

Possible Education Goals and Strategies Internal Discussion Document

Introduction

This paper sets out a possible set of goals and strategies for Business New Zealand in respect of education and training. These are proposed for discussion – they are intended to evolve and develop over time.

Background

The key documents to guide the development of goals and strategies for Business New Zealand are the Foundation Statement and Immediate Priorities. The elements relevant to education and training are:

Business New Zealand Foundation Statement:

Overall Vision

Successful business improving New Zealander's living standards into the top 10 of the OECD.

Our policy principles

- supporting business growth and national prosperity
- efficient government and minimal intervention and compliance costs in the economy
- global excellence for all knowledge and learning benchmarks
- balanced employment, economic and environmental legislation
- maximising the benefits of international trade and investment
- reduced taxation, especially corporate taxation
- increasing the production of high value added goods and services

Business New Zealand Immediate priorities

1. Establish a partnership with the Government to forge a national blueprint for New Zealand's return to the OECD top ten.
2. Champion world class education, skills and training delivery.
4. Celebrate business success and the role of business.

Overall approach

Success in achieving Business New Zealand's objectives in education is likely to be achieved through:

- **Vision and ambition** – setting goals and targets that require reach and capture the imagination.
- **Focus** – having clear objectives and principles.
- **Communicating** – its vision, objectives and principles to members, business, and the wider public.
- **Being proactive and solutions oriented** – contributing useful ideas, research, analysis and information.
- **Engaging** – with Government, the Opposition, and government agencies, and with the education and training sector.

This document addresses primarily the first two of these approaches.

Possible Areas and Issues of concern in Education

There are a wide range of areas and issues in education and training with which Business New Zealand could concern itself. These can be analysed in a number of ways – broadly in terms of the nature of issues, more specifically in terms of the range of purposes, types and levels of delivery and aspects of performance.

Broad Types of Issue

Education and training issues can arise in a variety of forms, including:

- **Purpose** – what are the purposes of education and training, and how can they best be achieved?
- **Learning / Teaching** – how can learning best be promoted?
- **Research** – how can relevant and quality research be promoted?
- **Information** – how can information about learning and achievement, for both learners and business, be improved?
- **Qualifications / Standards** – how should the results of education and training be measured and communicated?
- **Education Industry** – what is or should be the nature and form of education industry?
- **Regulation / Resourcing** – how should the education industry be regulated and resourced?
- **Quality / Performance** – how can the quality and performance of education and training best be measured, assured and improved?

Purposes of education and training

Within the broad issue of the purpose of education and training, there are a range of possibly important objectives:

- develop individuals' skills, knowledge and attitudes (learning)
- recognition of individuals' skills, knowledge and attitudes (qualifications)
- support firm and industry effectiveness and efficiency (wealth creation)¹
- support regional and national growth and development (knowledge production and dissemination)²
- develop education as an industry (wealth creation)³

Types and levels of education and training

Education and training have traditionally been divided into a range of categories – usual based upon a linear hierarchy which assumed that almost all education and training occurred early in life. Increasingly complexity and rates of change have resulted in a more complex pattern, particularly in the 'post-compulsory' area. Broad distinctions can, however, be drawn between:

- **early childhood education** - kindergarten, childcare centres, home-based, and kohanga reo etc.
- **compulsory education** - primary, intermediate, and secondary
- **post-compulsory education** – parts of senior secondary, foundation, degree, post-graduate, diploma / certificate, and industry

¹ Harvey, Lee (1999), *New Realities – the relationship between higher education and employment*, Keynote presentation at the European Association of Institutional Research Forum, Lund, Sweden.

² Aghion, Philippe and Howitt, Peter (1998), *Endogenous Growth Theory*. Cambridge Mass, London: The MIT press.

³ National Party Youth and Education Task Force (2001), *Educating for Success*, Paper for discussion within the National Party.

Performance of education and training

There are a number of dimensions to performance in education and training:

- Relevance – both in the short and long term.
- Quality – fitness for purpose.
- Effectiveness – focus and best practice.
- Efficiency – best use of scarce resources.
- Equity – effective use of all the nation's human capability.

Possible Education Goals and Strategies

From this broad range of possible areas and issues, Business New Zealand will have to identify its long term goals – and benchmarks against which to measure achievement in respect of those goals. Again, the Foundation Statement and immediate priorities are relevant here.

In addition to identifying goals and benchmarks, it is important to consider *how* these goals and benchmarks might be attained. Consideration of the *strategies* which might assist this is therefore important.

National / General education

Before identifying goals for each sector of the education system, it is important to identify what business wants overall, and how education can contribute to this.

These high level national or general goals might include:

- **High standard of living for New Zealanders** – this will likely be primarily in economic terms, but might include social and environmental measures (this might be useful in pre-empting others selecting measures business might not find useful). The US National Association of Governors has identified improving standards of living as their key goal⁴. The Foundation Statement sets a benchmark of the 'living standard' within the top 10 of OECD countries.
 - > A possible strategy for achieving this goal might be the formulation of a National Strategy, developed in partnership between Government and business. The identification of the role of education in this is crucial.
- **High levels of skill and knowledge across the population** – High standards of living – given New Zealand's context – will require high levels of skill and knowledge *across* the population. This does not mean that everyone will have to have the same level of skill – but certainly higher than basic literacy and numeracy. The cost of large numbers of low skilled people – in terms of lost economic potential, direct expenditure and social disjunction is considerable.
 - > This might be promoted by identifying national learning targets, as promoted by the Confederation of British Industry in the UK⁵.
- **A flexible, adaptable and innovative workforce** – Not only will our workforce need to be highly skilled, but it will need to be able to constantly renew and re-develop its that knowledge and those skills. This will mean that learning will need to continue as an ongoing part of work and life – not be restricted to school and a few years in tertiary education.

⁴ National Association of Governors (US) – web site: <http://www.nga.org/> - Higher Education Division - http://www.nga.org/center/topics/1,1188,D_1507,00.html.

⁵ Confederation of British Industry (1999), *National Learning Targets* – Issue Statement.

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- > An appropriately configured national qualifications framework, with emphasis on key skills and flexible modes of attainment and recognition might assist this.⁶
- **Relevant skills and knowledge** – Finally, the knowledge and skills of our workforce will need to be relevant. Innovation and flexibility will assist in this regard, but other approaches may be needed. Clearly specifying what critical skills and knowledge required by relevant industries and employers will be useful – but there will need to be a recognition that these will themselves need to change and adapt.
 - > A national qualifications or skills standards and recognition system could assist this.
- **Relevant and innovative research** – A high standard of living will need to be supported by ongoing innovation and research – both within industry, CRIs and tertiary institutions. These will need to be linked together if they are to result in benefits to the nation and business.
 - > An integrated research and development strategy, which links together public and private sector R&D, and is connected to a broader national strategy.
- **Education as a significant industry and earner of export income** – Increasingly, education has the potential to become a major industry in its own right. A key aspect of attaining the target of a high standard of living is increasing the level of export revenue (both 'in-bound' and more truly 'external') from education.
 - > An export education strategy, which involved both the Government and business, could assist this.

Early childhood education

Early childhood education and care are important both for the educational outcomes of young children, but also because childcare increases access to the workforce. As patterns of family life and work have changed, childcare has become increasingly important in this regard.

Possible goals and benchmarks for early childhood education are:

- **A high level of accessibility and affordability** – it is important that those needing childcare in order to engage in employment are able to access it – and thus that it is affordable. This has implications for issues such as the cost of early childhood education – as driven by issues such as salaries for early childhood workers – which is itself affected by professional regulatory issues.
 - > This could be advanced by ensuring that early childhood education workers and providers are not over regulated (beyond ensuring safety and well-being).
- **Appropriateness and relevance** – Early childhood education and care should be just that – the care and education of young children. It should not seek to be 'schooling' or attached to the compulsory education system – except where parents feel this is appropriate.
 - > This goal could be advanced by ensuring the flexibility and non-prescriptive nature of ECE curricula.

⁶ Confederation of British Industry (2000), *The Qualifications Framework* – Issue Statement.

Compulsory education

Compulsory education carries out a wide range of functions in society. 'Schooling' is to a considerable extent a socialising activity, as well as an educational one. There are also significant economic benefits from pastoral care provide by schools, as for early childhood care. Given its compulsory nature, schooling should aim to provide all of the population with the basic skills, knowledge and attributes to enable them to participate in life and work.

Possible goals and benchmarks for compulsory education are:

- **All secondary school leavers are prepared for lifelong learning and earning** – the compulsory education system should prepare everyone for ongoing learning and work. This will require clear articulation of the critical levels of attainment required, and provide school leavers with recognition of their achievement. It will require a variety of different means of achieving this outcome, which reflect the different interests and abilities of young people.
 - > This might be advanced by clear, focussed and benchmarked qualifications and curricula⁷; and by flexibility in the options available for reaching this end point.
 - > The identification of core and minimum skill and knowledge requirements, possibly organised around the 'six C's' – communication, co-operation, computation, computer literacy, creativity, and critical thinking. Key subject areas are language, mathematics and science, with key skills in ICT, team working and self-improvement.
- **The importance and value of business is recognised and celebrated in schools** – the achievement of a higher standard of living will require young people, and thus eventually the population as a whole, have an understanding of the role business in generating wealth, and an understanding of the key skills and attributes necessary to succeed in business.
 - > A clear focus on employability⁸ and the importance of business skills and orientation for all young people – including more 'academic' learners.
 - > Promoting school-business partnerships, as a way of increasing the exposure of schools, teachers and students to the business environment.
- **All children complete primary school able to read and write; apply basic mathematical concepts; and access and use information effectively** – Primary school needs to provide all children with a solid foundation of skills and knowledge in key areas such as literacy, numeracy and information access and use.
 - > Clearer articulation of expectations and standards⁹. Basic literacy and numeracy for all must be the priority.
 - > Better understanding of the range of approaches which can assist success¹⁰.

⁷ Black, Paul (2001) *Report on the proposals for the development of the NCEA*, Ministry of Education, see also: The Business Roundtable (US) (1996) *A Business Leaders Guide to Setting Academic Standards*, and; International Baccalaureate Organisation (2001), *The International Baccalaureate*.

⁸ Confederation of British Industry (1999), *Making Employability Work – an agenda for action* – Policy Brief.

⁹ Confederation of British Industry (1997), *Standards in Primary Education* – Policy Brief.

- **There are adequate alternatives to traditional schooling which enable achievement for all young people** – While schools will need to be diverse places if they are to even come close to meeting the needs of the wider population, it is unlikely that ‘schools’ will meet the needs of everyone. There will therefore need to be real and recognised alternatives to schooling, which nevertheless ensure that young people are prepared for lifelong learning and earning.
 - > Alternatives to traditional schools and schooling, both within the compulsory education system and beyond it (including work-based options).
- **Teaching is of high quality and relevance** – For the compulsory education system to ensure that all young people are adequately prepared for lifelong learning and earning, teaching will have to be of high quality and relevance to the needs of learners. Clear standards and performance measures are required to ensure quality. It is likely that remuneration will have to reflect skill level and demand – therefore pay will have to be higher in areas where there are shortages.
 - > Professional standards and performance assessment. These need to be transparent, and any assessments subject to validation.
 - > Variable remuneration based upon skill and scarcity. This does not necessarily mean ‘performance’ pay (although it could, particularly at a team level), but certainly requires differentiation.
- **Schools are governed and managed effectively** – Effective school governance and management is critical to successful outcomes. In general schools will make better decisions at a local level. Accountability for performance is a key mechanism for ensuring quality – external evaluation and follow up are vital.
 - > School governance and autonomy need to be fostered and assisted.
 - > External quality evaluation, based upon assessment of internal quality assurance, is essential.

Post-compulsory education and training

Post-compulsory education and training encompasses all learning and training beyond the compulsory schooling years. It is thus a highly diverse concept, incorporating university and polytechnic study and research, industry training and professional development, and foundation / second chance / retraining activities. Changes in the nature of work, life and technology are increasingly affecting how education and training are and can be delivered. Education and learning are less and less ‘separate’ activities, and more and more a key part of the business of enterprises and workers. Education and ‘knowledge production’ (research) are no longer principally ‘preparation’ for work – they are an integral part of maintaining performance and productivity.¹¹

Possible goals and benchmarks for post-compulsory education and training might include:

- **High skill levels across the population** – while schooling may provide the foundation for high skill levels, post-compulsory education will need to build upon and maintain this.
 - > A focus on research level education and training¹².

¹⁰ Confederation of British Industry (1997), *Class systems – a review of primary teaching methods* – Policy Brief.

¹¹ Gibbons, M (1996), *Higher Education Relevance in the 21st Century*, World Bank.

¹² Confederation of British Industry (2000), *Higher Education* – Issue Statement.

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- > Establishing skills and qualifications targets.
- > Adult literacy and basic skills¹³ development.
- **Flexible, adaptable and innovative workforce** – post-compulsory education and training will need to develop these capabilities in the workforce, and provide means whereby individuals and firms can update their skills and knowledge.
 - > Flexibility, adaptability and innovation as actual objectives of learning.
- **Relevant skills and knowledge** – there is a need for greater clarity, focus and simplicity in the articulation of key skills and knowledge relevant to business and industry.
 - > Greater clarity in the role of different types of programme and qualification.
 - > Clear and focussed industry / skill standards.
- **Flexible ways of gaining and recognising skills and knowledge** – Enabling flexibility, innovation and relevant skills for the whole population will require flexibility in the ways in which people gain skills and knowledge – and in the ways in which the skills and knowledge they attain are recognised, including learning which occurs through work.
 - > An appropriately configured national qualifications framework¹⁴.
- **Relevant and innovative research** – Business and nation will need relevant and innovative research to enable it to lift the standard of living of New Zealanders. This research will need to be conducted in a manner that links with the work of business.
 - > Greater concentration and specialisation of research effort.
 - > Research in collaboration with industry¹⁵.
- **Better information for learners and business** – The quality of decision making (and thus investment by both Government and individuals) in post-compulsory education and training is significantly affected by the quality of information about learning opportunities. Current levels of government expenditure on the quality of information are very low compared to the total investment. Similarly, the quality of information available to learners before they make learning and career choices is remarkably low, compared information available in respect of similarly significant investment decisions (home ownership or retirement savings being good examples).
 - > High quality and ongoing career and learning planning for learners.
 - > Brokerage between learners and employers.
 - > Better articulation of the skills needs of business.
- **Reconfiguration of post-compulsory education and training** – The changes in the nature of work and of technology noted above have significant implications for the organisation of post-compulsory education and training itself. Most tertiary education is currently highly vertically integrated, and provided through mass, non-customised services. There is a need for more diversified approaches to delivery,

¹³ Confederation of British Industry (2001), *Basic Skills* – Issue Statement.

¹⁴ Confederation of British Industry (1997), *Reasons to be cheerful – A qualitative study of the use of NVQs and SVQs among CBI member companies* – Policy Brief

¹⁵ Matthews and Johnston (2000) *International Trends in Public Sector Support for Research and Experimental Development*, DETYA, Australia.

Confederation of British Industry (2000), *Research and Higher Education in the UK* – Issue Statement.

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including a greater role for the private sector and business in post-compulsory education and training.

- > Greater diversity of forms of delivery and recognition.
- > Greater private sector involvement in education and training.
- > Integration of education and training into work¹⁶.
- **Development of post-compulsory education and training as an industry** – Post-compulsory has the greatest potential to develop into an industry in its own right – just as other previously Government dominated industries (such as telecommunications) have become major components of the economy in their own right. New Zealand has some competitive advantages in respect of export education, as a small English-speaking nation.
 - > Export education strategy¹⁷.
- **Regulation and resource allocation in post-compulsory education and training support these goals** – Both of these interventions by Government in post-compulsory education need to advance the overall goals. Regulation needs to advance flexibility, innovation, diversity and quality – as does resourcing. Resourcing needs to be allocated in a manner that promotes quality – but does not privilege particular modes or kinds of education and training.
 - > Improved co-ordination and facilitation of both concentration and networks.
 - > A mix of demand driven and focussed resourcing (allocated on a transparent, quality and relevance focussed basis).
- **Ensuring the quality and performance of post-compulsory education and training organisations** – Current arrangements for the quality assurance and accountability of post-compulsory education and training are not consistent or coherent. Some sectors (particularly the university sector) still substantially control their own quality assurance – and there is insufficient consistency across types of provision.
 - > Improved governance of post-compulsory providers.
 - > Coherent and independent external quality assurance.

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¹⁶ Confederation of British Industry (1997), *The Meaning of Training* – Policy Brief.

¹⁷ Cunnigham et al (2000) *The Business of Borderless Education*, DETYA, Australia. See also Gallager (2000), *Corporate Universities, Higher Education and the Future*, DETYA, Australia