



**Changes to the nature of work**

**implications for the**

**vocational education and training system**

**Report to NCVER**

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August 2000

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ACN 007 967 311

ISBN [to be supplied by NCVER]

TD/TNC [to be supplied by NCVER]

Published by

NCVER Ltd

252 Kensington Road, Leabrook, SA 5068

PO Box 115, Kensington Park, SA 5068, Australia

[www.ncver.edu.au](http://www.ncver.edu.au)

# How work is changing

## Overview

The nature of work appears to be changing at a more rapid pace than compared with, say, five years ago (Capelli 1998). This change in relation to work refers to both how people are employed and the type of work people do. The purpose of this *Research at a Glance* on the changing nature of work is to highlight key features of these changes and to draw out the implications for vocational education and training (VET) providers. The research reported is based on Australian and overseas sources. A significant body of research now exists which offers a number of valuable insights into the range and nature of the changes taking place.

### Summary of Key Issues

- A range of changes to work arrangements have been highlighted in the literature: downsizing, widespread perceptions of job insecurity, various forms of temporary employment contracts, and the demand for “soft” skills alongside technical competence.
- There are contrasting research results on the importance of perceptions of workforce job insecurity.
- Changes in job skill levels in Australia between 1993 and 1999 show that there is an increasing polarisation. A growth in both high skilled and low skilled jobs has been at the expense of jobs requiring skill levels in between.
- One forecaster has identified the fastest growing industries to 2005 as communications, followed by property and business services, transport and storage, mining, accommodation, recreation, health and community services, agriculture and retail trade.
- The strong growth in non-standard work is a particular feature of the changes to work (outside of ordinary hours, temporary, multiple employers, multiple workplaces).
- What are the implications for VET providers? These include identifying the constraints imposed by past training requirements and responding to the skill requirements of new workplaces in emerging industries. Also of increasing importance are the needs of highly mobile individuals wanting focused,

## Organisational Restructuring

One aspect of the changing nature of work is enterprise restructuring. The widespread incidence in Australia in the 1990s of organisational change and its effects in the form of downsizing is highlighted by a recent report *The Contours of Restructuring and Downsizing in Australia* (Dawkins, Littler, Valenzuela & Jensen 1999).

The study, based on the analysis of two national surveys in 1995 and 1998, shows that corporate restructuring is not abating. Close to half of responding organisations reported that they had stripped out entire layers of management.

*...the evidence so far is that after a decade of downsizing in Australia, survivor syndrome [declining commitment, morale, motivation, and high levels of perceived job insecurity] effects are continuing and persistent (Dawkins, Littler, Valenzuela & Jensen 1999.p.xvii).*

However, the study showed that some enterprises could be defined as either “good or bad downsizers” in terms of the effect of downsizing on the remaining workforce and in terms of outcomes such as efficiency and labour productivity. The “good downsizers” are more likely to be found in the private sector, in manufacturing or in business services, and among smaller firms. The “good downsizers” are also more likely to have a commitment to growth, view restructuring as part of a broader strategy and engage in one-off downsizing.

On the other hand, the “bad downsizers” are more likely to be found in the public sector, be larger organisations, use outsourcing, and engage in frequent downsizing. The “bad downsizers” are also more likely to pursue a business strategy that has cost reduction as a major focus. The survey results also show that organisations that are “bad downsizers” display a significant gap between the objectives of the restructuring and its outcomes (Dawkins, Littler, Valenzuela & Jensen 1999.p.90).

## **Job insecurity: how prominent is it?**

Another aspect of the changing nature of work through downsizing is the widespread emergence of a “survivor syndrome”. This refers to the large numbers of employees who believe that their jobs are insecure. In 1989/90, 73 per cent of Australians in work reported that they had secure jobs. However, by 1997, this proportion had fallen to 56 per cent (Kelley, Evans and Dawkins 1998:p2). The 1995 Australian Workplace Industrial Relations Survey showed that 31 per cent of employees in workplaces of 20 or more employees agreed with the statement: “I feel insecure about my future here” (Morehead et al 1997,p: 282).

Workplace change over the last decade has caused many in the workforce to react with fear and caution about the future. This holds true for most groups in the workforce: white collar workers as well as blue collar workers, for younger as well as older employees, for the more educated as well as the less educated, for men slightly more than women and for union members as well as non union members (Kelley, Evans and Dawkins 1998: 3-4; Morehead et al 1997: 282 and Table A12.15a). However, the fear of job loss is often more widely felt than the actual number of employees affected by job loss. ABS national data for a three-year period to July 1997 show in fact that only 7 per cent of Australians in jobs had been retrenched or made redundant over this period (ABS 1998).

According to the Australian Centre for Industrial Relations Research and Training’s recent publication entitled *Australia at Work: Just Managing* (ACIRRT 1999a p.126), the growth of precarious forms of employment “has heightened people’s fears about finding and keeping a proper job”. ACIRRT also contends that rising job insecurity is also a function of the “turbulence of workplace change” resulting from, among other things, the increased incidence of organisational restructuring, downsizing and privatisation.

An alternative perspective, however, is presented by Wooden (1999). He argues, on the basis of opinion poll data from 1975, that the opposite is the case. He presents data to show that the proportion of the workforce in 1998 who believe there is a chance of becoming unemployed is 16 per cent, the lowest proportion since 1977 (Wooden 1999,p15). Wooden also presents evidence to show that as the unemployment rate decreases, as it has done in relative terms since 1997, the workforce perception of job insecurity also falls (Wooden 1999,p15, 18).

## Globalised labour markets

Globalisation refers to the heightened mobility of capital, labour and technology, aided by the rapid diffusion of low cost communications (Standing 1997,p17, see also Canadian Labour Market and Productivity Centre, 1997). Globalisation refers to the contemporary process that includes the rapid expansion in world merchandise trade (exceeding the pace of growth in world output), an even greater explosion in international capital flows, the closer integration of the world's financial markets, and the acceleration in the diffusion of new technologies. Globalisation can be defined simply as the shrinkage of distance on a large scale (Keohane and Nye 2000, p2).

Globalisation and the telecommunications revolution have triggered a shift in the comparative advantage of the industrialised countries towards an increased importance of innovative, knowledge-based economic activity (Audretsch 1998). The effect of globalisation on labour markets has included the opening up a range of jobs to international competition. Jobs in the service sector such as those in banking and insurance that were previously believed to be sheltered by the natural barrier of distance are now under threat from foreign competitors.

New forms of employment are emerging in high-value, high-skill occupations; in new, information-intensive industries such as the multimedia sector; in new micro-businesses where creative entrepreneurship thrives; in new information-intensive jobs; and in many more traditional person-to-person occupations focusing on some of the communal and caring aspects of work and non-work (European Commission, 1997, p32).

Over the last decade, the service sector has increased its share of employment at the expense of manufacturing. In 1989, two thirds of the employed (68 per cent) were in jobs in the service industries. However, by 1999, nearly three quarters of all employees (73.6 Per cent) were in the service sector. During this same period, Manufacturing's employment share fell from 15.9 per cent to 12.5 per cent (ABS 2000, p108). IBIS predicts that the fastest growing industries in the next five years will be heavily service oriented: communications, followed by property and business services, transport and storage, mining, accommodation, recreation, health and community services, agriculture and retail trade (Kavanagh 2000, p3).

The Allen Consulting Group has also forecast that employment growth related to e-commerce will be strongest in the entertainment and hospitality industry. They predict that there will also be more jobs for people in the building and construction industry, communications trades people, health professionals, teachers and lecturers, customer service managers, air transport professionals, computer professionals, financial dealers and brokers, accountants and lawyers. However, the Allen Consulting Group note that the higher growth rates related to e-commerce will not mean job growth in all industries. There are likely to be shrinking job opportunities, for example, for bank workers, travel agents, truck drivers and retail sales assistants (Kavanagh 2000, p3).

The down side of these developments is that those traditionally disadvantaged in the labour market – early school leavers, the disabled and elderly people, the unemployed and immigrants are likely to face even greater difficulties than they may have faced in the past.

Guy Standing, a leading economist for over 20 years with the International Labour Organisation in Geneva, identifies several distinct groups in the new global labour market, each group with their own “bundles of security and entitlements” (see Standing 1997, pp23-26).

One group are the *core* workers who are the regular full-time workers, mostly male, mostly with manual skills, adherents to trade unions, and seeking the security of the mainstream welfare

state mechanisms. Another group are those *flexiworkers* who move in and out of employment, rotating from job to job, with skills that have to be updated periodically. They are the part time workers, temporary workers, agency workers, and outworkers. They have little or no employment security, little job security, and little of the other forms of security.

*Flexiworking looks likely to be the future for many people-perhaps even a majority- and one may predict to a growing extent production enterprises will contract out their employment function. A growing share of all workers will be employed and supplied to firms through private employment agencies* (Standing 1997, p25).

Two other groups are the *unemployed* or those who are actively looking for work and the *detached*. The latter are those people who are no longer actively looking for work and are surviving on welfare payments, family or engaged in black market activities.

## Changes in the types of skills in demand

Recent changes in the occupational composition of employment in Australia are strongly favouring those in jobs defined as high skill and low skill (Cully 1999). Between February 1993 and February 1999, the proportion of employees in Skill Level I (managers and professionals), as defined by the Australian Bureau of Statistics, increased from 22.6 per cent to 24.3 per cent. At the same time, the proportion of employees in Skill Level V (elementary clerical, sales, service and labouring) increased from 20.7 to 21.8 per cent (Cully 1999, p101-102). However, jobs in the three middle level skill levels have declined in number (associate professionals, trades and equivalent clerical work, intermediate clerical and production work).

*Put another way, the effect of the changes in employment composition since 1993 has been to create an additional 125,400 jobs in Skill Level I and 80,100 in Skill Level V over and above that which would have occurred had relative demand shares remained constant* (Cully 1999, p102).

Another broad-brush classification of occupational change in Australia is presented by Maglen & Shah (1999). Their classification uses categories that have a particular focus on globalisation and rapid technological change. They build on the analysis of Robert Reich (1991) who identified three broad sets of skills that underpinned the global knowledge economy. These are:

- Symbolic analytic services which involve the manipulation of symbols: numerical, visual, scientific, musical and electronic. They include problem identifying, problem solving, and strategic brokering activities. Important defining features of these services are that they can be traded globally and are open to competition from foreign providers in even their own domestic market (Reich 1991, Maglen & Shah 1999, p6).
- In-person services - these refer to services provided on a person-to-person basis. The market for these services is in the domestic economy.
- Routine production services - entail so-called blue, white and pink-collar work that is repetitive and done at one step at a time. Workers providing these services are often employed in high volume enterprises whose finished products are traded on the global market (Maglen & Shah 1999, p6).<sup>1</sup>

Maglen & Shah (1999) have taken Reich's three broad functional categories and extended them into a number of subcategories to better analyse changes in occupational structures in Australia using a large data set. Their analysis, based on data from the labour force survey from August 1986 to May 1996, offers a number of interesting insights into the direction of occupational change in Australia. Maglen & Shah (1999) also draw out some implications of these changes for education and training (see p12).

Their analysis of the changes in the nature of jobs between 1986 and 1996 using these categories shows the following:

- Occupations defined as using mostly higher order symbolic analytic services grew at above the average over the decade to 1996.
- All three in-person service occupational categories grew at well above the average for the same period.
- However, the strongest growth of all categories was recorded for elementary in-person services such as domestic services.
- Routine production services (for the subcategories “advanced skill” and “white collar”) had negative growth over this period.
- The other routine production categories (“blue collar”, “low-skill”) had sluggish growth.
- For males, working in the two lowest skill groups, there is over the decade a major shift to part-time employment (growing at three times the rate of full-time work in these categories).

Maglen & Shah (1999, p27) conclude:

*...there has been a clear trend away from the traditional core white and blue-collar occupations towards those that either require high level conceptual symbolic analytical skills, or that require very little in the way of skills and training.*

## Demise of standard work

The changes to work in the last decade or more also include the number of hours worked (longer for some and shorter for others). Full-time workers who are working more than 49 hours a week has risen from a fifth (20.1 per cent) in 1989 to a quarter (24.9 per cent) of all full-time workers in 1999 (ABS 2000, p108). Over the same period, the proportion of all part-time workers who prefer to work more hours has risen from 17.6 per cent to 25.1 per cent (ABS 2000, p108).

There is also greater flexibility in the times in the day or week when that work takes place. Part-time workers as a proportion of the total employed grew from 20.1 per cent in 1989 to 26 per cent in 1999 (ABS 2000, p108).

The nature of the employment relationship itself has changed for many such working for a number of different employers. For some, there is even a separation between the employer and the workplace when a labour hire agency is the employer. For others, self-employment as an independent contractor or provider of short-term services means managing one’s own employment relationship.

Perhaps the most significant change in the nature of work over the last decade or more is the growth in non-standard or atypical forms of employment (Standing 1997, Burgess and Campbell 1998, Callus 1999, Waterhouse, Wilson, & Ewer 1999).

However, systems of employment law, government policy and even official statistics have not kept pace with these changes. Often, it is difficult to give a comprehensive picture of the extent of the changes because only partial information is available. For example, ABS statistics only collect limited information on attitudes to work.

## Defining non standard work

A significant feature of non-standard work is its precariousness (ACIRRT 1999a &b). Burgess and Campbell (1998, p8) have defined precarious employment as lacking in protective regulation, short or uncertain duration, lack of ‘standard employment benefits’ (such as annual leave and sick leave) and ambiguous or unprotected legal status. It is important to note that precarious employment may also refer to standard work where these conditions exist.

Figure 1: Standard and non-standard work compared

<i>Employment Features</i>	<b>Standard Employment</b>	<b>Non standard employment</b>
Hours of work	○ full-time	○ varying hours of work
Number of employers	○ single employer	○ often multiple employer
Type of employment	○ on-going contract	○ open-ended contract
Range of benefits available	○ comprehensive	○ often limited
Regulatory protection	○ unfair dismissal	○ Uncertain if less than mths
Place of work	○ fixed at employer's premises	○ variable place of work

### Growth in casual work

Just over a quarter of the workforce (27 per cent) in August 1998 are employed as casual employees. A casual worker is defined by the ABS as being without an entitlement to sick leave or annual leave (ABS, 1999). However, it is important to note that casual employees do not necessarily have short-term employment relationships with their employer. The ABS category of casual worker does show the number of people who are employed under the casual work provisions of industrial awards.

Between August 1988 and August 1998, the number of employees in casual work increased by 69 per cent compared to an increase of only 7 per cent for permanent employees. This large increase in the number of casual employees has been due mostly to a big rise in the number of males employed on a casual basis. Their numbers increased by 115 per cent over the decade to August 1998. Over the same period, the number of male employees employed as permanents increased by 2 per cent (ABS 1999). This represents a major change in the nature of employment arrangements for men.

Table 1: Casual employees (by gender and total) as a proportion of all employees in August 1988 and August 1998 (percent)

	Aug 1988	Aug 1998
Male	11.7	22.6
Female	28.8	32.0
Total	18.9	26.9

Source: ABS 1999, Table 2.

The age groups with the highest proportions of employees employed as casuals in August 1998 were the 15 to 24 age group (45 per cent) and the 55 and over age group (28 per cent) (ABS 1999). These data strongly indicate that many young job seekers, re-entrants to the workforce or older job seekers are only likely to find casual work. As noted below, many others in these age groups are also at risk of not finding ongoing work at all.

Casual workers are more likely to be employed part-time, be female, be young, have shorter average job duration and work in relatively low skilled jobs (VandenHeuvel & Wooden 1999, p1). Casual employment is more common in small workplaces that are Australian-owned, non-unionised, and have been in existence for less than five years. Workplaces where work is seasonal and which operate in more competitive markets are more likely to have a greater proportion of casual employees (VandenHeuvel & Wooden 1999, p1).

Table 3 shows that casual workers tend to work in lower skilled occupations. In August 1998, the Elementary clerical, sales and service occupation group contained more casual employees than other employees. Casual employees also made up a large component of the Labourers and related workers occupation group. Generally, the proportion of casuals employed decreased as the skill level of the occupation group increased. The proportion of casuals among employees was lowest for the occupation groups Managers and administrators, Professionals; Associate professionals; and Tradespersons and related workers (ABS 1999,p4).

Table 3: Proportion of all employees in each occupation who are employed as casuals, Australia, August 1998

<b>Occupation</b>	<b>Per cent</b>
Managers and administrators	15.3
Professionals	16.4
Associate professionals	15.3
Tradespersons and related workers	19.4
Advanced clerical and service workers	24.1
Intermediate clerical, sales and service workers	27.4
Intermediate production and transport workers	25.5
Elementary clerical, sales and service workers	52.0
Labourers and related workers	46.1
Total	<b>26.9</b>

Source: ABS 1999, Table 4.

In August 1998, the industries with the highest proportions of casuals were Agriculture, forestry and fishing; Accommodation, cafes and restaurants; Cultural and recreational services; and Retail trade. Retail trade is the industry with the highest number of casual employees (ABS 1999, p4).

## Casual workers and access to training

Casual employees are much less likely than permanent employees to participate in formal training activities. This difference holds even after taking into account factors such as hours worked, type of job held or workplace characteristics (VandenHeuvel and Wooden 1999,p3). However, there is also evidence that casual workers are more likely than other workers to undertake training in their own time. This may be due to a higher preponderance of students among casual workers. However, it may also reflect a desire by some casual workers to compensate for the low levels of employer-provided training.

Five distinct groups of casual workers can be distinguished in terms of their attitudes to training (Curtain 1996, pp18-22, see also ACIRRT1999b, p33):

- Full-time students - who tend to have little interest in pursuing vocational education & training in the area of their casual employment because they have different aspirations;
- Casuals with few career aspirations - who tend to be apathetic and pessimistic about taking up VET training opportunities;

- Women with dependent children - who tend to feel that they now have reasonable formal and informal training opportunities;
- Mature-aged men - who tend to be in insecure jobs and feel marginalised and isolated from training opportunities; and
- Career-oriented casuals - who tend to want training (or more training) to help them develop skills for permanent work and a career path.

The reasons that casual workers are less likely to undertake training are: training costs, time constraints, lack of flexibility in training provision, lack of recognition of work skills, lack of information and guidance on careers and training opportunities, employee attitudes and employer orientation. However, despite the reality of many objective barriers to training there is the perception by many casual workers that training is not for them (ACIRRT 1999b, p33). This negative or neutral orientation to VET is understandable given the often-unrewarding nature of their work and lack of career prospects. Many career workers may also be aware of their employer's belief that they do not need training or, if they do, their reluctance to provide it (ACIRRT 1999b, 33-34).

# Implications for vocational education and training

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*Globalisation is creating a more internationalised economy and culture. The cost of travel and communications have been dramatically reduced. Above all the world is now networked with more intensive and extensive relationships at every level. The nation is still a key factor in the global environment; but industry, government and VET institutions must become totally engaged with the global environment or face obsolescence (Marginson 2000, p1).*

The future of work will be shaped by technology, the capacity of labour, and change management. Training, along with research and development, work organisation and capital raising, will determine whether the Australian economy is a high skill economy that provides for rising standards of living. The key elements in the future role of VET will be its capacity to integrate more closely with the workplace, and its capacity to integrate into the innovation cycle (Marginson 2000, p3).

## Challenges for VET providers

According to Marginson (2000), a leading Australian researcher on changes in the tertiary education system, VET can make a major contribution to the competitiveness of Australian industry in an era of globalisation. He suggests that the best way it can help is to ease the introduction and speed the diffusion of new technologies as well as foster the development of a capacity in continuous innovation. This requires not only flexible structures and training at the cutting edge, but also

*...the development of a workplace culture that is skill-reflective - a work-place in which workers can put into practice their own judgements about the skills and knowledge they need to acquire in order to meet the needs of competition and technology (Marginson 2000, p3).*

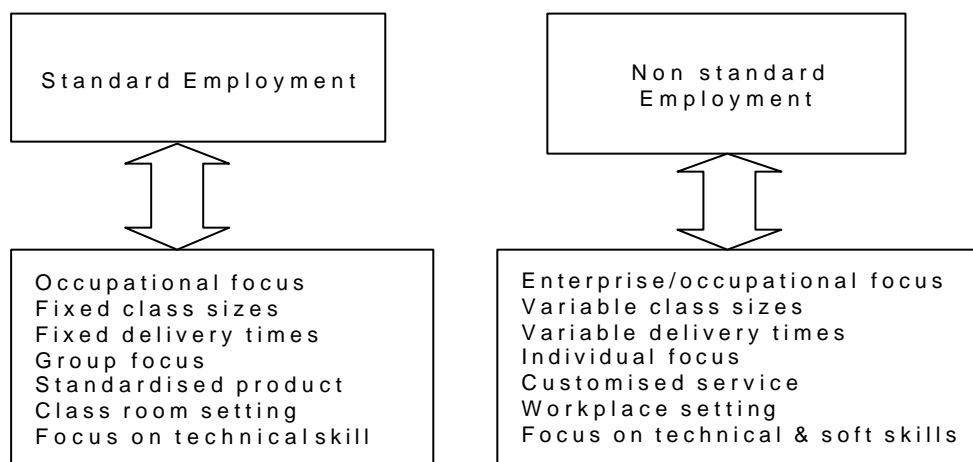
According to Marginson,

*... VET and its practitioners will need to become more global, better networked and closer to the technological edge in every industry. This is part of the 'public good' function of VET. In Australia, unlike most countries, the big firms - many of them the local branches of multinationals - tend to be weaker innovators than some of the small local firms. Yet the small firms do not have the capital they need. The role of government is therefore crucial, not least in supporting the targeted provision of general and industry training as required.*

Marginson also highlights another major challenge facing VET. This is to extend training provision to non-standard workers (See also Waterhouse, Wilson, & Ewer 1999) According to Marginson, the provision of structured training to casual workers is not only essential for equity reasons, it goes to the heart of future workforce quality (Marginson 2000, p3).

## VET and non standard work

It can be argued that much of vocational education and training provision in the past has been shaped by the requirements of standard employment arrangements. VET serviced the traditional modes of skill formation in sectors with well-defined occupations. With the growth in employment in service industries and the decline in sectors focused on routine production



activities, workforce training needs have also changed. The contrast between the training requirements of the standard and non-standard forms of employment are presented below in diagrammatic form.

The diagram above seeks, in a simplified way, to highlight the impact of standard employment arrangements has had on the shape and form of the VET system. VET is not alone in being shaped by this influence. Standard employment arrangements also influence a range of other established institutions such as the legal system, industrial awards and in the training arena, the apprenticeship system. In all these cases, efforts are been made to respond to the new, emerging forms of working. VET is no exception with its major reform program over the last decade.

However, the pace of change in terms of how people are employed including their training needs has not abated. Work is expanding in sectors that have a number of common features. These are: a strong appreciation by managers of the pressure to compete on cost and quality of product and service. Also important is a demand by high performance firms for soft skills alongside technical skills, flexible working arrangements, and a need for enterprise to pursue a cohesive strategy of ongoing change (see Robinson, 1999, p30, Smith, 1999). The challenge for

VET providers is to appreciate the breadth and depth of these changes to traditional ways of organising and delivering VET and to find ways to service emerging training needs.

## Importance of new skills

Maglen & Shah (1999) draw from their analysis of the new types of skills in demand some implications for education and training providers. They recommend that providers shift resources away from technician and trade skills training because, although important, the demand for these skills is not likely to grow significantly in the future. Maglen & Shah (1999) suggest that VET providers invest in training resources for the symbolic analytical occupations such as creative arts, media, multimedia and other forms of information technology.

Maglen & Shah (1999) also contend that the competency standards need to go beyond the basic to a level that is founded on leading edge innovation and development. However, this may not be as easy to do as it sounds. As world best practice in a new area can only be accessed through full-time research and development, it is also important that TAFE Institutes establish close links with research centres specialising, for example, in multimedia development.

*For both the universities and the TAFE/VET sector to meet the challenges of the changing patterns of employment, there needs to be clearly defined pathways between sectors and the development of imaginative co-operative programs (Maglen & Shah 1999, p46).*

A recent study of the training needs of the information technology and metal engineering industries in NSW highlighted the key role that workplace managers play in the decisions of enterprises to invest or not to invest in training (ACIRRT 1999c, p27). In the metals and engineering industry, the volatility of demand, fragmented markets and cost pressures make it very difficult for managers to make long-term investments in skill development (ACIRRT 1999c, p35). Similar cost pressures apply to IT managers (ACIRRT 1999c, p38). This often results in a reliance on narrowly focused vendor supplied training.

There is an emerging strong preference on the part of employers to use focused recruiting to find workers with the skills in demand or to hire their services through labour hire firms (ACCIRT 1999, p36, Allen Consulting Group 1999, pvii). A survey of 300 member firms of the Australian Industry Group in a range of industries showed that recruitment and training decisions are increasingly integrated (Allen Consulting Group 1999, p32). This means often testing prospective staff as part of the recruitment process to find the best people for the job.

Part of this focused approach to recruitment is an emphasis on key core, “soft” skills more than specific technical skills which can be gained through further training. These “soft” skills often refer to personal attitudes and attributes. The study also identified these “core” or basic skills (See Box 1 below).

### Generic “core” or basic skills

- Literacy and numeracy
- Information technology capability
- Understanding systems relationships
- Interpersonal or relationship skills such as communication, team working, customer focus, project & personal management
- Personal attributes such as the capacity to learn, willingness to embrace change, independent problem solving and reasoning capability, practicality and a business orientation
- Alongside these skills is a requirement for high-level technical skills specific to particular companies, jobs and

industries

Source: Allen Consulting Group 1999, pxi

A major reason for the high performance firms to invest in training is to enhance the “soft” skills of their employees (eg improve quality, implement workplace change, build commitment to the company, improve competitiveness). Technical training such as multi skilling employees and training to meet health and safety requirements is also important. However, these “hard” skills are only part of what high performance firms are looking for when they decide to fund training.

The implications for VET providers of the above findings are that many firms are selecting new employees not only on the basis of their qualifications (a necessary but not sufficient condition). Just as important is evidence of potential employee’s possession of relevant “soft” skills. The new emphasis on “soft” skills suggests a shift away from the traditional concern among employers about the primary importance of technical skills. High performance workplaces, in particular, want employees that are flexible, adaptable and capable of learning new skills while at work (Allen Consulting Group 1999, p33).

One clear implication for VET providers is the need to establish close working relationships with employers. The absence of links between enterprises and education and training providers was seen by the Australian Industry Group (AiG) companies as a major weakness of existing training arrangements (Allen Consulting Group 1999, pxiii). Recent evidence shows that many companies regard the VET system as overly complex. Fifty percent of the AiG firms surveyed (a traditional market for VET) found the VET system difficult to understand. Many firms said they felt unable to keep up with the changes (Allen Consulting Group 1999, pxiv).

The survey found that many companies pointed to their difficulty in accessing the training system as a major barrier. About one third of the firms surveyed indicated that they would do more training if they were given more assistance from people or organisations that understood their business and presented training options in a manner that is relevant to the enterprise (Allen Consulting Group 1999, pxv). Just on 60 per cent of the firms surveyed said that they would do more training if training courses were better suited to the needs of their business. Forty per cent agreed that they would offer more training for employees if training courses were more conveniently located. Just over a third of respondent firms (36 per cent) would offer more training to their employees if they were offered more choice in training programs (Allen Consulting Group 1999, pxv). An enterprise focus and flexible training provision are clearly major features that enterprises are seeking from VET providers.

Individuals, in their own right, are also an important market for VET providers. Meeting student expectations of high quality education and training is a basic requirement for VET to gain acceptance as a strong alternative to university education. Results from the 1999 Survey of Student Outcomes conducted by NCVER show that just below 40 per cent of TAFE graduates and module completers in VET rate overall quality of training as less than 8 out of 10. In

addition, the survey results showed that four out of 10 module completers nationally do not finish because of factors internal to TAFE (NCVER 2000).

The Interim Report of the *Ministerial Review of Post Compulsory Education and Training Pathways* in Victoria noted that: “Key aspects of post compulsory education are not seen by many of its participants as user friendly.” The Australia-wide 1999 Student Outcomes Survey, published by NCVER, reported that a majority of TAFE graduates were less than satisfied with the following aspects of their course: the available information about careers and jobs; student counselling services; information received when choosing training; and the handling of enquiries, enrolment, fee paying, and results (NCVER 1999, Figure 11, p 26). These results suggest that VET needs to offer high quality support services as well as high quality education content and facilities to better meet the needs of students.

Two types of flexibility are likely to be increasingly demanded of the vocational training system of the future. One can be termed context flexibility and the other temporal flexibility (See Curtain 2000). Context flexibility refers to the need for training providers to arrange for learning to take place in a range of contexts. Temporal flexibility refers to the tailoring of delivery modes, in terms of times, venue and format that will be needed to meet the requirements of an increasingly diverse group of users.

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