Manual for School Directors and Managers:

Modern VET School Management Practice

Belgrade, July 2005

Modern VET School Management Practise

a Manual for VET School Directors, Management Teams, and School Board Members

"Lead from the Front – or Your Followers will Obstruct Your View to the Future Ahead"
Alexis de Toqueville

The system of vocational education and training in Serbia is in transition, plotting its course towards a future structure in which quality, flexibility, and broad co-operation are keywords, and where decentralisation will be a key tool to achieve these.

With the early reform stages currently being implemented and the further changes planned for the coming years, the identity and function of the VET school will unavoidably change as well – and with these, the role of the VET School Management.

This present Manual is based on the VET School Management Training Programme, having been conducted by the EU CARDS VET Reform Programme in Serbia, during 2004 and 2005. The Training Programme has been completed in two stages and has covered Training of 11 Management Facilitators by International Experts from Aalborg Technical College of Denmark – and subsequent joint dissemination to 55 VET School Directors through seminars and individual coaching.

The Manual contains main parts of the Tools, Concepts, and Training Material applied in the Training Programme, as well as experiences and learning points generated through its implementation.

The Manual is, in its overall choice of topics and approach, based on Practises and Trends from current VET School Management in EU Countries, as well as experience with the impact of reforms on the VET School Management in transition countries in Central- and Eastern Europe.

The Focus in the Manual is on the *new challenges* and *new management skills required* as a result of the reform of vocational education and training in Serbia – and its expected impact on the legal and administrative framework in which the Serbian VET Schools will operate in the future. The Manual does not in any way attempt to address existing and familiar managerial issues in the schools.

It is the intention and sincere hope of the authors that the Manual will prove to be a positive and useful reference tool – and an inspiration for thought and discussion - for teams and individuals involved in the Management of vocational training institutions in all regions of Serbia.

Belgrade, 20-07-05

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1. Introduction – From Central to Decentral Organisation

Traditionally, the VET System in Serbia has been characterised by a high degree of Centralisation with the training programmes defined by the Ministry of Education and Sports in terms of content and enrolment. Financial budgets for the delivery of VET have been determined partly from the central state level (re. salaries) and partly from the local administration level (re. physical facilities at the school).

One of the main implications of this Centralised approach to management of the VET System is that the role of the individual VET school has been, If viewed from a school-level managerial perspective, mainly to *administrate* the training, pedagogical, and financial framework given from central actors.

This means that good management performance at VET Schools has been synonymous with the ability to <u>generate the maximum value from known human and financial resources</u>, within a sphere of operations defined by legal statutes and regulations given by the Ministry of Education and Sports.

In graphical terms, this can be illustrated as "filling in the space inside the box as well as possible" – with the box illustrating the operational framework of the school, as given by the system:
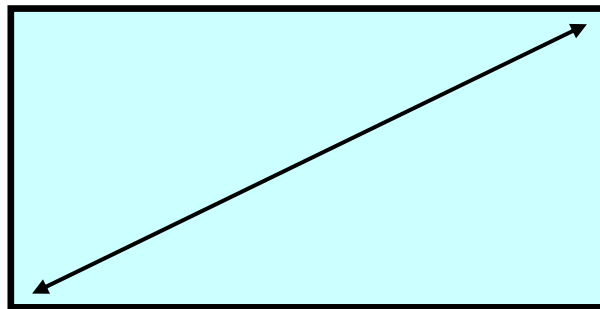
In these managerial conditions, valuable VET School Managers skills have been

- Budget Administration Skills
- Staff Management Skills
- Skills in interaction with state and local administration counterparts
- Vocational, professional, and pedagogical understanding of the training programmes provided by the school

In accordance with this Manager profile, VET School Directors have traditionally been appointed from among the teaching staff at the school, on the basis of proven pedagogical and administrative performance.

At present, the reform of the Vocational Education and Training System in Serbia is still in its early stages, having been initiated in 2003 by the Ministry of Education and Sports, and supported by international funding and Technical Assistance from 2004.

However, it is clear from the stated Reform Objectives, and from the VET Strategy White Paper expected to be approved in August 2005 that the overall intentions of the reform include:

- Bringing the Serbian VET System into line with similar systems in the EU countries, to allow for integration of the System into European co-operation – and to facilitate eventual Serbian membership of the European Union
- Increasing the ability of the Serbian VET System to deliver training matching the needs of the labour market and to strengthen the ability of the system to respond to changes in these needs, nationally and regionally.
- Supporting the ability of VET schools to undertake developments and activities to supplement their budgetary finances – in order to strengthen decentral investments in the VET system and the schools. This includes an objective to improve the co-operation between the VET schools and social partners, as well as enterprises.

It is also clear that in order to achieve these reform objectives, VET schools must be granted more operational freedom to generate financial resources, to allocate these resources, and to target its future developments towards the products and services required by its 'market'. This invariably implies a gradual decentralisation of the VET system.

On the basis of this present VET Reform context, it can therefore be concluded that:

In the medium-long term perspective, it is realistic to forecast that Serbian VET schools will be operating with a significantly increased freedom to decide, at school level, which training services to provide, how to organise the school and its staffing, how to generate commercial income, and how to invest its finances in development of products and human resources.

In this future scenario, the role of the VET School Management will be significantly changed, when compared with the previously described centralised framework. The future, foreseen, VET School Manager will , graphically illustrated, be responsible for "increasing to the maximum possible size the box (operational framework) of the school, realising the maximum potential and development possibilities that the school can identify:

For this new managerial challenge, new skills will be in demand, which must be addressed by a combination of additional education for existing VET School Managers and a revision of the current procedures and conditions for recruitment of new Managers.

Focal Skills Areas for the future VET School Managers will include:

- 'Business' Administration Skills
- Business Planning and Strategy Development Skills
- Marketing Skills and understanding of the Market for Education
- Motivation Skills
- Management and Development of Human Resources Skills
- Innovation and Co-operation Building Skills

The purpose of this present Manual is to highlight awareness of these new skills areas, foreseen to be required in the future at the VET School Management level.

This awareness is provided in order to prepare and inspire the current Management at VET Schools to launch initiatives in the school within the above areas already at this stage of the reform, and consequently to be better prepared to meet the new roles and challenges for the schools as the reform gradually progresses.

1.1. A new Managerial Challenge

In this Manual, we will cover four main topics, which are all related to the above foreseen new Skills Areas for VET School Managers, and which mark areas where the present System has not systematically trained or prepared Managers – which means that the skills cannot reasonably be taken for granted with existing Managers.

The Four areas, each covered by one Section of the Manual are:

- **The Roles and Responsibilities of the VET School Manager (Section 2)**
- **Organisational Development in the VET school (Section 3)**
- **Strategy Development (Section 4)**
- **Human Resource Development Planning (Section 5)**

The areas have been chosen for inclusion in the manual on the basis of
- having been selected as the main components of the VET School Management Training Programme implemented by the EU CARDS VET Reform Programme in Serbia, 2003-05. and
- being areas where international experience and EU country trends and practises can be realistically applied to the Serbian context.

In addition to these areas, other focus points of a specific Serbian nature naturally exist, such as understanding of the legislation and the relevant co-operation structures in the VET System. These areas are not addressed by the Manual.
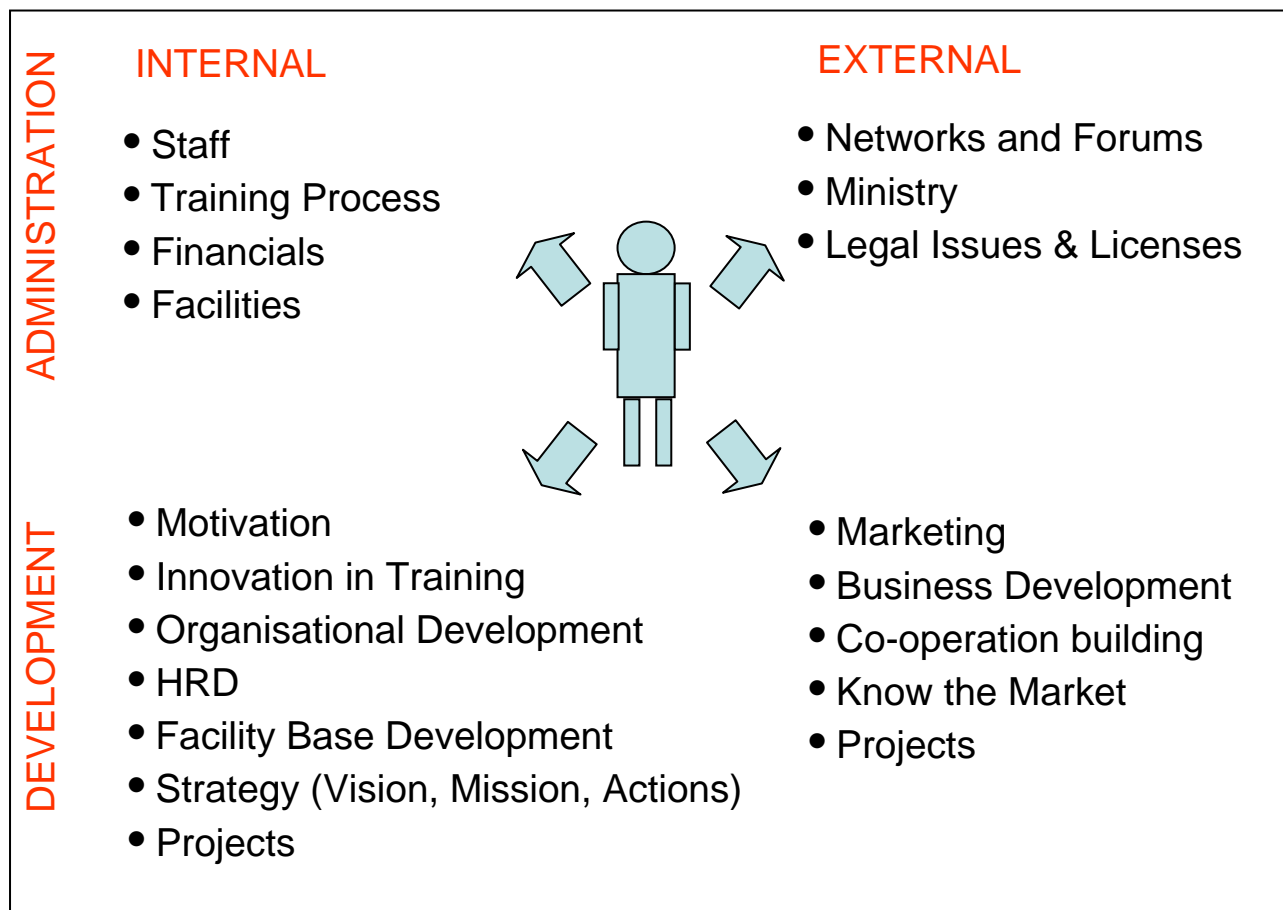
2. The Roles and Responsibilities of the VET School Manager

The following figure 2.1. illustrates the Responsibility Areas of the VET School Manager in a typical EU Country school system, based on decentralised organisation.

The main focus is that the Manager Role should be regarded as an approximately 50/50 division between managing External and Internal issues, while also maintaining the ability to divide attention app. 50/50 between Administrative and Development issues.

It is the expectation that this profile closely resembles the future Responsibility areas of the Serbian VET School Manager.

Figure 2.1. Responsibility Areas of the VET School Manager, EU Country example

ADMINISTRATION

INTERNAL

- Staff
- Training Process
- Financials
- Facilities

EXTERNAL

- Networks and Forums
- Ministry
- Legal Issues & Licenses

DEVELOPMENT

- Motivation
- Innovation in Training
- Organisational Development
- HRD
- Facility Base Development
- Strategy (Vision, Mission, Actions)
- Projects

- Marketing
- Business Development
- Co-operation building
- Know the Market
- Projects

Similarly, the Managerial Challenge, as generally presented in School Management Training in EU Countries, focuses on the ability of the Manager to *Plan and Initiate Developments* while also being able to *Analyse and Assess the Results*, i.e. to lead every step in a continuous process of development and adjustment of activities. The implication is that the School Manager should focus

on *Development Leadership* of the school and, if demands for his/her resources are overstretched, seek to delegate *Administrative Management* in order to maintain the ability to perform this Development Leadership.

Figure 2.2. The Managerial Challenge: Development Leadership
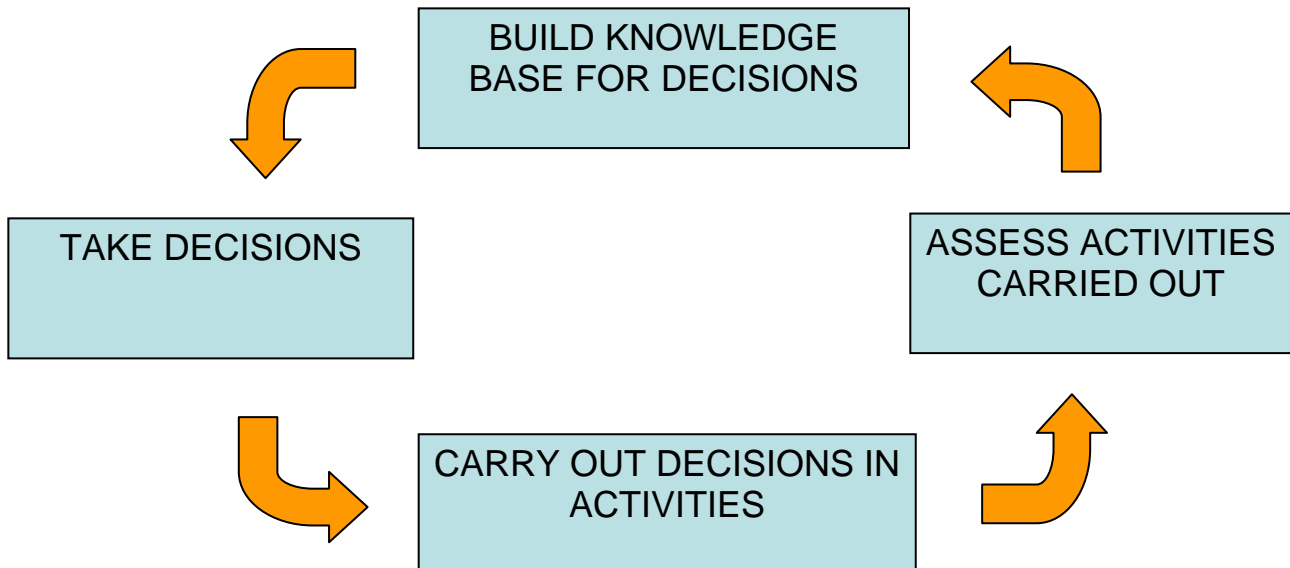
With the added focus on Development Leadership, the overall Management Role has become more Complex than in an administration-dominated management framework. The ability to perform in this new, more complex framework starts with one important realisation:

"WITH THE NEW, COMPLEX MANAGER ROLE, THE MANAGER CAN NO LONGER FILL ALL AREAS OF KNOWLEDGE BUILDING, DECISION MAKING, AND ACTION IMPLEMENTATION FOR BOTH EXTERNAL AND INTERNAL AREAS OF ACTIVITIES"

In other words, the VET School Manager, who leads and organises everything in the school will be a phenomenon of the past.

The future VET School Manager therefore must be willing and able to Delegate, not only responsibilities, but also competences and decision-making rights. An important task for the Manager will be:

- **TO MAKE SMART CHOICES ABOUT WHAT TO DELEGATE - AND TO WHOM**

- **TO ENSURE THAT THOSE, WHO WILL CARRY OUT DELEGATED MANAGEMENT TASKS HAVE THE MANDATE, COMPETENCE, TOOLS, AND MOTIVATION TO DO SO**

2.1. Delegation

To be successful in delegating components of School Management, the VET School Manager will require Personnel Management Skills, such as Communication Skills, Motivation Skills, and the ability to plan Managerial Tasks logically and consistently in order to make the staff member(s) to
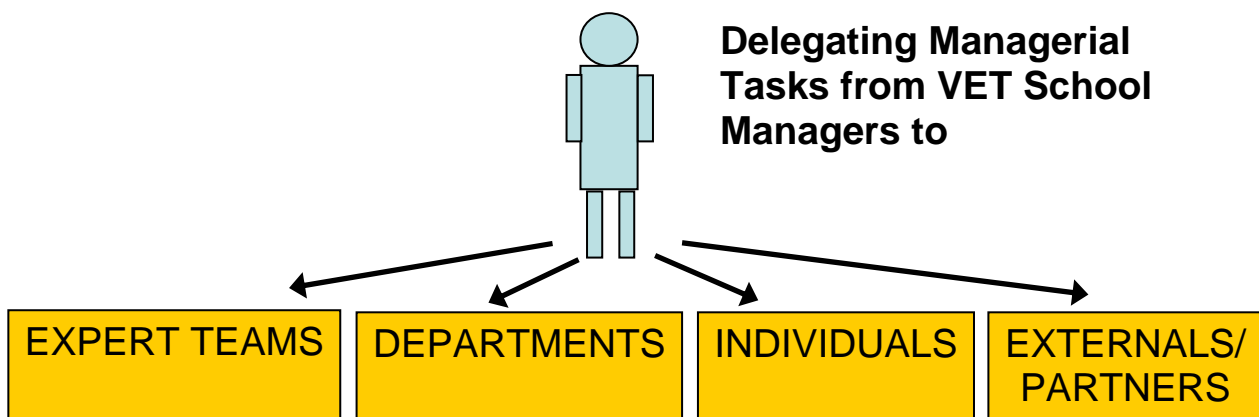
whom they are delegated understand not only the task but also its function in the overall school strategy.

Conclusion: Successful delegation requires logic, transparency, and good communication of the Management processes in the school.

In addition, it is essential that the VET School Manager realises and evaluates all his/her Delegation Options. In a traditional Management culture, the automatic delegation path would be to the immediate subordinate (e.g. a Deputy or Head of Department) who might then, in turn, delegate further.

In a modern VET School framework, the Manager should consider a broader range of delegation options, inside or outside the organisation:

Figure 2.1.1. Delegation Options:

Delegating Managerial Tasks from VET School Managers to

| EXPERT TEAMS | DEPARTMENTS | INDIVIDUALS | EXTERNALS/ PARTNERS |

Delegation questions to be evaluated include:

- Should the Management Task be performed by an individual, acting on behalf of the Manager?
- Could the Management Task instead by carried out by one of the school's departments, who might find its own way of implementing the task instead of the Manager?
- Could it be a better idea to collect a number of individuals from across the organisation and set up a dedicated Expert Team for handling the Management Task?
- Could the Management Task be more efficiently solved by an expert from outside the school organisation or by one of the school's co-operation partners (i.e. by 'outsourcing' handling of the task)?

Typical Management Tasks delegated in VET Schools in EU Member Countries include:

- Development and Management of Projects, which do not directly affect the primary operations of the school (i.e. experimental projects, international co-operation etc.)
- Planning, Monitoring, and Assessment of the teaching process in the school
- Monitoring of Staff Training Needs/Wishes and Planning of Staff Training Activities
- Representation of the school in a variety of networks and meeting forums, e.g. associations
- Financial administration unless legally requiring the Manager's participation

The main considerations behind the delegation areas listed are often the time and resources they require from the Manager compared to the necessity of being carried out by <u>exactly</u> the Manager in person. This issue naturally includes legal requirements for the Manager to take responsibility, but even in these cases, it should be a consideration for the VET school Manager if the implementation of the task can be entrusted to a staff member on behalf of the Manager.

Participation in meeting forums and networks are examples of activities which might be considered to take too much time and resources compared to the benefits of the presence of the Manager instead of another representative of the school.

Another consideration for the Manager to make is whether delegation of a Management Task can help in building motivation or skills with the staff member(s) selected for implementation.

A good example here might be Project Development and Project Management, which often strengthen the creativity, initiative, and managerial skills of the involved staff – and thereby creates a good argument for delegation.

Similarly, delegation might be used as a display of trust and respect for staff members or departments and used as a tool to increase motivation and/or morale with the recipients of the task. An example of this could be transferring the planning rights for training to the department responsible for a specific course or subject.

Management Tasks, which should <u>never</u> be delegated include:

- Main decisions regarding allocation of budgets between different activities or departments
- Legal representation of the school
- Responsibility for development of the overall Strategy and Business Plan of the school
- Monitoring of the Strategy and Business Plan and its realisation into concrete activities

Conclusion: It should <u>always</u> be the Manager, who assumes responsibility for monitoring that the school's strategy for today (the present time) is carried out in practise AND that the school always has a clear strategy for tomorrow (the future).

2.2. Leadership Styles

One of the important aspects of modern Management Skills is awareness about different <u>Leadership Styles</u>, the ability to use each of these styles when required, and a clear understanding of the impact and signals that each style communicates to the organisation (school).

This means that it is essential that the Manager is at all times conscious about what Leadership Style he/she is applying at that moment and how it is perceived by the staff.

Leadership Styles must be considered as <u>Tools</u> by the VET School Manager – and the selection of the right 'tool' for each occasion should depend on the outcome/result, which the Manager wants to achieve.

While the personality of the Manager will most often mean that he/she is more comfortable with some Styles than with others, he/she must be able to (and constantly develop the ability to) employ all of the Management Styles listed in the following, in order to most efficiently lead the school staff.

Research in Germany and Denmark indicates that staff trust in the Leadership of the Manager in organisations does not depend on which Style they connect with their Manager – but on whether the Manager is seen as using the "right" style in the right situation.

This means that it is not important for the efficiency of the Manager in leading staff whether he or she is considered to be basically authoritative or basically democratic. It is much more important than the Manager is able to apply a Democratic Leadership Style to issues and situations where the Staff (or other counterparts) perceives this style as the most appropriate or efficient. Similarly, where Authoritative Leadership is considered the right option by the Staff, the Manager must be able to display this style – even if basically inclined towards Democratic Leadership.

The biggest Managerial Failure in this aspect is when the Manager is unaware of how his/her Management is perceived by the Staff or when the Manager by his/her actions or attitudes communicate one Style to the Staff while attempting to apply another. I.e. the Authoritarian Manager, who sincerely believes that he or she is a Democrat will be unsuccessful as Manager because he or she will be unable to successfully "play the card" of using the right Leadership Style when required.

Conclusion: Each Leadership Style is a card in the hand of the Manager. Each card has its values and should be played at the right times. A successful Manager must be able to play all cards convincingly and know when each is needed.

Figure 2.2.1.: Four Leadership Styles:

1) Democratic Leadership Style
- Creating a Group atmosphere
- Being Supportive
- Listening before deciding
- Inviting for participation in decisions

2) Authoritarian Leadership Style
- Using and displaying power
- Giving Orders and Directives
- Discouraging discussion or participation re. decisions

3) Laissez-Faire Leadership Style
- Transferring responsibilities
- Inviting others to take the initiative
- Reducing his/her visibility as Leader

4) Charismatic Leadership
- Displaying strong feelings and commitment
- Appealing to emotions and passion
- Showing high level of personal motivation

Use of the Leadership Styles:

In knowing how and when to apply each Leadership Style it is important to realise the advantages and disadvantages of each style. The following list is by no means exhaustive and the reader is strongly encouraged to add further examples based on personal experience:

Democratic Leadership Style:

Advantages:
- Signals fairness and respect
- Invites staff participation and prevents fear of speaking out about issues
- Supports joint understanding of how decisions were reached, helping the decisions to be respected

Disadvantages:
- Can lead to lengthy discussions and unclear decisions/responsibilities
- Can be interpreted as indecisiveness on the part of the Manager
- The loudest may dominate the smartest in open discussion

Authoritarian Leadership Style:

Advantages:
- Leads to fast, clear decisions
- Shows decisiveness and action from the Manager
- Avoids confusion and discussion among staff members during the decision process

Disadvantages:
- May create feelings of unfairness or lack of respect with staff
- Does not create "ownership" of decisions within the organisation
- May intimidate staff from taking responsibility or sharing opinions

Laissez-Faire Leadership Style:

Advantages:
- Gives others the space to express their strengths and ideas
- Encourages experimentation "without punishment" if mistakes are made
- Can be used to display trust in others' abilities and motives

Disadvantages:
- Can be interpreted as lack of interest or commitment from the Manager
- Manager may lose control of the quality of the decisions taken
- May make a negative or weak impression on external partners

Charismatic Leadership Style:

Advantages:
- Can be used to build commitment and team spirit with staff
- Shows courage and commitment from the Manager and invites sympathy
- Allows the Manager to control the decision without using Authoritarian Leadership

Disadvantages:
- Leaves little space for alternative opinions as discussion is not invited
- Can be interpreted as unprofessional and patronising if staff or counterpart does not agree with the motives of the Manager
- Difficult for others to 'take over' the decision later and maintain the Manager's arguments

Several of the advantages and disadvantages listed focus on the *decision-making process* and which type of process is the most ideal for the Manager to seek in each case. The choice between different degrees of participation by staff in the decision-making process can be illustrated as follows:

Figure 2.2.2. Decision-Making Processes:

Authoritarian Management style

Co-Operative Management style

The Decision-making Framework of the Leader

The Decision-making Framework of the Group

Authoritarian	Patriarchal	Consultatory	Co-Operative	Participative	Democratic
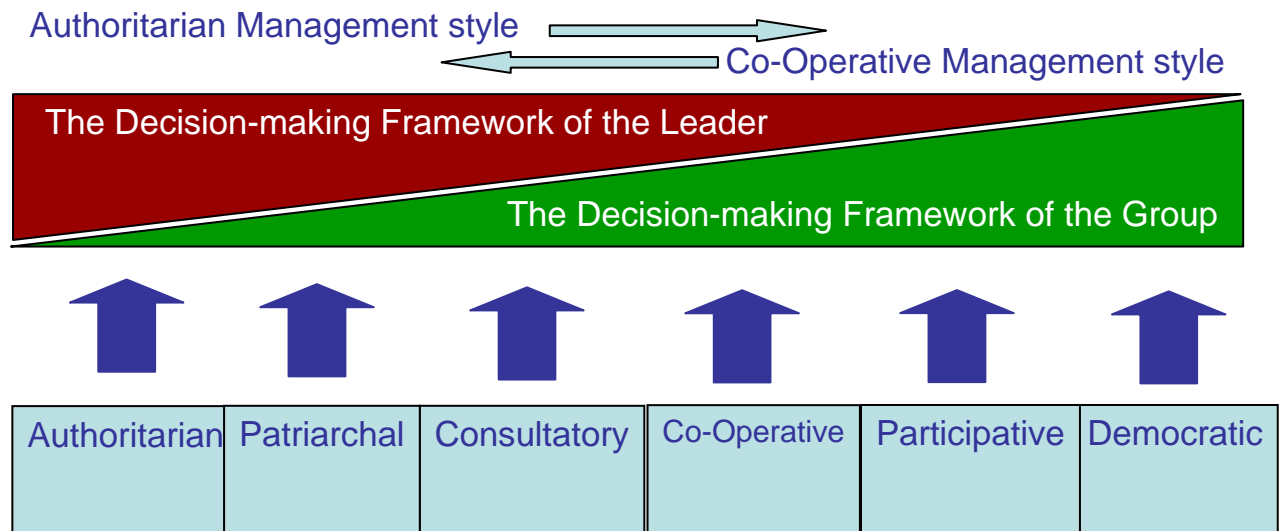
It can be concluded on the basis of the figure that the choice of the Manager is about <u>how much of the Leader's Decision-Making Framework to give up in order to create Decision-Making Framework for the Group</u>.

For different types of issues, the 'extreme' (= Authoritarian or Democratic) decision-making solutions might be as follows:

Issue Type	Authoritarian Decision	Democratic Decision
1. Setting Up ideals	Directives	Mutual Agreement
2. Setting Goals	Directives	Mutual Agreement
3. Decision-Making	Directive	Co-Operative
4. Setting Work Methods	Directive	Co-Operative
5. Help for Problems	Solution Given	Co-Operative Solution
6. Motivation Tools	Security	Fulfillment
7. Power	Force	Convincing
8. Relations	One-way Dependence	Conscious Mutual Dependence
9. Control	External Control	Self-Control

2.3.   Management vs. Leadership

The following section contains various research findings, which may serve as useful reminders for Managers in distinguishing between what is Management and what is Leadership.

The main point of the research results is that Managers tend to spend too much of their time and resources on Management and too little on Leadership, yet Leadership is a more important part of the successful Manager's job than Management itself and is harder to delegate.

Conclusion: Managers must be very conscious about how they allocate their time and to recognize what is important (Leadership) and what is less important (most Managerial tasks) – and prioritise their activities accordingly.

The more Development issues are decentralized to the schools (and their Managers) to decide, the more Leadership becomes essential for the VET school Manager.

First, a definition of Leadership[1]:

A **Leader** is defined as

"someone who occupies a position in a group, influences others in accordance with the role expectation of the position, and co-ordinates and directs the group in maintaining itself and reaching its goal"

(a 'group' can, in our context be interpreted as a VET School organisation)

Therefore, **Leadership** is

"The process of influence between a Leader and his/her followers to obtain goals as defined by the Group, the Organisation, and the Society"

In a further expansion of this definition, the leader can therefore be described as the person, who has the most impact on the beliefs and the behavior of a group. This means that the Leader is the one, who initiates action, makes decisions, settles disputes between group members, offers encouragement, serves as a model, and is in the forefront of the group activities.

It can therefore be concluded that to exercise Leadership, a person must have the formal authority to carry out the Leadership (=Position), but also the personal characteristics, knowledge, will power, and energy to become the person who can credibly take on these functions in a group or organisation.

There are two important conclusions in these definitions of Leadership:
1) The Leader cannot on his/her own obtain all the goals of the organisation, so Leadership is about making sure that the organisation as a group can and will obtain those goals.
2) Since Leadership requires the Leader to be a credible force of influence in the organisation, Leadership abilities have little to do with a person's skills in administration or traditional management – but more to do with the quality of the person's visions and ideas – and his/her ability to communicate them convincingly to the organisation.

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[1] From Christine de Neuville: "Are Managers Leaders?", University of Sydney, 2001

According to another reserach[2], Managers generally perform four functions in an organisation:

- Planning
- Organising
- Controlling
- Leading

and the overall success of the Manager depends most of all on avoiding bad performance in any of the four categories. This means that a School Management does not need to excel in any one of the categories to be successful – but it cannot afford to be weak in any of the areas.

Since 'Leading' is the only one of the four elements, which cannot be delegated from the Manager without undermining his/her position in the organisation, it becomes a conclusion of the research that the Manager *must* be able to conduct good Leadership and must be good at *either* performing planning, organizing, and control *or* be able to secure the successful implementation of these functions by delegation to others.

This means that a VET School Manager does not necessarily need to have specific planning, organizing, or controlling skills (as long as he or she has the awareness to secure delegation of these tasks to capable experts) but must focus on the Leadership performance, personally.

According to the Management specialist, Jay Mintzberg[3], Leadership is the component of the Manager's work, which is about the interpersonal relations inside and outside the organizations, which create change. These are:

Inside the Organisation (School):
- Defining the organizational structure and the working environment in which the subordinates (staff) work and from which they develop motivation
- Monitoring and questioning the activities of staff to keep them alert (and with a feeling of importance of the activities)
- Selecting, encouraging, promoting, and disciplining staff in direct relation to the strategic goals of the organisation
- Trying to balance the needs of staff and the needs of the organisation – with a view to creating the most effective function of the organisation
- Defining future goals for the organisation which are supported and understood by the staff – motivating and explaining where necessary
- Allocating resources in a way that matches the strategic goals of the organisation

Outside the Organisation (School):
- Negotiating with other Leaders in order to create supportive frameworks for the implementation of the strategic goals of the organisation
- Marketing the strategic goals of the organisation in order to obtain support and understanding for the goals from the external framework of the organisation
- Handling disturbances and problems, which might influence the organisation

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[2] W. French: "The Personnel Management Process: Human Resource Administration & Development, Houghton Miflin, Boston, 1987
[3] J. Mintzberg: "The Nature of Managerial Work", McGraw Hill, New York, 1973

Complementing these Leadership areas, <u>Management</u> consists of a wide range of tasks, which are characterized by the fact that they do not affect

- How the Strategic Goals of the organisation are developed, implemented, or understood
- How the organisation and working environment of the school is set up – and therefore how the conditions are for the school staff to carry out the strategy of the school and build their motivation
- How the staff perceive that the school has clear goals and acts in accordance with these goals

By listing these definitions of Management, Mintzberg is in fact saying that the opposite is really what matters for the Manager in order to focus on Leadership, i.e.

- To prioritise those tasks which directly influence how the Strategic Goals are developed, implemented, or understood
- To prioritise tasks related to the design of the organisation and working environment – to give the staff the chance to carry out the Strategic Goals in practice – and to build motivation
- To prioritise tasks related to securing that the school activities (and how they are implemented) matches the choices, priorities, and standards defined in the Strategic Goals.

We can therefore conclude that the research of Mintzberg recommends that <u>Managers should give top priority to development and follow-up of Strategies for the school and to monitoring and adaptation of the school organisation and working environment to match the requirements of the Strategies.</u>

So, why do Managers end up spending so much time on Managerial Tasks and so little on Leadership?

On this question, Mintzberg (in the same research as above) lists a number of factors that conspire towards focusing managers' attention on the less essential parts of their job, and therefore leaving too few resources for the important ones.

The conclusion here is that Managers need to be aware of these time-robbers, and wherever possible define solutions to avoid falling into the trap of spending time on the wrong issues.

Factors removing Managers' attention from Leadership:

- Management jobs are open-ended and Managers feel obliged to tackle a large workload at demanding pace. There is little free time. Breaks are rare. Escaping from work after hours is physically/mentally difficult.
  Consequence: Managers feel they must always be available to solve immediate problems. These problems then occupy the mind of the Manager and prevents the Manager from finding time and mental space for thinking and analyzing.

- Management work is fragmented, full of short hectic processes and frequent interruptions. Managers need to change behaviour constantly.
  Consequence: The Manager cannot keep a constant mindset for a long period of time and his/her mind is directed towards quick decisions and actions rather than thought.

- Managers seem often to get used to, and develop a preference for, these current, specific, well-defined problem types ("fire-fighting")
  Consequence: The Manager may develop superficial attitudes to relationships and conditions the mind towards reacting to immediate stimulus and close, immediate pressures rather than future, broader issues.

- In order to maintain the speed of handling issues, Managers tend to prefer media and direct verbal contacts instead of written communication.
  Consequence: Managers lose the focus on analysis of in-depth information and lose the taste for the studies and information search needed to expand their strategic knowledge.

- Meetings eat up valuable managerial time due to long formal duration, large groups, ceremonials, transport time. Managers fail to demand efficiency in meetings – often because these are at the same time essential for informal information exchange.
  Consequence: Managers waste time and lose focus on the objective and value of meetings.

- A significant part of the Manager's time is spent dealing with external contacts and direct requests or problems presented by Staff. Staff members often bypass their own immediate superior and take their problems directly to the Manager. The Manager interaction with Staff often takes place in the Manager's office instead of in the work environment of the staff.
  Consequence: The Manager spends a lot of time on meetings with staff and external parties, often on issues or at times which the Manager has not selected to spend time on. The Manager often gets too little "value" (i.e. knowledge about the real situation in the organisation) from these meetings when they take place in a way and at a time chosen by the other party instead of the Manager.

Mintzberg concludes overall that

Managers tend to control too little of what they do. Too much of their time is dedicated to handling obligations and commitments, which has too little value for them to justify the time spent.

Addressing this problem starts with taking control over the commitments from the beginning. The Manager must establish clear limits to those commitments (based on clear principles) in order to free up time to focus on Leadership issues. Many commitments can be delegated if the Manager is willing to do so.

2.4.   Investment Decisions

A major difference between VET School Management in the Centralised and the Decentralised System is the ability of the school in the Decentralised System to freely plan and decide the use of its financial resources.

In the future reformed VET System in Serbia, VET Schools will administrate budgets, which will partly consist of state and local contributions with some degree of flexibility for use by the school, and partly by direct income of the school generated from commercial activities, donations, or project participation.

In order to apply these funds in accordance with the Development Strategy of the VET School, the school will have to make <u>investment decisions</u>, which means that the school Management must be able to draw up alternative investment scenarios and compare these scenarios for their benefits to the school and its strategy.

The main Management skill for doing so is to be able to attach <u>financial value</u> to the assets of the school. Since the school will be a service provider in the market for education and training, its assets will consist of the facilities and equipment at its disposal, the training programmes and materials available, the skills and capacities of the school staff, and the goodwill and customer loyalty created with its "customers", i.e. students, enterprises, and organizations in the local community.

Most investment decisions will involve investment of financial means and/or working time in improvement of one or more of the above assets. In order to properly assess alternative options in a future framework where the school can determine its own investments, it is therefore necessary to determine the expected value of each of these alternative developments.

At present, to the knowledge of the VET Reform Programme, this type of calculation is rarely carried out at VET Schools at present – and the Management Skill of making investment decisions is therefore a learning area for VET Schools in Serbia.

In summary:

- **In a Decentralised System, VET School Managers must choose the allocation of limited resources to alternative <u>investment opportunities</u>**

- **Therefore, VET School Managers must know how to**
  - **Consider all choices as investments**
  - **Assess and compare investments on value**
  - **Assess risks of investments**
  - **Recognise skills as assets and assign value to skills**

The basic notion in Investment Decisions as a Learning Area is to start considering all the school assets in terms of value:

The value of the Skills of the Staff is the expected income these Skills can bring the school in terms of student enrollment and/or generation of commercial activities.

The value of a training programme and its materials is the income from the expected number of students it can attract and the commercial activities that can be generated on the basis of the course.

All values are subject to depreciation over time: equipment and materials get outdated, staff skills get obsolete, training programmes get out of touch with labour market needs.

School investment decisions should therefore consider, both:

- Which investments are necessary in order to <u>maintain</u> the value of our existing assets?
- Which investments are expected to be most profitable for <u>development</u> of new assets in the school?

Figure 2.4.1. Investment Decision Example:

Development of New VET Programme:

Investment:
Time spent by staff
Purchase of necessary training for staff
Equipment and Materials

Benefits:
Sales potential of new VET Programme
Potential for increased student intake
due to availability of new VET Programme
Use of elements from developed course in
other VET Programmes

Risks:
Changes in training needs
Expected lifespan of VET Programme

<u>Assess Investment against alternative use of funds</u>

In the example given in Figure 2.4.1., the VET School Management should assess:

- How many extra students to we expect to be able to attract if we can offer this new VET Programme? (next year, the year after, etc.)
- What will be the expected income for the school from these extra students? (next year, the year after, etc.)
- Do we expect to be able to sell this VET Programme, or parts of it, commercially? (next year, the year after, etc.)
- Can we increase the attractiveness of some of our other programmes by integrating elements from this new VET Programme? If yes, what is our estimate of the additional sales value of those programmes on the basis of the new elements integrated?

What is then the total expected financial value of this new VET Programme? (with incomes from later years added with a reduced factor, e.g. 0.8 for year 2, 0.6 for year 3 etc. to reflect amortization)

Does this expected financial value justify an investment of X Hours in development costs and X DIN in purchases of materials and training for staff?
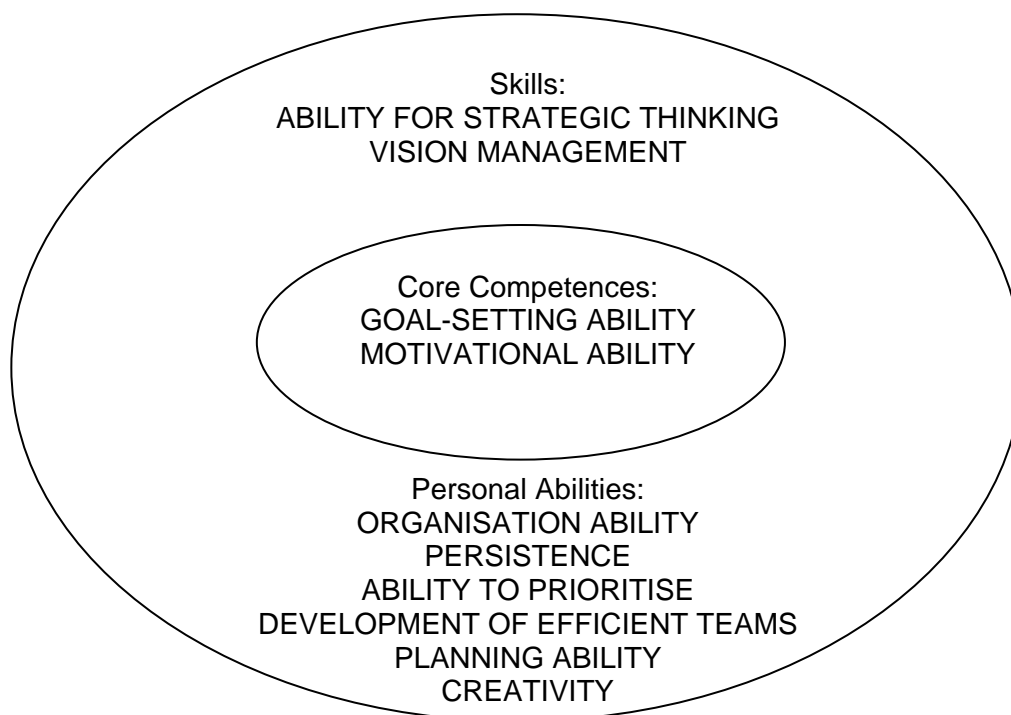
Or can we achieve a bigger expected financial value from spending the same investment (time and money) in another development? Or can we achieve approximately the same value but with lower risks by choosing another investment?

2.5. Learning Points from the VET School Management Training Programme

During the VET School Management Training Programme, 62 VET School Directors from all regions of Serbia were asked to identify the 17 most important Management competences for a VET School Manager in Serbia in the future from a list of 51 general Management competences developed by a Danish consultancy company. Each competence was described in detail.

Based on the responses of the participants, the following profile of the perceived essential Competences for the Serbian VET School Manager was compiled:

Figure 2.5.1. Manager Competence Profile:

Skills:
ABILITY FOR STRATEGIC THINKING
VISION MANAGEMENT

Core Competences:
GOAL-SETTING ABILITY
MOTIVATIONAL ABILITY

Personal Abilities:
ORGANISATION ABILITY
PERSISTENCE
ABILITY TO PRIORITISE
DEVELOPMENT OF EFFICIENT TEAMS
PLANNING ABILITY
CREATIVITY

When additionally asked to self-assess current strengths in each of these selected Competences, responses from the VET School Managers revealed that the lowest perceived current strength levels were in Vision Management, Ability for Strategic Thinking, and Planning Ability.

In general, feed-back indicated that VET School Managers considered their current skills in areas related to staff organisation and –management as stronger than current skills in strategic management areas and self-organisation.

It might therefore be concluded that further training inputs to be provided to VET School Managers in e.g. the next rounds of the EU CARDS VET Reform Programme should optimally be focused at strengthening the Strategy and Vision development/management competences of the VET School Managers.

In addition, specific areas for development of VET School Manager skills as suggested by the Management Facilitators appointed by the VET Reform Programme, comprised:

ORGANISATION DEVELOPMENT SKILLS:

- **Determination of the right type of organisation reflecting the school size**
- **Organisation of the teaching process: practical organisation of who does what, why, and how**
- **Organisation of practical classes**
- **Knowledge about organisation models in order to assess different options**
- **Motivation and involvement of the Organisation**

STRATEGY DEVELOPMENT SKILLS:

- **Communication and co-operation with Social Partners and NGOs**
- **Development of quality projects for school development**
- **Development of partnerships with other VET schools in Serbia/internationally**
- **Development of additional activities and continuous training**
- **Development of scenarios for upgrading of equipment**
- **Compiling Data from the labour market for establishing long-term enrolment plan**
- **Information exchange & network building in the local community**
- **Surveying the school image**

PERSONAL DEVELOPMENT:

- **Overcoming resistance to change**
- **Ability to plan/organise incl. personal planning**

3. Organisation Development in the VET School

A common mistake in Management (and an attitude, which was often encountered during the VET School Management Training Programme) is to assume that new Strategies and Developments can be put into action while leaving the organisation of the school and its Management unchanged.

Many Managers have a natural resistance or uneasiness about changing existing organisational models, as these changes will also directly affect their own working conditions. But instead of fearing or opposing change, the future VET School Manager should embrace it as an integrated element in the development of the School.

If we compare the school to a production enterprise, we may conclude that when products change and production processes change, the organisation must change, too, to reflect those developments.

Organisations consist of people (Human Resources) and Organisation Development means (re)organising these Resources and the hierarchical connections between them, in such a way that the maximum working efficiency, energy, and motivation is realised.

Put shortly, when Decentralisation means that the school must put greater emphasis on development and expansion of activities, the school Organisation needs to be developed in such a way as to allow more Human Resources to become Developers in the school.

Main experiences in this area from EU Countries during decentralisation of school systems suggest that organisation development will (and should) take the direction of

- Reducing hierarchies in the organisation – in order to allow a freer flow of ideas to decision-makers
- Reducing the focus on control and supervision to the minimum possible. Control functions are rarely cost-efficient in a market economy where school resources are better applied to development and customer service
- Delegating decision-making competence and responsibility to the extent that the staff level is ready and capable to accept and absorb these delegations
- Allowing a greater number of staff members to become external representatives of the school, in networks, associations or project co-operations
- Focusing more on visible and objective reward systems for initiative and performance among staff
- Introducing self-managing teams in the organisation for some planning and development tasks

It should of course be recognised that Serbian VET Schools differ from the EU country framework in one important area: the limited influence of the VET School Management on the staff employment at the VET School and the (at present) limited ability of schools to influence salaries and other financial benefits provided to staff.

However, it must be expected that with the implementation of the VET Reform, individual schools will gain access to a greater range of opportunities to design incentives and reward schemes for positive staff performance.

In order to understand the Factors of the Organisation Development, it is useful to consider the school as consisting of three main areas:

- The Resources and Capital available to the School (Assets)
- The Market in which the School operates
- The Organisation structure the School has selected to best apply its Resources and Capital to serve the Market

The Assets and the Market are areas that the School Management can only *partly* control. Both of these areas are characterised by including factors beyond the control of the school, such as the development of the business sector in the school's local area and the changes in state budget legislations.
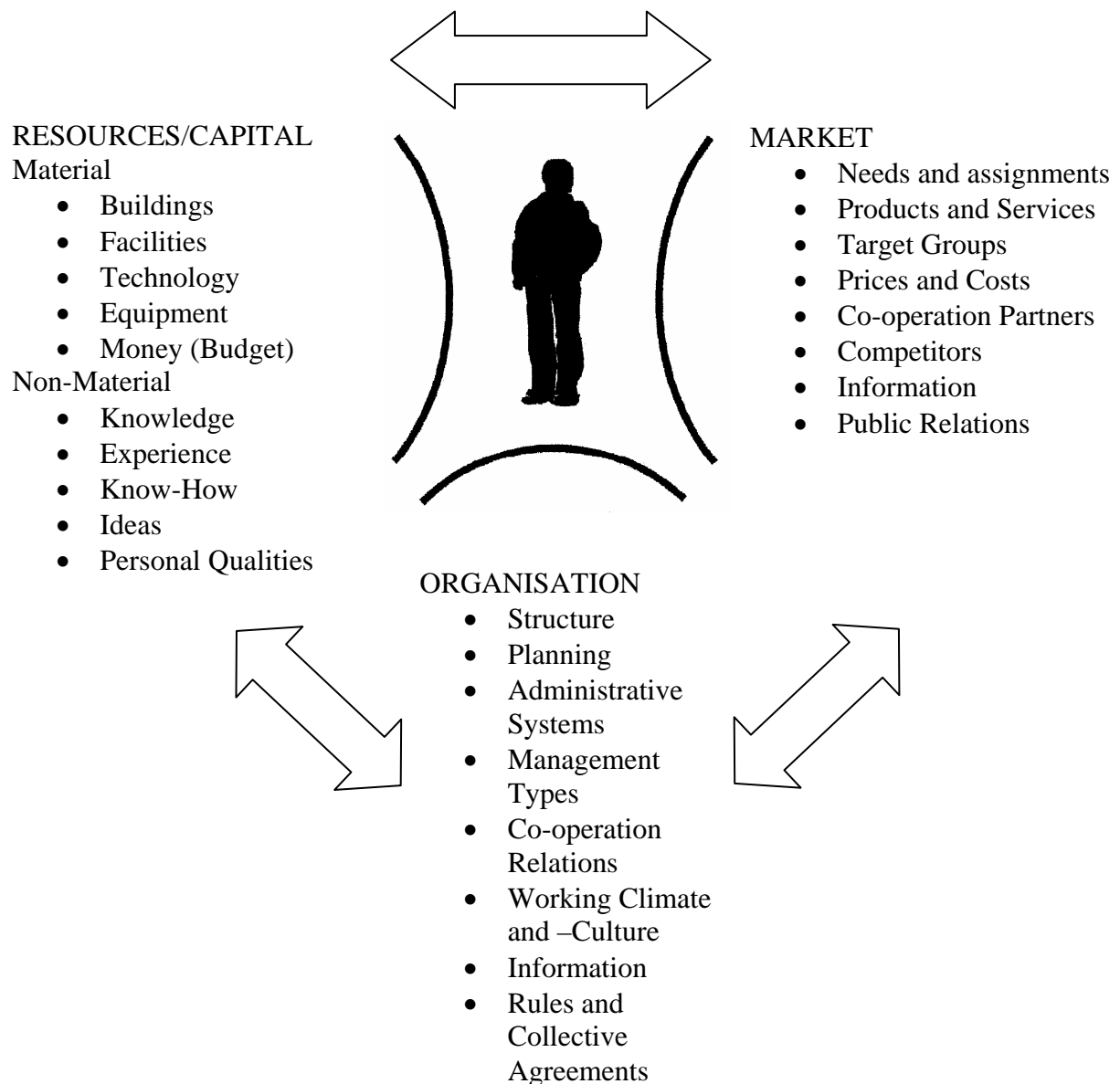
The School Management's tool for partially controlling these areas is the Strategy, which sets out how the school plans to develop and use its Assets and how it will develop and serve its Market. The Strategy must take into account and react to the external changes that will appear in these areas.

The Organisation Structure, as the third area of the school, is different from the others in being almost exclusively an internal matter for the school to organise. As it is linked to the other areas by the strategies defined by the school for its Assets and Market, the Organisation Development

becomes the school's internal tool to make sure that it is as well prepared as possible to carry out the planned Strategies and to react to changes in its operational conditions regarding Assets and Market.

The conclusion is that Organisation Development in the VET School must reflect the Strategy made by the school and respond to the needs of that strategy.

Figure 3.1. The Three Development Areas of the Organisation

RESOURCES/CAPITAL
Material
- Buildings
- Facilities
- Technology
- Equipment
- Money (Budget)

Non-Material
- Knowledge
- Experience
- Know-How
- Ideas
- Personal Qualities

MARKET
- Needs and assignments
- Products and Services
- Target Groups
- Prices and Costs
- Co-operation Partners
- Competitors
- Information
- Public Relations

ORGANISATION
- Structure
- Planning
- Administrative Systems
- Management Types
- Co-operation Relations
- Working Climate and –Culture
- Information
- Rules and Collective Agreements

While the Organisation Development, as described, should be determined by the needs created by the Strategy (covering Assets and Market), some general principles for good Organisation Development practise can be established:

Principles for Organisational Development and Involving Processes

1st Principle: To create future visions that will lead to actions:
- Which Inspire
- Which Can and will be Effectuated
- Which Contain a set of Basic Values

2nd Principle: To free the tied-up energies of the organisation
- There are always things, which can be improved by somebody, who can and will

3rd Principle: To take into account that the world will continue to move on during the Development Process

4th Principle: To focus on the Basic Idea on which the Development Initiative is based:
- The idea is a Precondition for Obligation
- Reveal the Basic Attitude to Other Human Beings Expressed by the Idea

5th Principle: To find key persons and talents for the future, who can and will take responsibility for the future in new ways and involve them
- Possess Energy
- Possess Skills
- Remember "new" Colleagues
- Avoid Classic Image of Representation

6th Principle: To carry the realisation of the development through initiatives and actions by individuals and groups
- Better to have more initiatives than too few
- Follow-up and Follow-up

7th Principle: To secure immediate visible steps of progress and inform about them

8th Principle: To remember that the desired result and the roads leading to it are equally important
- The Essence in New Initiatives must be Demonstrated and Visible from the Start

Similarly, for each Organisation Development initiative matching the above principles, a checklist can be established to control that the initiative is properly thought through, is justified, and does match the overall Development Strategy of the VET School:

Checklist for Organisation Development Initiatives:

Purpose/Idea:
- Why do we/I want this?
- Which desires and ideas are behind the project?
- What are our/my motives?
- What benefits do we/I get from participating here?

Own Working Principles (Policies):
- How will we/I work with the implementation?
- Information?
- Involvement?

Goals and Desired Results:
- Who must benefit from it?
- Which visible results must be achieved?
- How will we/I evaluate it?

Organisation:
- Who must participate in the development work?
- Who must take the decisions – and how?
- Should we/I organise it in working groups, decision groups, consultation groups etc.?

Activities, Time, Milestones:
- What do we/I start working on first?
- Which activities must we/I go through?
- What is our/my time framework?
- Should we/I set up milestones for the development?
- How do we/I keep the organisation informed?

Resources, Means:
- Which resources are necessary to acquire (facilities, equipment, expertise, capital)?

Network:
- Who constitutes our/my network (resource persons/experts, supporters/pioneers, decision-makers/lobbyists)?

Concrete Proposals/Ideas:
- What concrete proposals and ideas do we have already at this stage?

One of the essential Management challenges connected to Organisation Development is to secure that the <u>Organisation learns from the developments it undertakes</u>. Since Organisations are people and people automatically will assess any change they are subjected to, it is a Management Task to secure that this assessment becomes formalised so the Organisation can generate learning from its development activities.

Learning from Developments is central to avoiding future mistakes (and repeating mistakes), as well as to improve the organisation's skills in predicting the impacts of future development proposals.

e.g. if a reorganisation of responsibilities in a department in the school has led to complaints from some staff members about a decline in working conditions in the department, it is essential that the organisation (i.e. the Management) systematically examines if the reality is a few disgruntled teachers or if there has indeed been a general negative effect on the working conditions, directly caused by the reorganisation. The systematics proposed here marks the difference between a *Learning Organisation* and a static one.

The German sociologist Kolb illustrates formalised learning with the following loop:

Figure 3.2. Experience-based Learning:
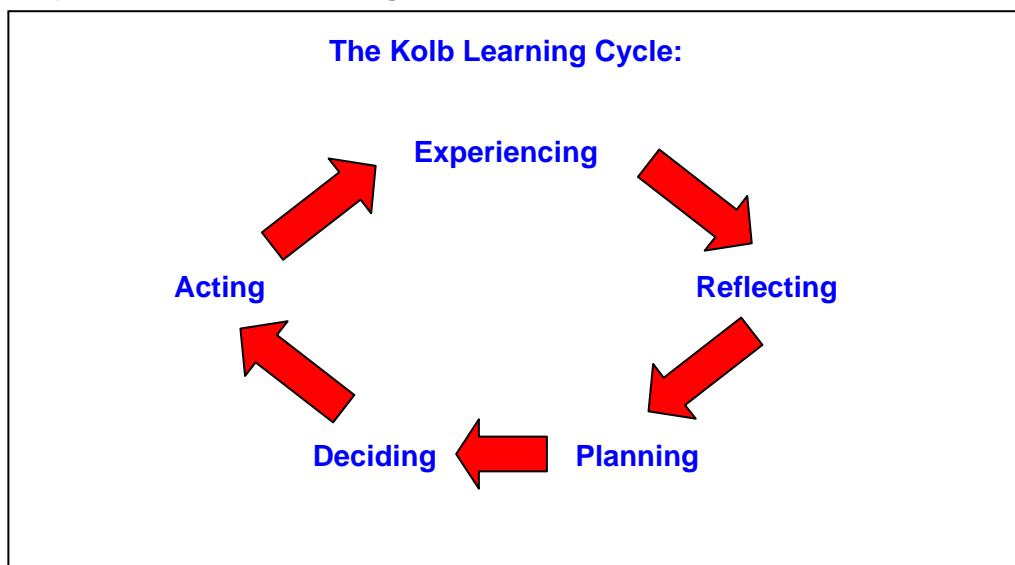
The crucial Management challenge lies mainly in securing that the <u>Experiences</u> made are systematically analysed and <u>Reflected on</u>, and that these Reflections are carried into the <u>Planning</u> of future Developments.

3.1. Team Organisation

One specific Organisation Development initiative recommended to be considered by VET Schools is the introduction of Team Organisation.

The purpose of Team Organisation is to organise a part of the operational processes of the school in dedicated teams of staff members, who are assigned with some degree of freedom to decide how to undertake and organise the process in question.

The potential benefits of Team Organisation lie in releasing the creative energy of Staff Members and creating a "safe" working environment for staff to express their skills. In addition, Team

Organisation can give staff a greater feeling of influence on their own work situation and increase work motivation.

Team Organisation can be implemented in many varieties: from the "careful" first step of setting up teams to handle a few selected non-essential functions of the school (like organising events or developing projects) to a full delegation of organisation of the training process to teams of teachers.

It is very important to underline that the benefits of Team Organisation do not happen automatically, and that establishment of teams without the proper preparation and/or back-up from both the prospective team members and the school management can lead to negative results.

In general, establishment of Teams require the following considerations by the VET School Management:

1. A clear reason

- ## <u>Why</u> do we establish Teams?

The Organisation must have clear reasons for <u>choosing</u> To set up a team-based organisation.

The Organisation must also define clear <u>goals</u> it wants to achieve by establishing teams – and how to measure if they are really achieved.

2. For which functions?

The School Management must consider which functions are realistic and desirable to establish as organised in Teams.

In this consideration, it is important to decide whether the school and the staff in question would be ready to organise part of its <u>main activities</u> in Teams, or whether to experiment with team organisation in less essential (less risky) areas within secondary activities of the school.
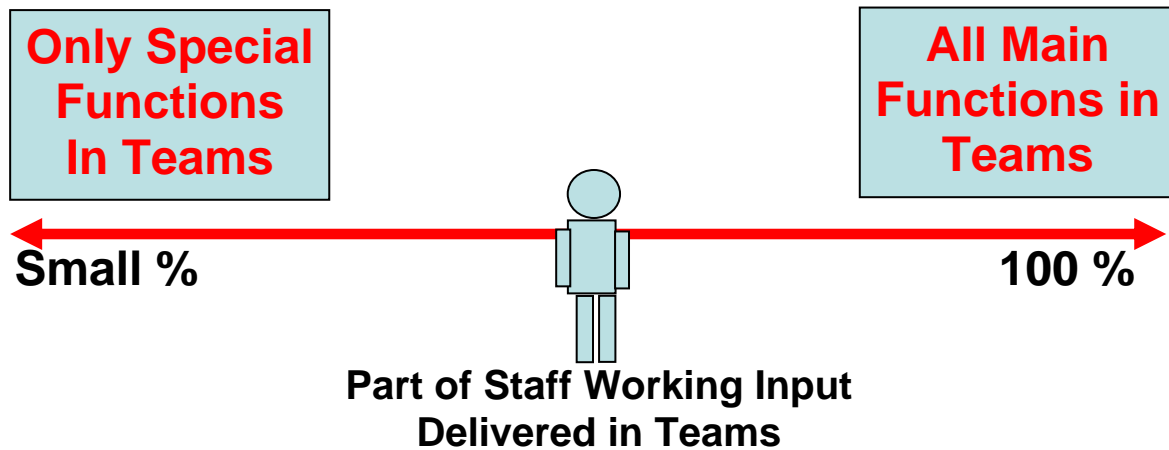
Experience from the VET School Management Training Programme suggests that most schools, who have adopted the team organisation model, have chosen to generate experience with this model in areas that are not essential to their main operations.

Typical team organisation examples have included:

- Teams for maintenance and physical improvements in the school
- Teams for organisation of special events in the school
- Teams for marketing, public relations, or other external activities in the school
- Teams for development of projects in the school

<u>How</u> do we establish teams?

Key Question: Which <u>Extent</u> of Team Organisation will We aim at achieveing?

<table>
<tr><td>**Only Special Functions In Teams**</td><td></td><td>**All Main Functions in Teams**</td></tr>
</table>

Small %   **100 %**

Part of Staff Working Input Delivered in Teams

When choosing the <u>Extent</u> of Team Organisation, the School Management must consider which extent is:

- Realistic?
- Desirable?
- Necessary to achieve the stated goals?

and also the readiness of the
- Staff to accept Team responsibility
- Management to delegate decision power

3. How much power do we delegate to the teams?

The essential consideration of the School Management is to consider which level of delegation is the team ready to absorb. The more the team is expected to rely on self-determination and independent operation, the higher are the demands on the team's ability to organise itself and to sort out internal conflicts.

In addition, the higher the degree of self-determination given to the team, the more its requirement for support from the Management changes from traditional managerial inputs towards coaching. This raises the equally important question of the management readiness and capacity to carry out this function.

Experience from the VET School Management Training Programme shows that most teams set up by participating schools have been granted some extent of planning autonomy and some teams have been given the rights for self-organisation of roles within the team. However, no examples were noted of teams, which had obtained managerial autonomy or financial competence. A cautious approach was recommended during the training programme and has been adopted by the schools monitored.

The <u>Degree of Delegation</u> to Teams:
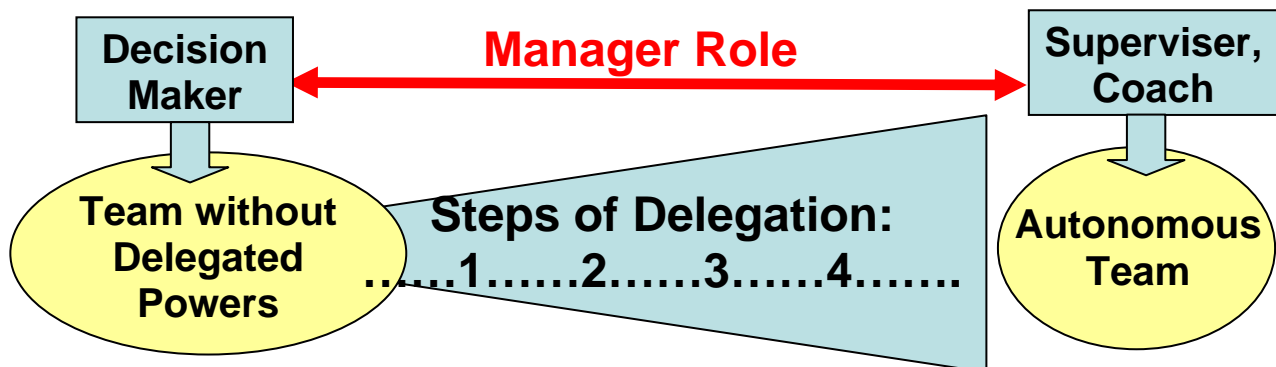
- **Administrative powers/responsibility delegated**
- **Development powers/responsibility delegated**
- **Self-Management powers/responsibility delegated**
- **Financial/Staff Issue powers/responsibility delegated**

The most important action to be taken by the School Management to facilitate the successful integration of teams in the organisation is to secure the proper preparation of the teams.

The tool to achieve this aim is Team Building, i.e. training to make the Team Members aware of the requirements for functioning well as a team. These include establishment of good Communication Skills in the team and the ability to solve internal conflicts in a positive manner.

Teamwork exercises (optimally in an informal and "friendly" setting) help train the co-operation in the team in an informal way and allows for discussion of team roles and co-operation. Team Members' personal profiles and preferences in teamwork can be tested by using one of many acknowledged self-tests, e.g. the Belbin test (see www.belbin.com for a free trial version)

Team Building

Why?
- **To Make the Team <u>Feel like a Team</u>**
- **To Train and Develop <u>Good and Open Communication</u> in the Team**
- **To give the Team a <u>Positive Experience</u>**

How?
- **Discuss + Test <u>Team Roles</u> (Belbin)**
- **Use <u>Team Exercises</u> to discuss teamwork**
- **Train <u>Communication</u> and <u>Conflict Solving</u>**

4.   Strategy Development

Like every enterprise, every VET School must have a Strategy for its future development. In the absence of a Strategy, the school will be like a ship without a rudder, drifting aimlessly at the mercy of sudden moods of the Management and unable to respond in a professional manner to the changing forces of its external framework.

The Strategy development work in the VET School should take its basis in an analysis of the current situation of the school. This can be done through a SWOT analysis (see below, section 4.1.).

To complement the analysis of the present situation, the school, should express its <u>Mission</u> in a <u>Mission Statement</u>.

A Mission Statement is a <u>short</u> (1-3 sentences) description of *why the school exists.* The Mission Statement should answer the questions:

- Why are you in business?
- Which "product" are you "producing"?
- Who are your customers?
- What is the value you provide for your customers?

A <u>Mission Example</u> could be:

"The Technical School of Novigrad is a regional centre of vocational training, serving the local community with vocational education opportunities in response to the needs of the labour market. We provide young and adult students with relevant and up-to-date qualifications for securing employment and opportunities for vocational career development"

The next step is to look at the future. Most important of all is that the school develops a <u>Vision</u>. The vision should, just as it was the case with the Mission, be short and should answer the questions:

- What do we want to be in the future?

The vision should express what we want to be the characteristics of our school at some point in the future (say 3-5 years), what do we want to be known for, and why will our school be relevant in the future?

A <u>Vision Example</u> could be:

"The Technical School of Novigrad aims to be the largest, most modern, and dynamic vocational training institution in the Region. We want to be characterised by our flexible and updated training services, our international profile and equipment standards, and our close and efficient co-operation with the business community. Our young and adult students must experience unrivalled commitment and service from our training and counselling staff, resulting in better employment opportunities than offered by other VET schools."

The main task will then be to define Strategic Goals that will realistically take the school from its present status and situation (Mission) to its stated future goal (Vision).

All Strategic Goals must be in accordance with the Vision.

Each Strategic Goal should then be detailed in a Plan of Operation, which describes in practical and measurable activities how the school will reach the Strategic Goal in question.

Figure 4.1. From Activity to Vision:
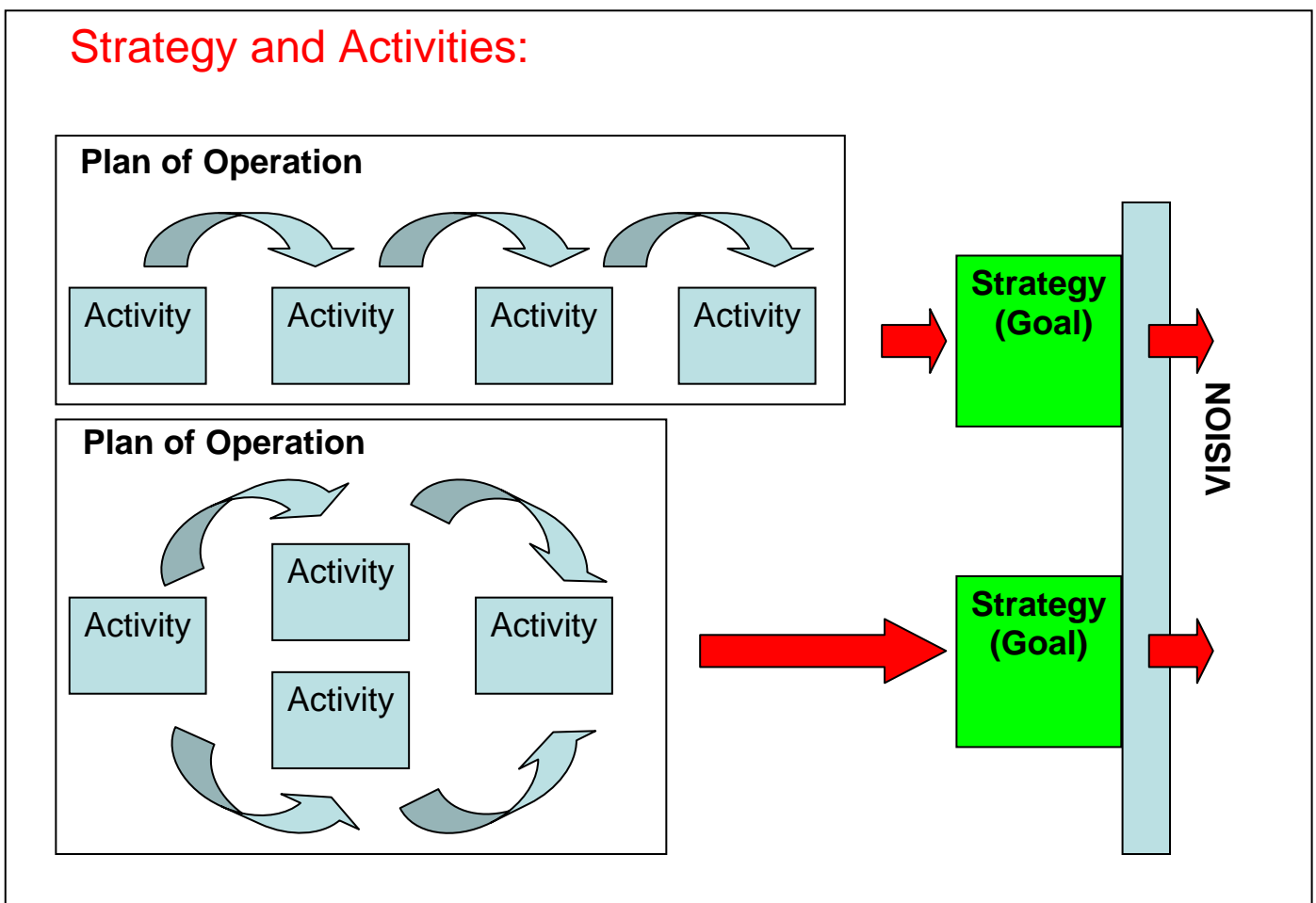
The Plan of Operation should include clear and measurable indications about WHEN the individual activity should take place, WHO is responsible for it, and WHICH RESULT is expected from that activity.

The Quality of the Plan of Operation depends on how well the Plan can show a realistic and credible process to lead the school from the present situation to achievement of the Strategic Goal.

A template for a Plan of Operation is included as Annex B to this Manual.

Conclusion:

The main items of the VET School Development Strategy are

- The Mission Statement
- The Vision for the future
- A number of Strategic Goals, each expressing developments supporting the Vision
- A Plan of Operation for each Strategic Goal

The Development Strategy can be summarised in a <u>Business Plan</u> for the VET School. The Business Plan is a <u>Communication Tool</u> to illustrate in a professional way to external partners, and to the school organisation itself, how the school plans its development for the future.

The Business Plan should contain, as a minimum:

- Main data about the school
- The Mission Statement
- The Vision for the future
- All Strategic Goals

The Business Plan should not necessarily include all Plans of Operations, as these are mainly internal tools to manage the development process. However, the Business Plan should include a time schedule to show which development processes are planned to happen at what time, and a general budget which, in main figures, show the expected income of the school for the next years and how the school plans to allocate funds for the investments connected to the Strategic Goals.

A template for a Business Plan is included as Annex A to this Manual.

A Business Plan will typically be 10-15 pages and should include enough details to allow the (external) reader to get a clear impression about the realistic and relevant nature of the developments planned by the school.

This means that the reader must be able to confirm:

- √ That all Strategic Goals stated by the school really lead in the direction of the Vision
- √ That the Strategic Goals listed will realistically lead the school to achieve its Vision if realised
- √ That there are clear and realistic activities planned for each Strategic Goal, and that implementation of these activities will most likely lead to achievement of the Strategic Goal
- √ That the school has a realistic time plan for implementation of its Strategic Goals and that there are realistically sufficient available resources to implement all activities

If the Business Plan includes too few details, it will not constitute a Communication Tool, because the reader will not be able to confirm from the Plan whether the School has a credible Strategy for its future development.

If the Business Plan lacks cohesion between its stated Vision, Strategic Goals and planned Activities, it will appear incomplete or not credible, and thereby fail in communicating the future Strategy of the school.

Conclusion: The VET School Management should take great care in preparation of its Development Strategy and Business Plan. If well prepared, it will be the most important management document in the School.

Finally, it should be noted that it is equally important that the Development Strategy is known, understood, and accepted *within* the school itself. A Strategy, lacking the support and co-ownership of the staff that must ultimately implement it will likely fail due to lack of motivation.

For this reason, it is strongly recommended by the VET School Management Training Programme that a process of involvement of Staff is established for the development of the Strategy.

As an illustration of a Strategy Development process and selection of Strategy Goals, an example from an EU Country VET School (Aalborg Technical College, Denmark) is included as Annex C to this Manual.

4.1. The SWOT Analysis

The standard tool for analysing the current situation of the school, from which the Development Strategy should be built, is the SWOT Analysis.

SWOT stands for Strengths – Weaknesses – Opportunities – Threats

Figure 4.1.1. The SWOT Analysis
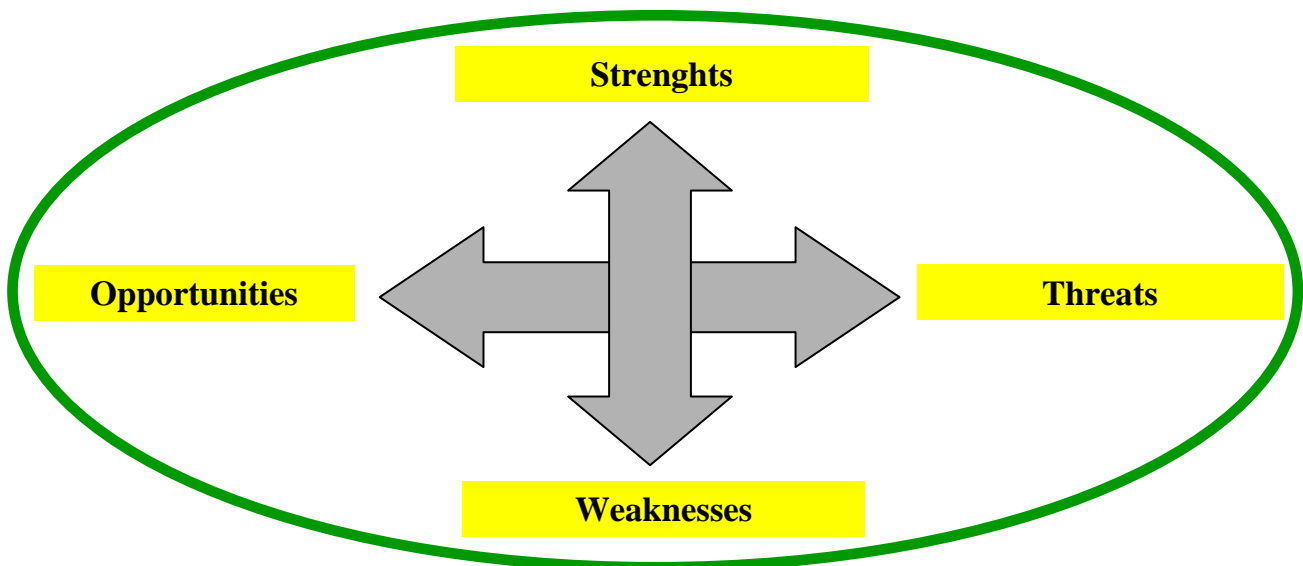
The (internal) Analysis of Strengths and Weaknesses refer to the Internal characteristics of the School, while the (external) Analysis of Opportunities and Threats cover the External factors influencing the School.

Internal Strengths and Weaknesses:

The internal analysis is carried out with the purpose of revealing which strategic developments should be initiated within areas such as: staff development, recruitment strategies, the social and professional environment, the marketing area, administration, and finances. The focus could include a/o the following items:

- Identification of professional and personal staff qualifications, ability to change, co-operation skills, distribution of assignments with regard to age and competence, management resources etc.
- How is the approach to working with quality-creation activities such as: - development of didactics, professionalism, service etc. – internationalisation, staff and competence development, quality development etc.
- Pedagogical principles
- The learning environment and the social environment
- The physical environment, facilities, buildings/rooms, and equipment
- How do students, the business community, and competitors assess the image of the school
- Financial situation and potential for improvement of this situation
- Co-operation agreements, alliances, and network competence

External Opportunities and Threats:

The external analysis is carried out in order to expose the trends and tendencies from the surrounding society, which the school must take into consideration. The political component is obvious in that it holds decisive influence on every aspect of school operation, from finances to didactics. But other factors can affect the everyday situation and future development as well:

Politics	Which new legislation initiatives might influence the strategies, what are the characteristics of the current political climate, and which directional indicators can be identified?
Financial	Which financial parameters exert influence on the competitive situation of the vocational schools?
Environment	Which environmental and energy resources exert influence on the competitive situation?
Technology	Which technological development trends are important, and how will these express themselves in the situation of the school?
Demographics	Which demographic trends might constitute opportunities or threats for the school?
Culture	Which developments characterise the essential values of the society, how are these changing at present, and how might these changes affect the school?

Involved parties and networks

In the vocational school sector, the competition perspective must obviously be covered, but it is equally important to perform an analysis of involved parties and networks. Which political actors represent dialogue opportunities for the school in order to stay at the forefront of developments? Which alliances can be made? Which advisory bodies and actors does the school wish to engage in dialogue? Which signals could these provide? From where do the vocational schools recruit their

students? What relations could be established towards suppliers of students, such as continuation schools and primary schools?

In summary form, this could be described as follows:

Students and Course Participants	Where do the students come from, geographical distribution, development trends of recent years and future forecasts for the next 5-10 years?
Links with the Business Community and other Involved Parties	Who are the main involved parties, work placement situation, enterprise sector development, competition development, and other relevant factors? What needs and functions are addressed by the department/vocational branch/section? What are the expectations of the involved parties, what do our students want to get from the school, which role does society want the school to fulfill, and what are the resulting opportunities and threats?
Competitors	Who are the relevant competitors? What are their market shares, strengths, and weaknesses – which aims and plans do they have at present? What future development is expected in the competitive situation?
Co-operation and Networks	Which schools are possibly suppliers to the vocational school, involved in co-operation agreements etc.? What co-operation potential and limitations exist? What alliances can be established, what alliances represent threats? Could similar initiatives be applied to other types of training provided by the school, e.g. adult education or open learning studies?
Other Opportunities and Threats	What other sector-specific technological, environment-related, financial, and/or political development trends represent significant opportunities and threats?

Conclusion of the SWOT Analysis

Reality Description:

Finally, a conclusion of the internal and external analysis is drawn up. It is essential that the school is able to set up a Reality Description, which is recognisable for the staff, on the basis of the analysis. In addition, and perhaps most important, it must be transparent how the conclusions were deducted from the analysis. Only by ensuring this will the conclusions obtain relevancy and make a useful foundation for the subsequent Development Strategy preparation.

Use of the SWOT analysis results:

The SWOT analysis itself, or the Reality Description, do not need to be included in the Development Strategy document or the Business Plan. The most important aspect is that all conclusions from the SWOT analysis are considered when drawing up the Vision for the future and the Strategic Goals to be achieved. For each important Opportunity identified, a strategy should exist to define how to exploit the opportunity. Similarly, for every major threat identified, a strategy should exist to describe how the school will counter the negative effects of the threat.

4.2. Learning Points from the VET School Management Training Programme

During the VET School Management Training Programme, 55 VET School Directors set up Strategy Development Teams in their schools and prepared Development Strategies and Business Plans for submission to the VET Reform Programme, with coaching support from the Programme's trained Management Facilitators.

On the basis of review of the Business Plans submitted, the following general problem issues and learning points were identified:

Learning Point: The Business Plan needs to be accurate and detailed to function as a Management and Communication Tool

---

A Good Business Plan:

- **Must be a MANAGEMENT TOOL for the School Management**

- **Must be a COMMUNICATION TOOL towards the school staff and external partners**

So it must be:

- **Measurable (success or not??, how much, when, results)**

- **Realistic (others must believe in it)**

- **Accurate (specific results, not broad general aims)**

And Include:

- **Budgets**

- **Indicators of success**

Learning Point: The Business Plan should have a clear distinction between ACTIVITIES and RESULTS OF ACTIVITIES

In the Business Plan, meetings conducted or co-operations agreed do not in itself constitute a result. Meetings and establishment of co-operation are activities and should be seen as tools that can be employed to receive a desired result.
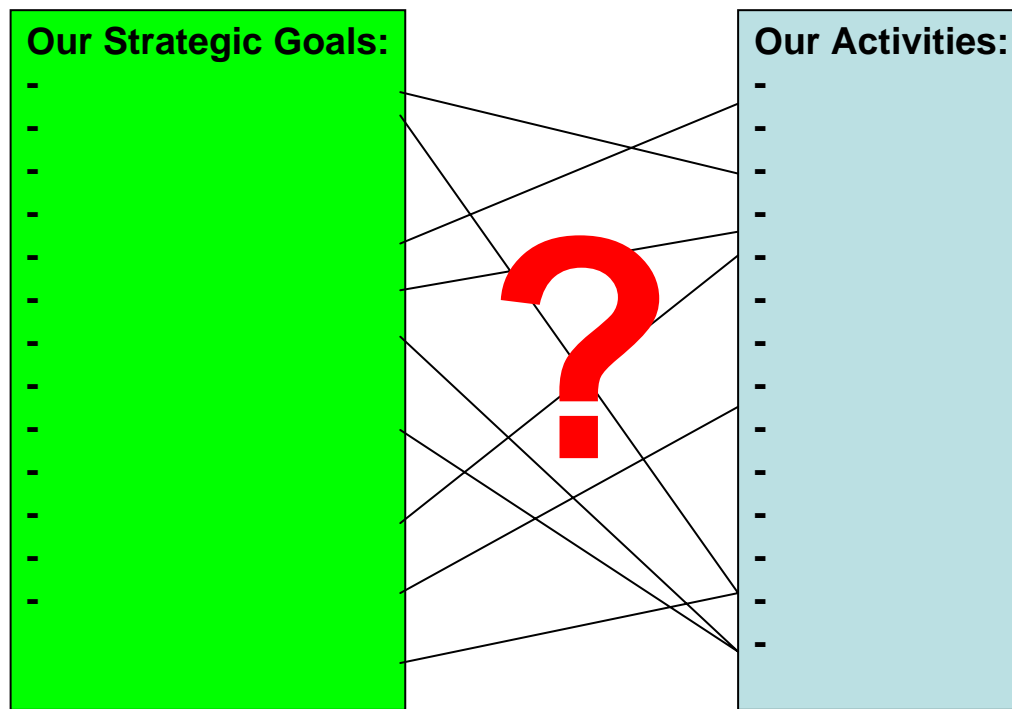
Example:

"Print 500 Brochures with Information about the School" = An Activity

"Increased awareness about the school among local businesses and parents" = A Result

Learning Point: ACTIVITIES and STRATEGIC GOALS should be clearly separated in the Business Plan and it should be clear which Activities lead to achievement of which Strategic Goals

How not to do it:

Additional Learning Points (included in the Coaching Guidelines for Facilitators):

- When considering the MISSION, illustrate that the mission must tell an outsider What we do, Why we do it, and for Whom we do it. Remember that a good MISSION is only one or two clear, short statements.

- When reviewing VISIONS, keep asking your partner (Director) to explain WHY he/she wants the future situation he/she states as a vision. If he/she can easily answer this question, then this answer will often be a better vision statement than the original proposal. Remember that a good VISION is also only a few clear statements, each of which must describe a desirable future situation for the school (e.g. 3-5 years into the future). A good VISION must be something the school has not already achieved or almost achieved and must require a real development effort to reach. Take care that strategies or concrete actions are not accidentally included as visions.

- When providing feedback on STRATEGIES, try to act like an outsider trying to understand WHY the school wants to implement the strategy in question. Does the proposed strategy directly support the vision? Is it clearly stated by the school in the business plan what will be the value to the school of implementing the strategy? A strategy must be a concrete goal for the school to be reached within an estimated time (e.g. 'to initiate two new profiles within a year' could be a strategy).

- When providing feedback on ACTIONS and ACTION PLANNING, try again to take the role of the outsider, who is trying to understand and evaluate the school's future plans on the basis of the Business Plan. Do all actions proposed clearly support a STRATEGY? If not, why is the school proposing the activity? Maybe additional strategies must be added to explain all the actions the school is planning? Is the action realistic in terms of the time and resources estimated? Does the action depend on outside factors that the school cannot influence? If so, does the school show what it will do if the action turns out to be impossible to realise?

- Finally, consider ALL possible areas of development for the school – also internal reorganisation and effectivisation and to get all areas reflected in the Business Plan. Our experience shows that in Strategy Planning, it is easy to think about developments and future strategies concerning WHAT the school should do and the physical means to do it (facilities, equipment) but much harder to remember HOW we do things as an important development area. Habits and processes at the school are much too often just taken for granted and not taken up for reconsideration when planning for the future.

5. Human Resource Development Planning

As an 'enterprise' operating in the market for provision of training services, the VET School is very dependant on the quality and skills of its Human Resources. As the growth potential of the school depends on the abilities of these resources to develop and implement new 'Products', it is very important that the VET school has a professional planning of how to develop its Human Resources.

Human Resources can be developed by:

- Recruiting new Staff with Skills not already exiting at the VET School
Or by
- Training existing Staff in new Skills areas

Training of existing Staff can take place as
- Skills generation through introduction to new experiences at work
- Informal training or instruction on a person-to-person basis
- Formal, individual training
- Formal, group-based training

In all of the cases listed, Human Resource Development represents an <u>investment</u> for the VET School, and should therefore be subjected to investment planning (see section 2.4.)

Main factors to consider when planning investment in Human Resources in the school will be:
- The development wishes and motivation of each staff member
- The relevance of the skills development area to the Development Strategy of the School
- The expected value of the skills development to the school organisation
- The investment required to achieve the skills development
- The need of the school to balance developments between different skills types and different staff groups

In order to manage planning of Human Resource Development investments, taking into account this complex of factors, the VET School Management requires <u>Tools</u> for cataloguing in a systematic way

- The Wishes and Motivation Factors of Staff regarding their career development and training
- The Present Human Resource "capital" of the School and expected future Human Resource Needs in order to identify gaps to be addressed through investment.

The first main consideration for the VET School Management is which approach to Human Resource Development (HRD) to apply for solving any particular HRD needs issue:

If the Management considers that providing Human Resource Development inputs to existing staff members is preferable to hiring new staff, the following four options present themselves:

Figure 5.1. The Contingency Approach Model – Four Options for HRD:
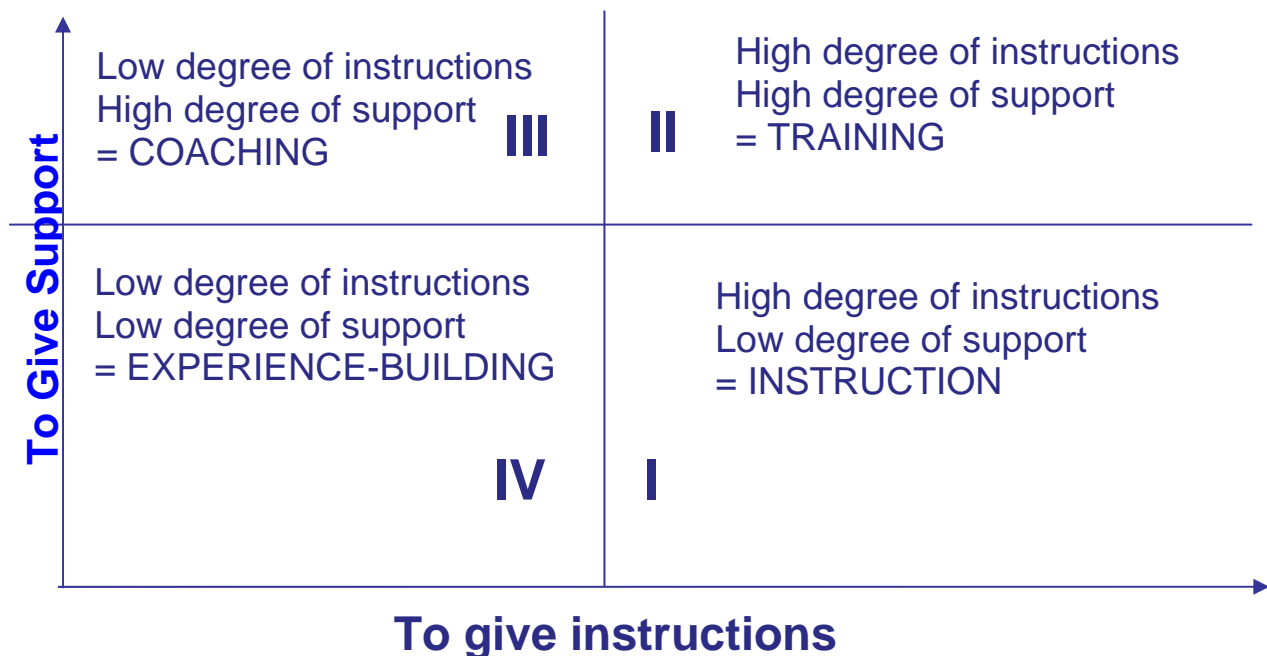
It can be noted from the model that HRD through EXPERIENCE-BUILDING represents the lowest investment, and might therefore be considered optimal in cases where it is feasible.

However, this approach might not always be possible, either because the skills in question cannot be gained by experimentation, or that such experimentation carries other risks.

As a basis, TRAINING represents the maximum investment since the input is high, both in the initial instruction phase and in subsequent support. The VET School Management might therefore consider INSTRUCTION or COACHING as other apporoaches.

5.1. Game Plan Analysis

The next step for the VET school Management would be to establish a systematic analysis of the Human Resource Needs of the organisation, in order to identify where present resources are insufficient and must be upgraded.

A widely used tool for this purpose is the Game Plan Analysis:
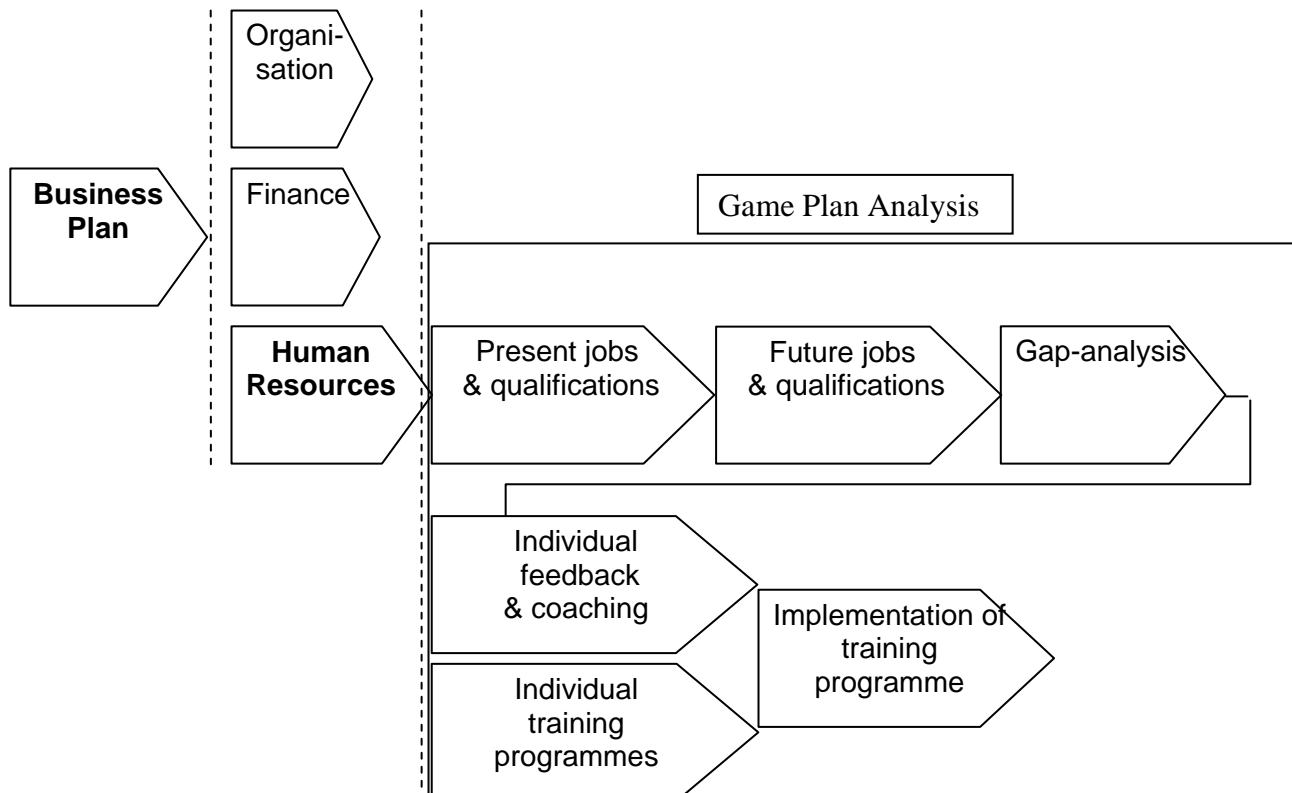
The Game Plan Analysis takes its basis in the Human Resource Development component of the Business Plan / Development Strategy.

The first step in the Analysis model is to describe Present Jobs and Qualifications:

Jobs/functions

- Job descriptions and responsibilities for individual groups of staff
- Job name
- Primary tasks and responsibilities
- Secondary tasks and responsibilities
- "Personal profile"

Present qualifications

- Describe the qualifications needed to carry out the job at present
- Technical qualifications
- General qualifications
- Personal qualifications

A similar description is then made of the Future Jobs and Expected Needed Qualifications, in accordance with the new products, organisation changes, external opportunities and threats illustrated by the Strategies in the Business Plan:

Future jobs/functions

- Job descriptions and responsibilities for individual groups of staff – based on new business plan
- Job name
- Primary tasks and responsibilities
- Secondary tasks and responsibilities
- "Personal profile"

Future qualifications

- Describe the qualifications needed to carry out the job – based on the new business plan
- Professional qualifications
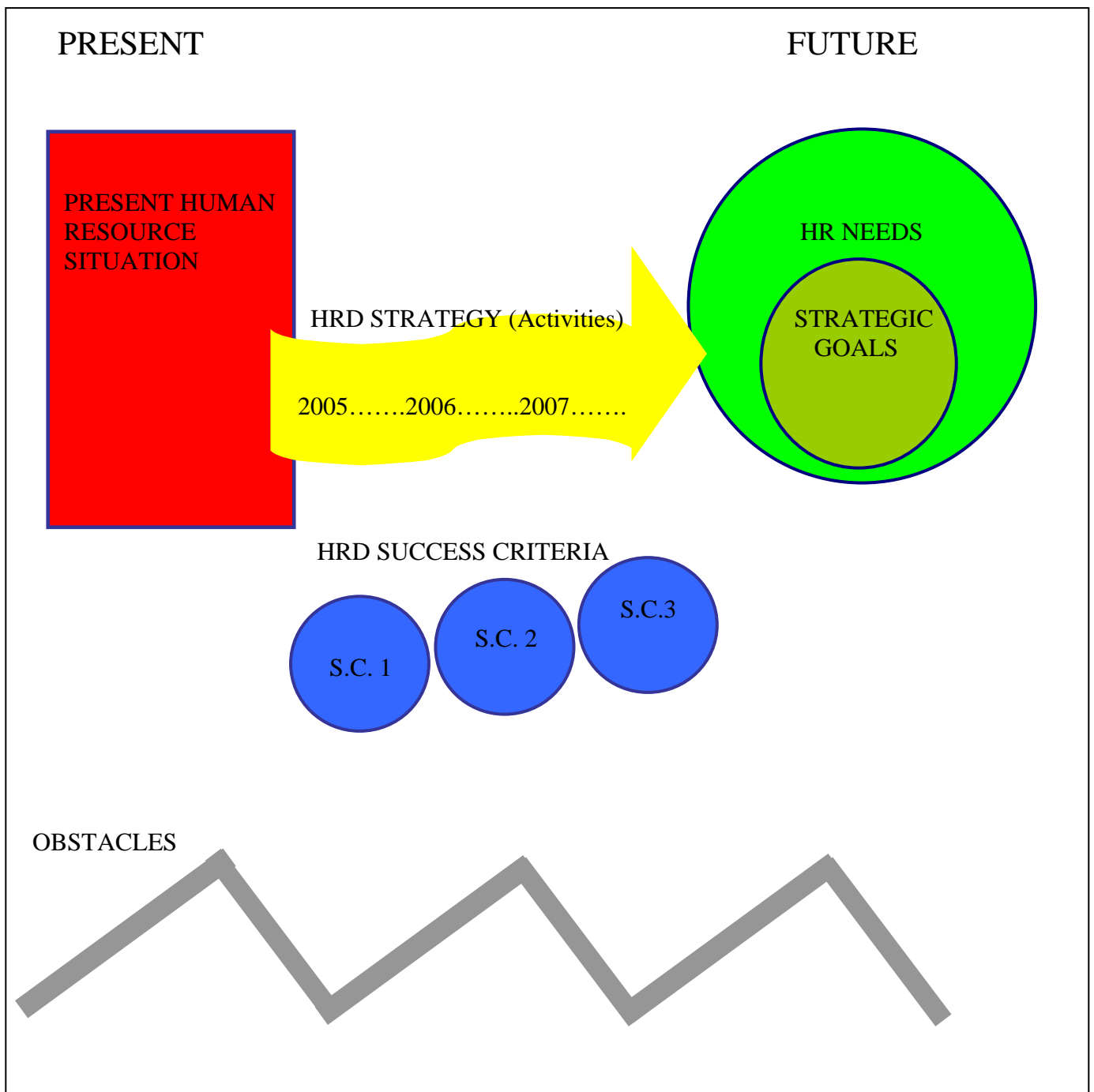- General qualifications
- Personal qualifications

The two sets of descriptions for each job category is then compared and a GAP Analysis is carried out:

- **Compare the present profiles of the individual groups of staff with the new challenges**
- **Describe the gap between present and future qualification of the individual groups of staff**

- **Where are the main challenges?**
- **Are there groups or needs that require special attention?**

After completion of the GAP Analysis for each job category, the VET School Management should have an indication of where the most significant skills shortages, in relation to future expected skills needs, are located at present, and where Human Resource Development needs are most pressing in order to allow the school to meet its Strategic Goals.

The entire analysis can be visually illustrated in the GAME PLAN ANALYSIS format:

Figure 5.1. GAME PLAN of Change Process:

PRESENT

FUTURE

PRESENT HUMAN RESOURCE SITUATION

HRD STRATEGY (Activities)

2005…….2006……..2007…….

HR NEEDS

STRATEGIC GOALS

HRD SUCCESS CRITERIA

S.C. 1

S.C. 2

S.C.3

OBSTACLES

The Game Plan Model is intended as a visual tool for illustration of Human Resource Development initiatives planned. The aim of the model is to communicate plans and goal to involved staff in the VET School and to motivate choices and strategies adopted.

5.2. Staff HRD Dialogue

The other issue raised at the start of Section 5, which requires a Planning Tool for the VET School Management is the need for systematic identification of <u>Staff wishes and Motivation Factors regarding career development and training</u>.

For this issue, the preferred EU approach is introduction of Systematic Staff Dialogue with the purpose of encouraging staff to clarify job and training wishes, securing an opportunity to match these wishes with the organisation needs (as per the Development Strategy) in an open discussion, while at the same time obtaining the chance to record the data provided by the staff member.

Several Staff Dialogue Models exist, but one such Model: The Compass Dialogue, is enclosed in detail in Annex D to this Manual, in the form applied by Aalborg Technical College, Denmark.

The Compass Dialogue represents an individual dialogue session between a Staff Member and his/her immediate superior, to be conducted at a fixed interval (typically annually). The outcome of the dialogue session is an <u>internal contract between the staff member and the organisation</u>, in which both parties confirm a mutual agreement on those <u>Human Resource Development Activities for the Staff Member for the Next Period (Year), to which both the organisation and the Staff Member can agree.</u>

In this way, the Compass Dialogue becomes an occasion for mutual commitment and search of mutual interest between the staff member's HRD wishes and the organisation's HRD requirements. Any activity agreed on should be in accordance with both of these interests.

Naturally, the successful conduct of Staff HRD Dialogue sessions of this type requires discipline and mutual trust between the parties to the dialogue, and it is imperative that the dialogue (and the information revealed during the dialogue) is never used by the organisation 'against' the employee subsequently.

In summary, the Compass Dialogue represents:

- <u>Focus on the future</u>
- <u>Dialogue</u>
- <u>Evaluation of the organisation and the manager</u>
- <u>Evaluation of the individual member of staff</u>
- <u>Focus on personal and technical development</u>
- <u>Support to the strengthening the overall qualifications of the organisation</u>

The Compass Dialogue is NOT:

- <u>negotiations of salaries</u>
- <u>substitutions of the day to day dialogue</u>
- <u>rituals</u>
- <u>interrogations</u>
- <u>excuses for cleaning up the organisation</u>

What the Compass Dialogue does:

- create expectations with the management, staff and the organisation
- support the effort to set goals for the future and the means to achieve them
- focus on the culture of the organisation

The major dangers for the Compass Dialogue (or any Staff HRD Dialogue models) are mainly that

- They become regarded as useless or 'empty rituals' if agreements made are not followed up by concrete action from the Organisation
- Trust cannot be established or breaks down between the parties to the agreement, which then disrupts the free exchange of information during the Dialogue

In response to these dangers, the main safeguarding actions of the Management should be

- To ensure that its representatives in the dialogue are aware of budgetary and other constraints on HRD activity possibilities so the organisation does not enter into agreements it cannot honour afterwards
- To train its representatives in communication skills to facilitate establishment of trust with the staff member counterpart in the dialogue and to signal that the dialogue is taken serious by the Management.

If successfully implemented, the Compass Dialogue will be a valuable tool for the VET school Management in monitoring the extent of correspondence between the organisation needs and staff wishes. If the gap between the two sides widen, it might indicate that there is a need to better communicate the strategy and future scenario of the school among the staff.

Used in combination, and on the basis of the developed Strategy, the Contingency Approach, the Game Plan Analysis, and the Compass Dialogue add up to a comprehensive planning system for identification and selection of activity areas within Human Resource Development in the VET School organisation.

Peter Wendelbo
International Expert
Aalborg Technical College

For the
EU CARDS VET Reform Programme,
Republic of Serbia,
July 2005

Annex A: Business Plan template

Name of the institution:

Registration number:

Address:

Phone:

Fax:

E-mail:

Web-Site:

Key information:

Sector of Education:

Profiles Covered:

Total Number of Staff:

Staff Categories	Number of Staff	Educational Background of Staff
Teachers		
Professional Staff		
Administrative Staff		
Support Staff		

Brief Outline of the institution history:

Founded:

Main points explaining the reason for the existence of the actual institution:

Mission and Vision:

Mission statement (the reason for being):

Main current activities (relating to the mission statement)**:**

Short description of provided services:

Brief outline of customers (who are they?)**:**

Short description of the labour market situation and brief outline of competitors:

Vision (a picture of the institution in five years' time):

- the institution and its employees
- the environment (policies, etc.)
- the customers

Strategy:

Brief outline of strategy (the link between mission and vision)

Development plan (outline):

Main activities for the coming five years supporting the Vision (and in line with the strategy):

(Breakdown into Plan of Operation is attached)

Main indicators for five years budget:

Income

Sources of income.

Expenditure:

Main areas of expenditure:

Investments:

Risk analysis:

(main challenges and threats facing the planned development with regard to the immediate stakeholders)

Annex B: Plan of Operation template

Plan of Operation

Name of Institution

Activity:_____

Sub activity:

1.
2.
3.
4.
5.
6.
7.
8.
9
10
11
12
13

14	
15	
16	

Timeframe for sub-activities:

Sub activity	Initiated by	Completed by	Responsible	comments
1				
2				
3				
4				
5				
6				
7				
8				
9				

sub activity	Initiated by	Completed by	Responsible	comments
10.				
11.				
12.				
13.				
14.				
15.				
16.				