business decisions, because data management should reflect rather than lead decision-making.

In considering the wider role of today's technology for FE, it may be useful to borrow from business analysts who broadly consider there to be two types of decision;<sup>9</sup>

- **Structured:** which use a set of well-defined inputs and methodology to determine a 'correct' conclusion. These types of decision align well with technology, which processes defined inputs in a logical order to reach an assured outcome. Such decisions are usually relatively straightforward and made on a regular basis.
- **Unstructured:** which rely on knowledge and/or expertise and often require the interpretation of data and models to resolve. Whilst technology can often provide the models for unstructured decision-making, the greater or lesser degree of interpretation and value-judgement required to reach a conclusion affects how appropriate the use of technology may be in reaching it – not least because there is not necessarily any one 'correct' answer.

Late-nineties research into the use of 'computer-mediated communication systems'<sup>10</sup> (what we would now recognise more commonly as Skype or GoToMeeting, for example) found evidence that the decisions being taken were adversely affected by the use of technology – but also suggested that, as the technology develops and users become more familiar with it, this may change.

In 2001, a researched connection was made<sup>11</sup> between the use of the internet with innovation and participation, and the use of intranets with economic efficiency and autonomy. More recently, in 2011, research was published<sup>12</sup> that found no evidence that

<sup>9</sup> For example, Turban, E., Volonino, L., Wood, G. R. & Sipior, J. C. 2013. *Information technology for management*. Hoboken, NJ: J. Wiley & Sons.

<sup>10</sup> Warkentin, M., Sayeed, L. and Hightower R. 2007. Virtual teams versus face-to-face teams: an exploratory study of a web-based conference system. *Decision Sciences*, Volume 28, Issue 4. <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1540-5915.1997.tb01338.x>

<sup>11</sup> Andersen, T. and Segars, A. 2001. The impact of IT on decision structure and firm performance. *Information and management*, Volume 39, no. 2 p85–100. Available via <https://www.sciencedirect.com/journal/information-and-management?oldURL=y>

<sup>12</sup> Nordbäck, E. 2013. The influence of emergent technologies on decision-making processes in virtual teams. In: *Proceedings of the 19th Americas Conference on Information Systems*, Chicago, USA. 2013. Available via: <https://dl.acm.org/citation.cfm?id=2470776&picked=prox>

virtual teams performed any less well in reaching decisions than those that operated on a face-to-face basis, providing the same management and decision-making techniques broadly underpinned activities in each case. All of this appears to indicate that, as the use of technology has become more embedded, so its benefits are being increasingly realised.

The role of technology is not however limited to the methodology of decision-making – it affects the context in which decisions have to be made. Many argue we are now in the midst of a ‘fourth industrial Revolution’, with a revolution in digital automation now following those of water/steam power, electrical power and (since the middle of the last century) electronics. As was the case at the start of the previous industrial revolutions, it is still unclear whether or to what extent this latest iteration will result in greater social and employment inequality, or a net increase in safe and rewarding employment requiring a base of new skills.

This uncertainty is not only a challenge in itself, but it presents policy-makers and decision-makers with new challenges as to how to respond.

*Current systems of public policy and decision-making evolved alongside the Second Industrial Revolution, when decision-makers had time to study a specific issue and develop the necessary response or appropriate regulatory framework. The whole process was designed to be linear and mechanistic, following a strict ‘top down’ approach. But such an approach is no longer feasible. Given the Fourth Industrial Revolution’s rapid pace of change and broad impacts, legislators and regulators are being challenged to an unprecedented degree and for the most part are proving unable to cope. ... regulators must continuously adapt to a new, fast-changing environment, reinventing themselves so they can truly understand what it is they are regulating. To do so, governments and regulatory agencies will need to collaborate closely with business and civil society.<sup>13</sup>*

**6. What effect, if any, might the use of technology have in shifting the roles within your preferred graphic (question 3)? Does it ‘democratise’ the process or reinforce relative roles in the system?**

**...AND FINALLY**

In view of all that has been discussed –

**7. As a leader, what drives your individual decision-making regarding skills provision? Has your view shifted at all since the beginning of this paper?**

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<sup>13</sup> <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>



**Published March 2018**

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